

**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
ACTION SUMMARY
Regular Meeting
Friday, August 12, 2011
1633 Garden Highway
Sacramento, CA 95833**

Trustees Present: Barandas, Christophel, Harris, Miller, Shiels and Smith
Trustees Absent: Gilbert

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

President Christophel moved to Item 4F on the agenda to accommodate the members of the public in attendance to address the item.

4F) Encroachment Permit – Addition at 7021 Garden Hwy and Variance Request to 65 foot setback from Levee Centerline

General Manager Devereux informed the Board he received an encroachment permit application to add additional living space and a garage to an existing structure at 7021 Garden Highway. The garage portion of the addition is proposed to extend within the 65' foot setback from the centerline of Garden Highway. Title 23 requires structures be a minimum of 65' from the centerline of the existing levee. This property is in the area where the new adjacent levee has been completed, however Title 23 has not been changed and the set back remains 65' from the centerline of the existing levee (Garden Highway). The applicant has done a hydraulic analysis to demonstrate the proposed encroachment will not have an impact on the water surface elevation.

Cynthia Easton the architect for the project addressed the Board. Ms. Easton stated that the owners plan to live the rest of their lives in the home and therefore wanted it remodeled to accommodate future lifestyle changes such as wider doorways for potential wheelchair access. The proposed garage portion was similarly enlarged to accommodate lifestyle changes which resulted in the wall encroaching between 1.5 and 3 feet closer than the 65' setback. The foundation of the garage will not encroach, only a small over hang. The property owner, Dan Pellissier addressed the Board and requested the Board grant the variance since the new adjacent levee will likely be considered the levee under Title 23 at some point. Mr. Pellissier stated the proposed structure does not encroach at all when you consider the new adjacent levee.

General Manager Devereux recommended that as with previous requests for a variance the Board approves the application for a permit and endorses it with conditions, one being that the property owner must comply with Title 23 unless the Central Valley Flood Protection Board grants a variance.

A discussion ensued and it was moved by Trustee Shiels to authorize the General Manager to endorse the permit application with the conditions as proposed by staff , specifically that Title 23 must be complied with unless the Central Valley Flood Projection Board grants a variance. The motion was seconded by Trustee Harris, duly put and carried.

APPROVAL OF THE MINUTES

1A) Regular Meeting July 8, 2011

Motion by Trustee Barandas to approve the minutes of the Regular Board meeting held July 8, 2011 as presented. The motion was seconded by Trustee Shiels, duly put and carried.

ADMINISTRATIVE ITEMS

2A) TREASURER'S REPORT – July 2011

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

County Treasurer- (O/M)	\$ 3,025,590.96
County Treasurer (OPEB)	\$ 921,551.10
O/M Fund – Checking	\$ 179,370.26
Designated Capital	\$ 396,598.06
LAIF (State Treas.)	\$ 701,768.88

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

2B) EXPENDITURE REPORTS - July 2011

The expenditures for the month of July 2011 were \$182,196.04. The expenditures from various funds are as follows:

Operation and Maintenance: \$182,196.04

Warrants 7353 & 7354 were issued in the amount of \$200,000

2C) Electronic Files Update

District Secretary Figueroa informed the Board the scanning of documents has been completed except for the Board Meeting Minutes. Staff has begun scanning the unbound minutes and will send the bound minutes out for scanning once it is determined which of the bound copies is in better condition and will be retained. Once the minutes are unbound and send for scanning it is impossible to have them rebound. Staff wants to make sure the best Bound copies are retained for our historical records.

3) COMMITTEE REPORTS

A. SAFCA Representatives

Trustee Shiels stated construction on the Joint Federal Project at Folsom Dam is moving forward they are trying to get the project back on its original schedule. On the South Sacramento Streams Project, the railroad right of way negotiations with Union Pacific are complete and the Corps of Engineers will let the next construction contract at the end of September. The General Re-evaluation Report (GRR) is moving along, phase F3 will be complete in September and the GRR is scheduled to be complete in 2014. A major issue for all flood control projects, however, is the federal debt ceiling agreement – everything is on the table including infrastructure. The federal government is looking for \$917 billion in cuts to federal programs across the nation.

