

JAMES IRRIGATION DISTRICT

BOARD OF DIRECTORS - REGULAR MEETING

MINUTES August 10, 2021

ATTENDANCE

DIRECTORS PRESENT

Riley Chaney, President
Jeremy Hughes, Vice-President
Robert Motte, Secretary-Treasurer
Robert Barcellos, Assessor (Arr.10:15 a.m.)
Micah Combs

EXCUSED

None

ABSENT

None

STAFF PRESENT

Manny Amorelli, General Manager
Walter Flores, Office Manager
Donna Hanneman, Executive Assistant

LANDOWNERS / GROWERS

- GRAGNANI FARMS ET AL
Jerry Gragnani

PUBLIC / CONSULTANTS

- WATER WISE
Sarah Woolf
Kristi Robinson (Zoom)
- McMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY
Matt Hurley, General Manager (Zoom)
- PROVOST & PRITCHARD CONSULTING GROUP
Eric Abrahamsen, PE (Zoom)

LEGAL COUNSEL

- YOUNG WOOLDRIDGE, LLP
Alan F. Doud, Esq. (Zoom)

I. CALL TO ORDER

A Regular Meeting of the Board of Directors of JAMES IRRIGATION DISTRICT ("JAMES ID") was held Tuesday, August 10, 2021, in the District office located at 8749 Ninth Street, San Joaquin, California. The meeting was called to order at 10:00 a.m., by President, Riley Chaney. A quorum was at all times present and acting.

This meeting was conducted in accordance with the Governor's Executive Order N-29-20 and the declared State of Emergency as a result of the threat of COVID-19 virus pandemic. Members of the public were encouraged to access the meeting via internet/Zoom or use the call-in number to allow them to fully participate in the meeting without having to be present.

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II. OTHER BUSINESS / PUBLIC COMMENTS

A. PUBLIC COMMENTS

None.

B. ADDITIONS / CORRECTIONS TO THE AGENDA

There were no corrections/additions to the Agenda.

C. POTENTIAL CONFLICTS OF INTEREST [FPPC §87105]

Directors were given an opportunity to identify potential conflicts-of-interest with items appearing on the Agenda.

- ▶ Director Robert Motte declared he had a conflict-of-interest in association with Closed Session Agenda Item X.B.4., Fresno County APN #030-370-32s, and stated he would be recusing himself from discussing and/or voting on the matter as the property in question is owned by his father's trust.

III. MINUTES

A. REGULAR MEETING: JULY 13, 2021

B. SPECIAL MEETING: JULY 28, 2021

M/S/C (M.COMBS / J.HUGHES), to APPROVE as written by the following vote:

AYES: 4 (M.Combs, J.Hughes, R.Motte, R.Chaney)

ABSENT: 1 (R.Barcellos)

IV. TREASURER'S REPORT

In accordance with Water Code §24273, Mr. Amorelli presented reports as follows:

A. FINANCIAL REPORTS

1. Interim Warrants: July 14-August 10, 2021 (Att.1)

Interim Warrants (bills paid) with supporting invoices were presented for review/approval.

M/S/C (R.MOTTE / M.COMBS), to RATIFY/APPROVE Interim Warrants totaling \$640,774.04 by the following vote:

AYES: 4 (R.Motte, M.Combs, J.Hughes, R.Chaney)

ABSENT: 1 (R.Barcellos)

2. Accounts Payable

Not available; report next meeting.

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3. Payroll Certification: Pay Periods Ending July, 2021 (Att.2)

A listing of payroll checks totaling \$77,527.69 (net) issued to employees and Board members for pay periods ending July, 2021, was reviewed and certified by the President, General Manager and Office Manager.

4. Income Statements (Budget-to-Actual): Period Ending July 31, 2021

5. Cash Position Report: July 31, 2021

6. Accounts Receivable Activity Report: July 31, 2021

B. FISCAL AUDIT: MARCH 1, 2019-FEBRUARY 28, 2020

The audit report is complete and will be presented at the next Regular Meeting.

