

**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
ACTION SUMMARY
Regular Meeting
Friday, November 11, 2011
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 Day

APPROVAL OF THE MINUTES

1A) Regular Meeting October 14, 2011

Motion by Trustee Shiels to approve the minutes of the Regular Board meeting held October 14, 2011 as presented. The motion was seconded by Trustee Smith, duly put and carried.

ADMINISTRATIVE ITEMS

2A) TREASURER'S REPORT – October 2011

The Treasurer's Report for October 2011 is as follows:

County Treasurer- (O/M)	\$ 2,428,455.12
County Treasurer (OPEB)	\$ 422,217.00
O/M Fund – Checking	\$ 172,246.21
Designated Capital	\$ 746,044.35
LAIF (State Treas.)	\$ 202,601.74

Motion by Trustee Harris to approve the Treasurer's report for October 2011 as presented. Seconded by Trustee Barandas, duly put and carried.

2B) EXPENDITURE REPORTS – October 2011

The expenditures for the month of September 2011 were \$372,320.81. The expenditures from various funds are as follows:

Operation and Maintenance:	\$239,805.18
Internal Service Fund (OPEB)	\$132,515.63

Warrants 7357 and 7358 were issued in the amount of \$200,000.00.

3) COMMITTEE REPORTS

A. SAFCA Representative s

Trustee Shiels informed the Board the SAFCA Executive Committee met on November 3rd. He reported the Corps of Engineers is not going to rescind their certification of the levees outside of Natomas for two years. An issue for all the levees is encroachments and vegetation. Tim Washburn has been working with the state on the funding limits for

the Natomas Levee Improvement Project (NLIP). The Proposition 1E funds are limited to \$200 million per project. If the NLIP is segmented such as 100-year improvement and 200-year improvements it will allow the State to contribute more than \$200 million total and fully share in all of the project costs. The General Re-evaluation Report (GRR) for the remaining work in Sacramento outside Natomas is behind schedule and the Joint Federal Project (JFP) improvements at Folsom have some issues.

He reported SAFCA is considering selling Bonds in 2012 which should allow the NLIP project to continue until 2015. According to SAFCA staff the construction component for A99 flood designation has been met; however, the project still needs to be authorized by Congress before the A99 are fully met. Senator's Boxer and Feinstein have jointly authored legislation to authorize the NLIP to complement the bill previously introduced by Congresswoman Matsui in the House.

B. Executive Committee

The Executive Committee met to review the agenda for the November 11, 2011 Board meeting. In attendance were Trustees Christophel, Shiels and Harris and General Manager Devereux.

C. Personnel Committee

The Personnel Committee met to review and finalize the General Manager's Goals and objectives for the year. A copy of the goals and objectives is included in the Board packet. In attendance were Trustees Harris, Shiels and Barandas and General Manager Devereux.

D. Urbanization Committee

The Urbanization Committee met to discuss the distribution of the District's Centennial Book. Copies will be donated to school libraries, and elected officials as well as current staff and board and prior staff and board. Copies will be available for purchase at \$20 a copy. Per Counsel donating some of the books is not a gift of public funds but a public education and public relations effort to inform the public about the services the District has done and continues to provide in Natomas. In attendance were Trustees Smith, Shiels and Miller and GM Devereux.

E. Finance Committee

The Finance Committee met with staff and the auditor to review the 2010-2011 Audited Financial statements. The Committee discussed a formal capitalization policy for the NLIP infrastructure project and will meet to formalize a policy prior to the audit for 2011-2012. Trustee Gilbert stated the Committee also discussed sending out an RFP for auditing services as this is Cropper Accountancy's fifth year. However, after reconsidering Trustee Gilbert would like to propose extending the contract with Cropper for two more years. Staff was directed to request a cost quote from Cropper to extend the contract for audit services for an additional two years and to request a copy of the most recent Peer Review for Cropper.

4A) Adopt 2010-2011 Audited Financial Statements

Trustee Gilbert informed the Board that the Finance Committee met and reviewed the audited financial statements for 2010-2011 and is recommending adopting of the Financial Statements.

After discussion it was moved by Trustee Shiels to adopt the 2010-2011 Financial Statements as presented. The motion was seconded by Trustee Harris, duly put and carried. Said Financial Statements have been made a part of these minutes.

4C) Bid for Generator Purchase at Plant 1B

General Manager Devereux informed the Board the District solicited bids for the purchase of a 2.5 Mega-watt diesel generator for Plant 1B. The generator is part of the North Natomas Drainage Improvements funded by the City of Sacramento previously deferred and will provide

emergency power to continue pumping in the event we lose electric service to the plant. One bid was received from Holt of California. Enclosed in the Board packet is a letter from Steve Sullivan of Mead and Hunt on his recommendation. GM Devereux concurs with Mr. Sullivan. Mr. Sullivan is in attendance to answer any questions concerning the bid and or generator.

Trustee Gilbert stated he was surprised there was only one bid. Mr. Sullivan stated it is not surprising as this is a specialized piece of equipment for the location. The request for bids was forwarded to local suppliers who provide this type of equipment, was advertised in the Daily Recorder and sent to plan houses both locally and throughout northern California. GM Devereux confirmed he received numerous inquiries from plan houses in Sacramento and the Bay Area during the bidding process.

After discussion it was moved by Trustee Harris to authorize the General Manager to contract for purchase of the generator. The motion was seconded by Trustee Barandas, duly put and carried.

