

**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
ACTION SUMMARY
Regular Meeting
Friday, May 7, 2010
1633 Garden Highway
Sacramento, CA 95833**

Trustees Present: Barandas, Christophel, Gilbert, Harris, Miller, Shiels and Smith
Trustees Absent: None

Staff Attendance: General Manager Devereux, Secretary Figueroa, Superintendent Blickle and Attorney James Day

The meeting was called to order and moved to Item 4A) Flood Insurance Update – City of Sacramento

4A) Flood Insurance Update – City of Sacramento (Information)

Bill Busath from the City of Sacramento was in attendance to update the Board on the flood insurance requirements in the Natomas Basin. Many of the policy holders in the Natomas Basin are still insured under the preferred rates because of the FEMA extension. Those policies will transition into a Standard X Zone policy throughout the year as the policies come up for renewal. Mr. Busath informed the Board of the various types of policies and coverage limits available to property owners in the District and explained only those who maintained their insurance prior to the FEMA remapping were still eligible for the preferred rates. The current Natomas Levee Improvement Project schedule from SAFCA anticipates an A 99 flood zone designation is achievable by the end of 2011. They are now hoping to have that portion of the work needed for A 99 zoning to be completed by the end of 2012 so that FEMA will remap the area accordingly. The A99 zone insurance rates are the same as for the Standard X rates and will stay in place until the NLIP is completed to the 100 year level of protection and the levees are certified. At that time property owners would be eligible once again for the preferred rates. Homes that were built before September 1978 (primarily in the Gardenland area), or pre-firm homes, FEMA considers a greater risk so they are not eligible for the Standard X policy and must pay the more expensive pre-firm policy rates unless they had previously acquired a preferred risk policy prior to December 2008. The City did extensive outreach to Natomas residents, particularly the pre-firm structures.

After a lengthy discussion Mr. Busath stated that he would provide written material on the subject to the Board via General Manager Devereux.

4C) Analysis of Pump Plant Outages on Natomas Interior Floodplain

General Manager Devereux stated that Steve Sullivan and David Breinke from Mead and Hunt were in attendance to report to the Board on the results of their hydraulic modeling analysis on the effects of various pumping plant outages on the District's interior floodplain. The purpose of the analysis was to assist the District in determining priorities on pump station modifications and further levee improvements as part of SAFCA's Natomas Levee Improvement Project with the remaining funds available. No action was taken by the Board

4B) Update on Right of Way Issues for Natomas Levee Improvement Project Effecting Existing District Easements

Ralph Nevis from Day Carter Murphy informed the Board he has been handling the condemnations on property where the District has existing easements for the Natomas Levee Improvement Project since 2008, basically preserving the District's original easement (circa 1915 to 1920) on the subject properties. Attorney Day stated that SAFCA will be conveying appropriate property rights obtained for the NLIP to the District at the end of the project, with the exception of the mitigation land. The Board wanted to make sure the District was maintaining its historic easement rights, which Mr. Nevis confirmed. No action was taken by the Board.

APPROVAL OF THE MINUTES

1A) Regular Meeting, April 9, 2010

Motion by Trustee Shiels to approve the minutes of the Regular Board meeting held April 9, 2010. The motion was seconded by Trustee Harris, duly put and carried.

ADMINISTRATIVE ITEMS

2A) TREASURER'S REPORT – April, 2010

The Treasurer's Report for April 2010 is as follows:

County Treasurer- (O/M)	\$ 1,758,889.95
County Treasurer (OPEB)	\$ 912,126.00
O/M Fund – Checking	\$ 73,055.64
Designated Capital	\$ 33,271.90
LAIF (State Treas.)	\$ 697,259.05

Motion by Trustee Shiels to approve the Treasurer's reports for April 2010 as presented. Seconded by Trustee Harris, duly put and carried.

2B) EXPENDITURE REPORTS– April 2010

The expenditures for the month of March 2010 were \$397,335.00. The expenditures from various funds are as follows:

Operation and Maintenance:	\$215,723.37
Capital	\$181,611.63

No Warrants were issues.