C. ASSESSMENTS

1. Delinquencies

Most delinquencies have been corrected. Two remain and staff is working with landowners to resolve.

2. Board of Equalization Meeting

M/S/C (J.HUGHES / M.COMBS), to CONVENE AS A BOARD OF EQUALIZATION on Tuesday, September 14, 2021, from the hours of 10:00 a.m. to 12:00 p.m. to hear objections, if any, to the valuation, acreage, or any matter pertaining to the 2021-2022 District assessments. Notice will be published as prescribed by California Water Code §25550-25559 in *The West Side Advance*.

AYES: 4 (J.Hughes, M.Combs, R.Barcellos, R.Motte)

ABSENT: 1 (R.Barcellos)

V. GENERAL MANAGER'S REPORT

Mr. Amorelli presented his verbal report encompassing operations, maintenance, projects and other District matters for the month of July, 2021, as follows:

OPERATIONS

- ▶ Water Deliveries: July, 2021 - Water deliveries for the month of July were 10,810 acre-feet which is 654 acre-feet less than was delivered during July, 2020. The fiscal year-to-date total deliveries are at 36,250 acre-feet which is 1,009 acre-feet more than was delivered at this time during the last fiscal year.

- ▶ Weekly TDS Readings through August 2, 2021

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- ▶ U.S.B.R. / Central Valley Project
 - Allocations remain at zero to North- and South-of-Delta agricultural contractors.
 - Mendota Pool
 - All stored water has been utilized.
 - Hyacinth Control coordinating meeting was held August 4th and was attended by the San Luis & Delta-Mendota Water Authority, U.S. Bureau of Reclamation, County of Fresno, James ID, Tranquillity Irrigation District, and others. Grouleff Aviation may be engaged to spray herbicide by helicopter.
 - Both James ID and Tranquillity Irrigation District experienced low pool levels for a one-week period. An obstruction somewhere between Highway 180 and James ID is thought to be the cause.
 - A coordinating meeting will be held at the end of August to discuss Mendota Pool dewatering.

- ▶ San Joaquin River / Riparian
 - The District has utilized all but 100 acre-feet of its 75% allocation of 7,800 acre-feet which will be utilized for September deliveries.
 - The State Water Resources Control Board passed an emergency resolution prohibiting draws from streams/rivers in the San Joaquin and Sacramento river watersheds which goes into effect August 16th and could remain in effect for one year. Pre-1914 rights holders have not been affected as yet.

- ▶ Kings River Water Association
 - KRWA Storage Operations in Pine Flat Reservoir stands at approximately 4,400± acre-feet in the District's storage account.
 - KRWA Policy Committee met August 9th.

MAINTENANCE

- ▶ Replacement Wells - Arthur & Orum is expected to begin drilling within the next two weeks and will provide eLogs.

PROJECTS

- ▶ Solar Project: White Pine Renewables - PG&E permitting for construction of a solar array field within the K Basin Recharge facility is expected late August/early September. Once approved, construction should take 6-9 weeks.
- ▶ Southwest Groundwater Recharge Project - Mr. Amorelli has been working with Fresno Irrigation District staff on the Operations & Maintenance Agreement.

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AGENCIES

- ▶ San Luis & Delta-Mendota Water Authority (SLDMWA) met August 5th in person at their Los Banos headquarters.
- ▶ Power & Water Resources Pooling Authority (PWRPA) met August 4th.

ACTIVITIES

- ▶ James Groundwater Sustainability Agency (James GSA) met July 22nd. The Groundwater Sustainability Plan is under review by the State Water Resources Department whose findings should be available 2022.