SAFCA is still trying to get an authorization for the Natomas portion of the GRR; there are three flood control projects across the nation with Chief's reports but the federal government is not funding any new projects. Revised Corps regulations will not allow credit for flood control projects initiated prior to federal authorization; this does not apply to the NLIP project as SAFCA has a Section 104 credit letter issued prior to the new regulations

On the NLIP project status; Independent Construction should be done with their phase at the end of August. Nordic is 2 or 3 weeks behind schedule but will complete the levee to grade by the end of October. Nordic wants a significant increase to dig the Giant Garter Snake Canal (GGS) because of high groundwater. SAFCA may negotiate this out of their contract and have the work done next year under more favorable conditions. Trustee Smith stated that they could dredge instead of excavate; the GGS canal if groundwater conditions do not improve. Trustee Smith also stated that they are still waiting on the State's new urban levee policy which could have significant financial impacts predominantly outside Natomas.

B. Personnel Committee

The Personnel Committee met twice. The first meeting was to finalize the General Manager's annual evaluation and the second meeting was to review the General Manager's Goal and Objectives for the upcoming year. Trustees in attendance were Trustee's Harris, Barandas and Shiels.

C. Finance Committee

The Finance Committee met to review the new actuarial valuation for OPEB and make a recommendation on joining a Trust to pre-fund OPEB benefits. This item is schedule for action later on this agenda. Trustees in attendance were Trustees Gilbert, Harris and Miller.

D. Executive Committee

The Executive Committee met to review the agenda and also present the General Manager's annual evaluation. Trustees in attendance were Christophel, Shiels and Harris.

4A) Adopt Resolution Authorizing an Amendment to the Contract Between the Board of Administration California Public Employees' Retirement System and the Board of Trustees of Reclamation District No. 1000 – 2nd Tier Retirement Benefits

General Manager Devereux reported the Board adopted a Resolution of Intention at their last meeting to amend the retirement benefit for future employees hired by the District. Retirement benefits for future employees would be based on the 2%@60 formula and use the final 36-month compensation average to calculate the benefit. The action before the Board today is to finalize the amendment and create the second tier retirement benefit for future employees.

Motion by Trustee Shiels to adopt the Resolution Authorizing an Amendment to the Contract Between the Board of Administration California Public Employees' Retirement System and the Board of Trustees of Reclamation District No. 1000 – 2nd Tier Retirement Benefits as presented. The motion was seconded by Trustee Miller, duly put and carried.

4B) Authorize Amendment to District's OPEB Policy to use State Vesting Schedule for New Employees

General Manager Devereux reported the Personnel Committee had recommended the District adopt a revised benefit for future employees for their OPEB benefit. The recommendation was to adopt the State's vesting schedule for this benefit in which an employee is eligible for 50% of the medical benefit after 10 years of service and that this benefit increases by 5% for each year of service thereafter until an employee would be eligible for 100% of the medical benefit after 20 years of service.

Motion by Trustee Harris to authorize staff to proceed with amending the District's OPEB policy to use the State Vesting Schedule for New Employees hired after the effective date of this amendment. The motion was seconded by Trustee Smith, duly put and carried.

4C) Approve Agreement to join the California Employers Retirement Benefit Trust Fund (CERBT) and Elect to Prefund Other Post Employment Benefits

Trustee Miller stated that the Finance Committee has been reviewing the OPEB pre-funding option for a few years. The new OPEB Actuarial Valuation shows that the District has a \$998,000 unfunded liability of which \$921,000 has been set aside in the County Treasurer(which is not an irrevocable trust fund) to fund this liability. The Finance Committee's recommendations is to join the CERBT and make an initial deposit equal to 50% of the unfunded liability from the funds currently set aside in the County Treasurer's fund and retire the remaining liability over the next 10 years.

After discussion among the Board members it was moved by Trustee Miller to approve the recommendation of the Finance Committee and approve the Agreement with CERBT and make an initial deposit equal to 50% of the unfunded liability with the intention of retiring the remaining unfunded liability over ten years. The motion was seconded by Trustee Barandas, duly put and carried.

4D) Delegation of Authority to Request Disbursements from CERBT for OPEB

General Manager Devereux stated that in order for the District to seek reimbursement for OPEB payments made for annuitants, the Board needs to delegate authority to appropriate staff to request and receive such disbursements from the CERBT to pay OPEB expenses.