3) COMMITTEE REPORTS

A. SAFCA Representatives

Trustee Shiels briefed the Board on his recent Cap to Cap trip as Vice Chair of the SAFCA Board. He reported things are worse in Washington than he thought and the Corps of Engineers Chiefs report will not likely be out until February. However, the likelihood of a comprehensive Water Resources Development Act Bill is also very slim. Congresswoman Matsui intends to submit a stand-alone bill to authorize the Natomas Levee Improvement Project assuming no WRDA bill. He reported the Vegetation Variance policy drafted by Tim Washburn has been submitted to the Corps of Engineers and negotiations are under way for its inclusion in the eventual Natomas authorization vehicle. Trustee Smith stated that the updates from Stein Buer on the action in Washington are helpful, but the Board might want to get updates from the National level. Trustee Harris stated that he would like to hear directly from the lobbyists in Washington, when they are in the area.

Trustee Shiels stated the NLIP may be completed by 2015 at the earliest based on current schedules and projections. As for achieving an A-99 Flood zone designation (which allows development), no one is sure at this time how FEMA will interpret 50% completion bench mark. Trustee Shiels stated the current SAFCA budget includes the replacement of Plant 2 but assumes significant cost sharing from FEMA through the District's disaster assistance claim from the 2006 flood emergency. Trustee Miller stated

he is concerned with leaving the pumping plant improvements to the Corps of Engineers and would like to see an agreement in place with SAFCA that if the Corps of Engineers does not make the necessary improvements, SAFCA will, as previously suggested by General Manager Devereux.

The SAFCA Board awarded the contract for Phase 3B which extends just south of I-5 and is a two-year contract. The contract to complete improvements through Section 12B is planned to be advertised in August. SAFCA has hired an assistant Executive Director to assist Stein Buer.

B. Executive Committee

Trustee Christophel informed the Board the Executive Committee, with Trustee Harris in attendance, met to review the agenda and discussed SAFCA and the NLIP.

C. Personnel Committee

The Personnel Committee met to discuss employee wages and benefits for the 2010/2011 Budget year. The Committee recommended 5% salary increases to the three entry level positions and no increases for the remainder of the staff. The Personnel Committee will conduct the General Managers annual evaluation and once that process is complete will consider a salary adjustment.

D. Operations Committee

Trustee Barandas informed the Board that the Operations Committee met to review the 2010/2011 Proposed Budget and is in agreement with staffs proposed budget. The committee also discussed the reserve funds and potential back up power for the pumping plants. GM Devereux stated that any back up power would be portable and the District can pay a non-refundable deposit to reserve a generator (s) in case of a potential emergency situation if it was deemed necessary.

4D) County of Sacramento Treasury Oversight Committee Special District Representative Election

The Board elected to take no action on this item.

4E). County of Sacramento Operational Area Agreement

General Manager Devereux stated that in 1995 the District signed an Operational Area agreement with Sacramento County and the City of Sacramento as co-lead agencies. Since that time several new cities have been created and the County has determined that a new Operational Area Agreement needs to be adopted with the County acting as the sole lead agency. GM Devereux stated that while the District is a part of the Operational Area Agreement, as a Flood Control Agency our emergency operations are conducted a little different. The District goes directly to the Department of Water Resources and the Corps of Engineers in a flood emergency, though we are obligated by statute to also coordinate with the Operational Area which the District complies.

After discussion it was moved by Trustee Shiels to adopt the resolution as drafted by staff to execute the County of Sacramento Operational Area Agreement. The motion was seconded by Trustee Smith, duly put and carried.

4F) Proposed SAFCA Joint Powers Authority Agreement Amendment

Attorney Day stated that part of the Operation, Maintenance, Repair, Rehabilitation and Reconstruction (OMRR & R) agreement with the State includes an agreement that SAFCA, in addition to the District, indemnify the State. Members of the Central Valley Flood Control Board were concerned that JPA's could dissolve rendering their indemnification useless. They are requiring JPA's amend their formation documents so they will not dissolve as long as there are outstanding obligations to the State. An amendment to the JPA is being drafted and will be brought to the Board for approval at a future meeting.