ADMINISTRATIVE ITEMS

- ▶ ParcelQuest was investigated and subscribed to for monthly updates on property title changes, etc., for lands within the District at a cost of \$1,700 per year.
- ▶ ACH Payments are being investigated; the Auditor has also been consulted.
- ▶ Pistachio Huller, San Joaquin - The City of San Joaquin is performing a feasibility study for the construction of a pistachio huller within the City limits. They inquired if the District would be interested in utilizing their wastewater for 2 months each year; Mr. Amorelli made no commitment.

VI. SUPERINTENDENT'S REPORT

None.

VII. DIRECTORS' REPORTS

None were presented.

VIII. ACTION ITEMS

None.

IX. REPORT ITEMS

A. ASSESSMENT RATE/WATER RATE STRUCTURE REVIEW (12/13/2016)

- ▶ Mr. Amorelli met with Eric Abrahamsen, PE, Provost & Pritchard on July 20th to review the Proposition 218 process.
- ▶ Due to time constraints, a Special Meeting, has been scheduled for Monday, August 16, 2021, at 10:00 a.m., to begin the process.
- ▶ Two informational outreach meetings have been scheduled for September 15th and September 22nd. Ballots will be counted on October 12th.
- ▶ Mr. Doud advised the Engineering Report should be available August 12th.
- ▶ The Board requested Mr. Doud develop a Resolution to be presented for Board approval at the August 16th Special Meeting. A hearing must be held 45 days thereafter should the Board wish to proceed.

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Various perspectives/issues were expressed as follows:

In Opposition:

- Director Motte expressed concerns that the Board may be moving too fast. While supporting the justification for an increase in assessments, he expressed his opposition to proceeding in haste, wanting to give growers & landowners time to adjust their financial arrangements.

In Support:

- Water and assessment rate increases have been maxed per statute..
 - Inflationary pressures are mounting. Be pro-active rather than reactive.
 - PG&E has a rate increase proposal before the Public Utilities Commission.
 - Future impacts of the Groundwater Sustainability Plan are unknown at this point. Will land have to be fallowed? If so, how much?
- ▶ Education - President Chaney noted it's imperative the Board communicate with growers and landowners. Staff was requested to provide a listing of growers for Board members to contact. Board members were requested to keep a record of contacts.

B. GROWER/LANDOWNER ASSESSMENT/WATER RATE INFORMATIONAL NOTICE (08/10/2021)

A draft letter to be mailed to landowners and growers informing them of the Board's intention to seek an increase in District assessments beginning with the 2021-2022 billing was reviewed/approved. (Att.3)

C. CAPITAL IMPROVEMENT PROJECTS (07/28/2021)

Brief discussion of needed capital improvements/purchases followed. Some suggestions were:

- ▶ Replace Main Canal Boosters - Phased replacement starting with E Booster. Obtain engineering evaluation from Provost & Pritchard.
- ▶ Automation - Automate conveyance infrastructure (automate gates), SCADA, etc.
- ▶ Website development to include a grower portal for billings, payments, online ordering, water usage.
- ▶ Groundwater Well Development
- ▶ Additional Recharge Basins
- ▶ Update/Modernize Heavy Equipment

D. OFFICE EFFICIENCY (06/10/2021)

Mr. Amorelli advised he had contacted H2oPro to create a grower portal. Anticipate low demand for expense.

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E. DISTRICT ALLOCATION SCHEDULE (08/17/2006)

Briefly discussed the potential to implement allocations next year if surface water allocations are restricted. Revisit past charts. June, July, August. Enforcement. How much can we produce? Store water in the Mendota Pool if the State does not restrict. Notify growers via monthly flyer that allocations may be needed in the future.

ADJOURNED TO CLOSED SESSION AT 11:18 A.M.

