

**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
ACTION SUMMARY
Regular Meeting
Friday, July 9, 2010
1633 Garden Highway
Sacramento, CA 95833**

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

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

APPROVAL OF THE MINUTES

1A) Regular Meeting, June 4, 2010

Motion by Trustee Shiels to approve the minutes of the Regular Board meeting held June 4, 2010. The motion was seconded by Barandas, duly put and carried.

ADMINISTRATIVE ITEMS

2A) TREASURER'S REPORT – June 2010

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

County Treasurer- (O/M)	\$ 2,274,963.05
County Treasurer (OPEB)	\$ 914,089.00
O/M Fund – Checking	\$ 189,957.86
Designated Capital	\$ 933,312.70
LAIF (State Treas.)	\$ 698,216.92

Secretary Figueroa reported that 2nd Installment collections have been received and recorded by the Sacramento County Tax Collector. Sutter County 2nd Installments have not yet been reported but Secretary Figueroa estimates that the end of the final accounting period for June 30, 2010, the District will have approximately \$70,000 in delinquencies, which is average each year. These delinquencies are generally collected via the Teeter Plan with Sacramento County in December or January of each year. The District year end projections are on target at this time.

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

2B) EXPENDITURE REPORTS– June 2010

The expenditures for the month of June 2010 were \$161,921.71. The expenditures from various funds are as follows:

Operation and Maintenance: \$161,921.71

Warrants 7329 & 7330 were issued in the amount of \$200,000.00

3) COMMITTEE REPORTS

A. SAFCA Representatives

Trustee's Shiels and Smith deferred reporting on SAFCA activities to the Stein Buer and SAFCA staff in attendance.

B. Executive Committee

Trustee Christophel informed the Board that the Executive Committee met to review the agenda and discussed the status of the NLIP.

4.) PUBLIC HEARING

Trustee Christophel opened the Public Hearing to take comment on the District's adoption of the proposed assessment rate for 2010-2011. No member of the public asked to speak on this item and the Public Hearing was closed.

5A) Adopt 2010-2011 Assessment Resolution 2010-07

After holding a Public Hearing it was moved by Trustee Miller to adopt Resolution 2010-07 setting the assessment rate at \$0.75 per 100 dollars of assessed value as prepared by Staff. Seconded by Trustee Shiels, duly put and carried. Said Resolution being made a part of these minutes.

5B) Update Natomas Levee Improvement Project (SAFCA)

General Manager Devereux informed the Board SAFCA's Executive Director Stein Buer, Director of Engineering John Bassett and the new Assistant Executive Director Rick Johnson along with Barbara Gualco, a SAFCA public relations consultant were in attendance to update the Board on the status of the NLIP and answer questions.

Mr. Bassett reviewed the completed and current construction projects with the Board. There are four construction contracts underway at this time, two with Teichert, Independent and Nordic. Nordic Construction is doing preparatory work in reaches 5A to 9B along the Sacramento River (north of Elverta Road to just south of Interstate 5). They are awaiting approval of their safety plan from the FAA to work on the airport property. In addition, Nordic will be completing the levee work on the NCC from east of Highway 99 to Howsley Road. Independent Construction continues working on reaches 2 through 5A also along the Sacramento River (just south of the NCC to north of Elverta Road near RM 75). Teichert is completing work on the NCC preparing it for grasslands and is doing relocation work near Elkhorn Blvd.

Mr. Buer informed the Board that he is preparing a new packet for the SAFCA Board with a current project status update but it was not ready for this morning's meeting. Mr. Buer stated that if there was interest in touring the current construction projects that would be arranged. Mr. Buer then provided the Board an extensive update of the management, planning and financing aspects of the project.