4G) GM Quarterly Evaluation

Trustee Harris stated that the Personnel Committee met with the General Manager for his quarterly performance evaluation. Trustee Harris will be emailing the annual performance evaluation to the Trustees and would like to receive those evaluations back within two weeks. His intention is to compile the evaluations and prepare them for the next Board meeting.

Trustee Christophel stated that the matrix prepared by the General Manager is getting pretty detailed and he would like to ensure it is not getting too involved.

Trustee Harris stated the purpose of the matrix was to keep Trustees apprised of the General Manager's activities so they can better evaluate his performance.

4H) Draft Flood Emergency Response Plan

General Manager Devereux included a Draft Flood Emergency Response Plan based on the District's historical actions during a flood event with modifications from both the District Superintendent and District Counsel. This Plan is intended to serve as a guideline only noting that each emergency situation is unique. Legislation now requires that in order to get funds for emergency work the District must have a written Emergency Response Plan. This is for information purposes only at this time.

5) GENERAL MANAGER'S REPORT

A. Regional Flood Control Issues

General Manager Devereux stated he had nothing more to report on this item at this time.

B. Encroachment Permit Applications Endorsed

General Manager Devereux stated that he endorsed one application for an encroachment permit for structural repairs to the foundation of an existing home at 10005 Garden Highway. A copy of the permit endorsement and conditions have been included in the Board packet.

C. Status Site R1 (District Office) Levee Remediation and Disposition of Existing Culverts

General Manager Devereux informed the Board that the Corps of Engineers has some questions on the integrity of the slurry wall installed last year in front of the office. The last boring they did to test the wall came back good, but they still have some concerns with leaving the existing Plant 1A culverts through the levee below the design water surface elevation.

D. Status of Natomas Mutual Water Company Agreement

General Manager Devereux stated that there has been some progress. Attorney Day stated he has shared the draft agreement with Kevin O'Brien, General Counsel for the Water Company but has not heard back from him yet. He will contact Mr. O'Brien and determine if we have an agreement ready for execution.

E. Draft Mutual Aid Agreement with City of Sacramento

The Draft agreement is currently with the City Attorney.

F. Central Valley Flood Protection Board Enforcement Actions

The CVFPB has created a section to enforce removal or remediation of unauthorized encroachments. They have chosen two encroachments in the District to take action. The first is the unauthorized encroachment (culvert crossing) on the NEMDC (Shelley property) near the County Line. The District is authorized to remove the culvert if the property owner does not comply; however staff has some concerns with cutting off the tenants' access to the property. The second unauthorized encroachment is at 2817 Garden Highway and involves a storage shed cut into the levee. The State has issued a letter to the property owner to remove the unauthorized encroachment. GM Devereux met with the property owners and representatives of the CVFPB to discuss remediation

for the unauthorized encroachment. GM Devereux informed the property owner he has three options; 1) comply with the CVFPB letter and remove the encroachment and repair the levee, 2) move the encroachment and do the work necessary to repair the levee and get a permit for the encroachment or 3) appeal to the CVFPB to allow the encroachment, in which case the District would oppose. GM Devereux stated he believes the property owner will apply for a permit to move the encroachment and repair the levee.

6.) District Counsel Report

Attorney Days informed the Board his firm has spent time the past month on the following: SAFCA condemnation, Natomas Central Mutual Water Company agreement, excavator purchase issues, and review of the SAFCA JPA amendment.

7.) Superintendent's Report

Superintendent Blickle reported that Warren Shelley has been evicted from the property purchased by SAFCA but the last few days has continued to trespass and shut the project down. SAFCA hired Stacy Brookman (the District's private security officer) to keep Mr. Shelley off the property. Today Mr. Shelley used a forklift to crash a District gates to gain access to the property. SAFCA's contractor will repair the gate.

Staff has been removing silt from the East Drain with a rental long stick excavator and mowing the levees along the Garden Highway. Additionally, the spring spraying of the ditches has begun. A new crossing was installed in the H-1 Drain. The levee project in the north has started and the crew has started stripping the levee. Spoil has been knocked down on the Natomas Cross Canal and the road bladed.

There being no further business to come before the Board, the meeting was adjourned.

President

Secretary