Directors Attending:

Riley Chaney, President
Jeremy Hughes, Vice-President
Robert Motte, Secretary-Treasurer
Robert Barcellos, Assessor-Collector
Micah Combs, Director

Staff Attending

Manny Amorelli, General Manager

Legal Counsel

- Young Wooldridge, LLP
Alan F. Doud, Esq. (Zoom)

X. CLOSED SESSION: GOVERNMENT CODE §54956.9 - CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

4 CASES

XI. CLOSED SESSION: GOVERNMENT CODE §54956.9 - CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

A. AS DEFENDANT: 3 CASES

1. NATURAL RESOURCES DEFENSE COUNCIL, ET AL, V BERNHARDT, ET AL
U.S. District Court for the Eastern District of California
Case No. 1:5-CV-01207LJO-GSA
2. MCMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY VS. JAMES IRRIGATION DISTRICT;
JAMES GROUNDWATER SUSTAINABILITY AGENCY
Fresno County Superior Court Case No. 20CECG00507
3. CENTER FOR BIOLOGICAL DIVERSITY, RESTORE THE DELTA AND PLANNING & CONSERVATION LEAGUE V UNITED STATES BUREAU OF RECLAMATION ETAL (06/08/2021)
United States District Court, Eastern District of California
Case No. 1:20-cv-00706 DAD-EPG

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B. AS PLAINTIFF: 4 CASES

COUNSEL ALAN DOUD CITED A CONFLICT-OF-INTEREST AND WAS NOT PRESENT DURING DISCUSSION OF ITEMS 1 & 2, BELOW.

1. KINGS RIVER WATER ASSOCIATION ET AL V. JAMES VERBOON ET AL
Kings County Superior Court, Case No. 15 C0304
2. JAMES IRRIGATION DISTRICT VS. KINGS RIVER WATER ASSOCIATION ET AL
Fresno County Superior Court Case No. 19CECG00769
3. JAMES IRRIGATION DISTRICT V. WESTLANDS WATER DISTRICT
Fresno County Superior Court Case No. 20CECG00688

ALTHOUGH EARLIER DECLARING A POTENTIAL CONFLICT-OF-INTEREST, DIRECTOR ROBERT MOTTE REMAINED PRESENT AS THE FOLLOWING MATTER WAS NOT DISCUSSED.

4. FRESNO COUNTY APN 030-370-32S
Eminent Domain proceedings for District wellsite on property owned by the Frank V. Motte Testamentary Trust

C. AS INTERVENOR: 1 CASE

1. CITY OF FRESNO, ET AL V. UNITED STATES OF AMERICA
United States Court of Federal Claims, Case No. 1:16-CV-01276-MCW

XII. CLOSED SESSION: GOVERNMENT CODE §54957 - PERSONNEL MATTERS

A. OFFICE CLERK (1)

XIII. CLOSED SESSION: GOVERNMENT CODE §54957 - PUBLIC EMPLOYEE PERFORMANCE EVALUATION

A. TITLE: OFFICE MANAGER (1)

B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION: ALL POSITIONS

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XIV. CLOSED SESSION: GOVERNMENT CODE §54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATOR

A. JAMES & TRANQUILLITY NEGOTIATIONS

Negotiating Parties: James Irrigation District: General Manager/Designee

Tranquillity Irrigation District: Danny Wade

Kings River Lower River Units: Scott Sills

Under Negotiation: Price, terms & conditions of possible real property and/or water supply transactions

B. WATER BANKING & TRANSFERS (04/19/2018)

Negotiating Parties: James Irrigation District: General Manager/Designee

San Luis Water District: Lon Martin

Under Negotiation: Price, terms and conditions of possible water supply transactions.