4B) Mitigation Land Hunting Lease – Yolo County

General Manager Devereux informed the Board the District and Reclamation District 900 jointly own, operate and maintain a mitigation site in Yolo County for work done in our respective districts during the Sacramento Urban Area Levee Reconstruction Project done by the Corps of Engineers in the 1990's. For the past ten years we have approved a hunting lease with a local property owner adjacent to the mitigation property for their private use. The lessee pays an annual fee and in addition provides security, weed management and maintains the access roads in the site. The lease is up for renewal and the lessee would like to extend the lease for five more years. Staff noted this is not a commercial lease and is for the benefit of the lessee and their limited guests. After discussion it was moved by Trustee Miller to extend the lease for five years as presented and authorize the General Manager to execute the lease. The motion was seconded by Trustee Shiels, duly put and carried.

4D) Adoption of Levee Access Policy

General Manager Devereux informed the Board he has drafted a Levee Access Policy pursuant to the recommendations of the Urban Committee for Board review. The proposed policy would prohibit vehicular access to the levees and canals. It also directs staff to post the District's facilities with No Trespassing which would be enforced as necessary to allow the District to perform its operation and maintenance responsibilities. After discussion GM Devereux was directed to modify the policy based on the Board's input and bring it back for adoption at the next meeting.

4E) Pleasant Grove Creek Canal Levees Insurance Coverage

General Manager Devereux informed the Board our insurance underwriter hired a local engineering firm (Wood Rodgers) to inspect the District's non-Project levees in the Pleasant Grove Area. GM Devereux reviewed the recommendations made by Wood Rogers and submitted his response to the insurance carrier. The carrier has continued coverage of the Pleasant Grove Levees for 60 days under the new insurance policy which started on 10/15. They will review the recommendations and the GM's response to determine if coverage will be offered on those particular levees beyond 60 days. The General Manager's response was that it was not reasonable to invest the amount of money in the levees that the Wood Rogers recommendations would require.

4F) Resolution 2011-0745 – Sacramento County Board of Supervisors – Appointment of Trustees to Reclamation District No. 1000

General Manager Devereux informed the Board a copy of the Resolution adopted by the Sacramento County Board of Supervisors appointing Trustees Harris, Barandas and Smith to 4 year terms has been provided in the Board packet. The next election will be in 2013 for the four land assessment seats.

5) GENERAL MANAGER'S REPORT

A. Regional Flood Control Issues

General Manager Devereux indicated Trustee Shiels has spoken to most to the current regional flood control issues. Senator's Boxer and Feinstein are working on legislation for the Natomas project; though there is no expectation the legislation will go anywhere it shows their support of the project. SAFCA is looking at selling bonds in mid – 2012, enough to keep the project going until 2015. SAFCA is currently dealing with the State on how much of the Prop 1E money is available for the NLIP.

B. Flood Season Update

GM Devereux informed the Board the long range weather calls for equal chances of wet and dry as we are still in a La Nina pattern. The next 7 days look to be drier than normal and the following 7 days wetter than normal. The reservoirs are currently lower than required for flood storage at this time of year.

C. Status – SAFCA's Natomas Levee Improvement Project (NLIP)

Nothing more to report at this time.

D. Encroachment Permits Endorsed

General Manager Devereux informed the Board he has not approved any encroachments since the last Board meeting.

E. Status of Plant 2 FEMA Agreement

General Manager Devereux stated that the local FEMA reviewer for the Plant 2 replacement project has completed his review and his questions have been answered. He will be writing his report and recommendation and sending it for internal FEMA review. GM Devereux hopes Plant 2 can be built next year.

F. Special Board Meeting with SAFCA's Washington DC representative – 11-14-11

General Manager Devereux informed the Board the Special Board meeting to meet with the SAFCA Washington Lobbyist will be held on Monday, November 14, 2011 at 4 pm. Trustees Miller and Smith stated they could not attend.

G. Report on Open House/Book

General Manager Devereux noted the recent open house to celebrate the District's centennial anniversary was a success and those in attendance were pleased with the event. GM Devereux consulted with counsel and has been advised it is not a gift of public funds to use the District's Centennial book for public relations and donating copies to schools, libraries and public officials. Additionally, staff, trustees and those who help with the book will be given copies. Excess books will be sold for \$20 a copy.

6.) District Counsel Report

Attorney Day stated that his firm spent .5 hours on SAFCA eminent domain issues; 4.7 hours on the truck chassis bid process; 1.0 hours on the draft policy for levee access; 5.2 hours on the emergency levee repair mitigation plans; 1.0 hours on review and modification of drainage easements; and 1.2 hours reviewing the Boyd litigation.

7.) Superintendent's Report

Superintendent Bickle reported pump #3 and been reinstalled at Plant 8. The crew has been mowing the interior drainage system. Time was spent over the weekend helping Sacramento Police in their search for a missing teenage. Staff mowed the area along the canal in the area to help with the search. District staff and our contractor completed the copper and glyphosate application to the canals to control the vegetation and improve the hydraulics. Nordic has topped out the levee almost to Bayou Road and has paved the Elverta Road and Teal Bend intersections with Garden Highway and are working on the Elkhorn Boulevard intersection. Sukat has topped out the levee from I-5 south. There are low spots left in the levee for drains to be installed and

the discharge for Plant 5 needs to be reconstructed. Restoration Resources is seeding the levees to RM 75.1.

Closed Session

The Board convened in closed session to confer with counsel on existing litigation, (Boyd vs. The City of Sacramento et al.).

The Closed session was adjourned and the regular meeting reconvened. President Christophel announced that no action was taken during the closed session.

Trustee Smith stated that he would like a security analysis of the District done in the near future. GM Devereux stated a consultant could be hired to conduct the analysis.

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

President

Secretary