Motion by Trustee Shiels to delegate authority to request disbursements from CERBT for OPEB to the General Manager and District Secretary. The motion was seconded by Trustee Harris, duly put and carried.

4E) NOTICE OF DISTRICT ELECTION AND SCHEDULE FOR 2011

General Manager Devereux informed that Board that an election will be held in November for the three parcel seats. A schedule for the election has been included in the Board packet. Nominating petitions can be obtained at the District office between August 25th and September 8th.

5) GENERAL MANAGER'S REPORT

A. Regional Flood Control Issues

Nothing to report

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

General Manager Devereux stated Trustee Shiels has already reported on this item and he has nothing further to add.

C. Encroachment Permits Endorsed

General Manager Devereux informed the Board he has not endorsed any other encroachment permits this month other than item 4F previously approved by the Board at today's agenda.

D. Update Plant 1B Improvements – North Natomas Assessment District

General Manager Devereux informed the Board Mead and Hunt have developed a draft schedule for implementation of the generator at Plant 1B and there will be a public scoping meeting with the adjacent residents the last week in August.

E. Special Events at Rio Ramaza Marina and Associated Parking Issues

General Manager Devereux there will be a Hemp Fest at the Rio Ramaza Marina from August 19 to the 21st. This has raised a lot of issues regarding illegal parking on the levees. GM Devereux has told the organizer there is to be no parking on the levees. They have also been told not to park on SAFCA or Sacramento County airport property.

The District is posting no parking signs all along the levee. The Sutter County Sheriff and the Highway Patrol are supposed to be out in force during the event.

F. Consider Purchase of a Portion of Rosa Property Adjacent to District Shop on Elkhorn

Trustee Barandas stated that he is a relative of Don Rosa and would abstain from the discussion. General Manager Devereux informed the Board SAFCA is in negotiations with Mr. Don Rosa to purchase a portion of the parcel adjacent to the District's shop yard along Elkhorn Blvd. SAFCA needs to buy a portion of the parcel to construct the adjacent levee and berm as part of the NLIP. Mr. Rosa has said he would like to sell all of the property since he will not be able to economically farm the remnant parcel SAFCA has asked if the District would be interested in purchasing a portion of the remaining property. Previously, the District had expressed an interest in purchasing the 5 acres of property owned by Shell Oil Company across Elkhorn Blvd, but that deal has failed.

After discussion the consensus of the Board was that they would be interested in purchasing a portion of the property to expand the shop maintenance yard and directed staff to come back with a recommendation and property layout when the matter is ready for action.

G. Update CVFPB Enforcement Action – 5291 Garden Highway

General Manager Devereux informed the Board the property owner at 5291 Garden Highway was given two cease and desist orders when he began building an unauthorized solid wall on the levee adjacent to the Garden Highway. The CVFPB will be having a hearing on their enforcement action requiring the owner to remove the wall. The hearing is scheduled for August 26 at the CVFPB meeting. Staff will be present to represent the District.

6.) District Counsel Report

Attorney Day stated that in May his firm spent 5.9 hours on SAFCA condemnation actions; 6.0 hours on the election timeline review, 1.5 hours on PG& E Relocation issues from 1996 and 0.8 hours on emergency levee repair work.

7.) Superintendent's Report

Superintendent Bickle stated the crew has been mowing on the water side of the levee on the slope and on the benches. He has been working with Lee Hazeltine on having sheep graze portions of the Natomas Cross Cana and they will be moving onto the Sacramento River levee. The crew has been removing silt from the West Drain. The annual pump meggering tests have been completed on the District's pump stations to make sure they are ready for the coming flood season. The SAFCA construction projects along the Sacramento River levee by Sukat Construction and Nordic Industries are moving along and Magnus who is doing the slurry wall work for Sukat is scheduled to start next week. The Water Company's Sankey diversion project continues to be delayed because of the high river conditions

The Urbanization Committee scheduled a meeting for 4 pm on August 22 to discuss the District's Centennial open house. The Executive Committee changed the meeting from September 2nd to September 6th.

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

President

Secretary