C. FRESNO COUNTY APN 33-040-92S, 61.06 ACRES, SAN JOAQUIN, CA

Negotiating Parties: James Irrigation District: General Manager/Designee

Landowner: Jasbir S./Shinderpal K. Sran Trustees of the Jasbir S. Sran and Shinderpal K. Sran Trust of 2014 (Formerly Orlando Ranch)

Under Negotiation: Price, terms & conditions of possible real property and/or water supply transactions; Agreement Providing for Water Service Outside the Boundaries of James Irrigation District

D. FRESNO COUNTY APN 033-040-93S, 17.65 ACRES, SAN JOAQUIN, CA

Negotiating Parties: James Irrigation District: General Manager/Designee

Landowner: Jasbir S./Shinderpal K. Sran Trustees of the Jasbir S. Sran and Shinderpal K. Sran Trust of 2014 (Formerly Orlando Ranch)

Under Negotiation: Price, terms & conditions of possible real property and/or water supply transactions; Agreement Providing for Water Service Outside the Boundaries of James Irrigation District

E. FRESNO COUNTY APN 033-050-41S, SAN JOAQUIN, CA

Negotiating Parties: James Irrigation District: General Manager/Designee

Landowner: PCR Farms LLC

Under Negotiation: Price, terms & conditions of possible real property and/or water supply transactions; Agreement Providing for Water Service Outside the Boundaries of James Irrigation District

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ALTHOUGH EARLIER DECLARING A POTENTIAL CONFLICT-OF-INTEREST, DIRECTOR ROBERT MOTTE REMAINED PRESENT AS THE FOLLOWING MATTER WAS NOT DISCUSSED.

F. FRESNO COUNTY APN #030-370-32s (05/11/2021)

Negotiating Parties: James Irrigation District: General Manager/Designee

Landowner: The Frank V. Motte Testamentary Trust

Under Negotiation: Price, terms and conditions of possible real property and/or water supply transactions.

G. FRESNO COUNTY APN 030-090-24s/15.98 AC, 030-090-28s/366.07 AC (10/16/2012)

Negotiating Parties: James Irrigation District: General Manager/Designee

Landowner: Marilyn Fay Briggs, Trustee; Daniel Briggs

Under Negotiation: Price, terms and conditions of possible real property and/or water supply transactions

RECONVENED IN OPEN SESSION AT 12:25 P.M.

XV. REPORT ON ACTIONS TAKEN DURING CLOSED SESSION

There were no reportable actions taken during the Closed Session.

Discussion and actions were taken in the following manner in Open Session.

► TITLE: OFFICE CLERK (1)

1. EMPLOYEE: VERONICA MEJIA

Hired: July 30, 2021, Full-time / Temporary, Non-Exempt

Pay Rate: \$18.00/hour

► TITLE: OFFICE MANAGER (1)

1. EMPLOYEE: WALTER FLORES

Hired: February 22, 2021, Full-time / Regular Non-Exempt

Review: ►6-month: August 22, 2021

Action: M/S/C (J.HUGHES / R.MOTTE), to APPROVE A PAY INCREASE OF \$6,000.00/YEAR EFFECTIVE AUGUST 16, 2021.

AYES: 5 (J.Hughes, R.Motte, R.Barcellos, M.Combs, R.Chaney)

► PUBLIC EMPLOYEE PERFORMANCE EVALUATION: ALL POSITIONS

Action: M/S/C (J.HUGHES / R.MOTTE), to APPROVE THE DISTRICT SALARY SCHEDULE EFFECTIVE JUNE 1, 2021. (Att.4)

AYES: 5 (J.Hughes, R.Motte, R.Barcellos, M.Combs, R.Chaney)

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XVI. ADJOURN

There being no further business to come before the Board, the meeting was ADJOURNED at 12:27 p.m., until the next Special Meeting scheduled for Monday, August 16, 2021.

RECORDED BY:

APPROVED BY:

Donna Y. Hanneman, Executive Assistant

Riley Chaney, President

Manny Amorelli, General Manager

ATTACHMENTS:

1. Interim Warrants: July 14-August 10, 2021, \$640,774.04
2. Payroll Certification: Pay Periods Ending July, 2021, \$77,527.69 (net)
3. Grower/Landowner Assessment/Water Rate Informational Notice (draft)
4. Salary Schedule: June 1, 2021