On the construction side, SAFCA anticipates awarding the next contract at the November SAFCA Board meeting which includes work along the Sacramento River levee from south of Interstate 5 to south of Powerline Road. SAFCA is working with the Corps of Engineers to assemble all the Federal Permits required and are reasonably confident they will be successful. The budget for the overall project being constructed by SAFCA is \$354 million which includes \$240 million from the State. This will only allow for construction to approximately Powerline Road. Mr. Buer is keenly aware of our District's interest to include reconstruction of Plant 2 as part of the SAFCA project. He is hopeful that if we receive good bids and our District is able to secure funds through FEMA as part of the 2006 flood emergency reimbursement Plant 2 could be included in the project.

He next addressed SAFCA's efforts to transition construction of the remaining project elements to the Corps of Engineers. The first milestone is to get the project federally authorized to allow the Corps to seek construction funding. SAFCA worked with the Corps of Engineers to pull the NLIP out of the larger American River General Reevaluation Report. The Corps agreed and a Post Authorization Change Report (PACR) is being prepared to address only the Natomas features. SAFCA is working with the Corps of Engineers to complete the PACR in time for Congress to authorize the project in 2010. One of the last hurdles was recently overcome when the Corps Headquarters recently approved the vegetation variance request submitted by SAFCA and the Central Valley Flood Protection Board. This allows for

most of the waterside vegetation along the Sacramento River to remain. Because of the Corps' complicated planning guidelines, several reaches of the project could not be economically justified on an incremental basis and are not included in the final project. SAFCA has decided to continue the study without these elements to keep the study on schedule for authorization and will work with the Corps to get these other elements included subsequent to authorization. This could affect the goal of reaching an A99 status by 2011 since one of the key findings is that the project is fully authorized.

The EIS/EIR for the PACR has been released to the public and several public workshops are scheduled to allow public input. The goal is to have a final Chief's Report by the end of the year. Congress can act before the Chief's Report is completed as long as the report is completed in the same calendar year. If the project gets authorized in 2010, the Corps believes it can be under construction with elements of the project by 2012...

Mr. Rick Johnson, the Assistant Executive Director of SAFCA updated the Board on the status of the Folsom Dam Joint Federal Project being constructed by the Corps of Engineers and Bureau of Reclamation.

5C) Amendment to the SAFCA Joint Powers Agency Agreement

At the last Board meeting the General Manager presented a draft amendment to the SAFCA Joint Powers Authority (JPA) Agreement proposed by SAFCA. The amendment was in response to concerns of the Central Valley Flood Protection Board for long term assurances on indemnification. The amendment requires that SAFCA cannot be dissolved so long as there was an outstanding obligation to the State unless all 5 members of the JPA were willing to accept those obligations.

After discussion it was moved by Trustee Harris to approve the proposed amendment to the SAFCA JPA as presented. The motion was seconded by Trustee Shiels, duly put and carried.

5D) CalTrans – I-80 – NEMDC Crossing for new HOV lanes – Temporary Construction Easement

General Manager Devereux informed the Board that CalTrans has requested a Temporary Construction Easement on District property in order to facilitate the construction of the HOV lanes on I-80 over the Natomas East Main Drainage Canal (NEMDC). GM Devereux has worked with CalTrans, the Corps of Engineers and the staff at CVFPB on the technical aspects of the project. It is a good design and includes rocking the slope of the levee to mitigate for any erosion from the new pier work. In order to do the project they need a temporary construction easement to access the site across District property and to construct inside the canal, also in District ownership. They have appraised the value of the TCE at approximately \$29,000. GM Devereux stated he endorsed the encroachment permit for the project last week and it will be heard at the July meeting of the CVFPB.

A discussion was held regarding a possible conflict with the NLIP if the CalTrans project is not complete prior to the Corps beginning work on the NEMDC. After discussion the General Manager was directed to add to a condition to exhibit B of the Temporary Construction Easement that would ensure that the Cal Trans project could not interfere with the NLIP.

Motion by Trustee Miller to approve the proposed Temporary Construction Easement for the Cal Trans I-80 HOV lane project with the aforementioned condition added to Exhibit B. The motion was seconded by Trustee Smith, duly put and carried.

5E) Cal Trans Utility Agreement – Hwy 99/Reigo Road Interchange

General Manager Devereux informed the Board that he has the final Utility Agreement for the CalTrans project at Hwy 99 and Reigo Road. The District's canals will need to be relocated and by agreement Cal Trans will relocate the District's facility at their cost. The District's General Manager and District Counsel were actively involved in negotiating the terms of the agreement. The District will review, approve and monitor the relocation of District facilities and be reimbursed for the work by our consultant

Mead and Hunt to assist in these efforts.

Motion by Trustee Shiels to approve the Cal Trans Utility Agreement for the Hwy99/Reigo Road interchange and relocation of District facilities as outlined by staff. The motion was seconded by Trustee Barandas, duly put and carried.

5F) CSDA Board Elections

The Board took no action on this item.

6) 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 since the report by SAFCA representatives was complete.

B. Encroachment Permit Applications Endorsed

General Manager Devereux stated he endorsed one encroachment application from CalTrans for the I-80 Bridge over the Natomas East Main Drainage Canal. A copy of the endorsement and conditions was provided to the Board.

C. Status of Natomas Mutual Water Company Agreement

Attorney Day informed the Board that he has sent the modifications to the draft agreement to Kevin O'Brian, Counsel for the Natomas Mutual Water Company (NMWC). Mr. O'Brian informed Attorney Day he believed the agreement was acceptable but he would need to meet with Dee Swearingen, the NMWC's Manager to review it. They were supposed to meet yesterday but Mr. Swearingen cancelled the meeting and it is rescheduled to Monday, July 12. General Manager Devereux stated he has spoken with Mr. Swearingen, but was unable to get a verbal commitment on the agreement from him.

Attorney Day recommended the Board wait and see what happens after Mr. O'Brian's meeting with Mr. Swearingen on Monday. If the meeting does not occur or it appears Mr. Swearingen is still reluctant to sign the agreement Board President Christophel can contact Dan Spangler President of the NMWC Board and a letter be sent to them stating that this Board intends to terminate the Water Company's use of District facilities following this growing season unless an agreement is approved.

D. Status Central Valley Flood Protection Board Enforcement Actions

General Manager Devereux informed the Board the unauthorized encroachment on the Sieglitz property is tentatively on the CVFPB agenda for July 23. Initially Mr. Seiglitz appeared to be prepared to submit a permit application for the unauthorized encroachment; apparently he has decided to fight the enforcement action instead and requested a hearing before the CVFPB.

E. Komatsu Excavator

General Manager Devereux informed the Board the new coupler has been delivered to the West Sacramento facility and installed. District Foreman Don Caldwell operated the equipment and it appears to be functioning properly and the bucket can fully curl without losing its load.

F. Sacramento County Grand Jury Findings/Response

General Manager Devereux informed the Board the District has received a copy of the draft Grand Jury report on Special District's. Thirty one Independent Special Districts were sent questionnaires by the Grand Jury for this report. The Grand Jury has a list findings and recommendations and the District will need to submit a formal response by September 30. Some of the issues in the report were pension issues, Trustee/Director compensation, employee benefits and contracting or purchasing policies.

Trustee Shiels stated that the Main Drain clean up is schedule for August. Ray Tretheway had indicated that the City would fund liability insurance if the District could acquire it provided the cost was not too high. Staff was directed to contact the District Broker and find out what the cost of liability for the one day event with volunteers1 day of volunteers would be.

6.) District Counsel Report

Attorney Day informed the Board he and his staff have worked on the SAFCA condemnation issues, the Natomas Mutual Water Company agreement, the Ramos Oil request that came to the Board last month, the MOU with SAFCA regarding the District's pumping plants, the JPA Amendment and the Cal Trans easement and utility agreement.

Superintendent's Report

No report was presented.

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

President

Secretary