

**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
REGULAR BOARD MEETING
SACRAMENTO, CA
February 8, 2019
8:00 A.M.
AGENDA
1633 Garden Highway
Sacramento, CA 95833**

Any documents related to agenda items that are made available to the Board before the meeting will be available for review by the public at: 1633 Garden Highway, Sacramento, CA 95833

CALL TO ORDER

SET THE AGENDA

*OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO DIRECTLY ADDRESS THE BOARD ON SUBJECT MATTER NOT ON THE AGENDA WITHIN THE JURISDICTION OF THE BOARD.
(Limit: 3 minutes per person)*

ITEMS SCHEDULED FOR ACTION

1. APPROVAL OF THE MINUTES OF THE BOARD OF TRUSTEES (Action)
 - A. Regular Meeting – January 11, 2019
2. ADMINISTRATIVE ITEMS
 - A. Treasurer’s Report for January 2019
 - B. Expenditure Report for January 2019
 - C. Budget to Actual Report
3. COMMITTEE REPORTS (Information)
 - A. SAFCA Representatives
 - B. Executive Committee Meeting (1/30)
 - C. Personnel Committee Meeting (1/18)
 - D. Ad-Hoc HCP Committee (2/1)
 - E. Finance Committee (2/1)
4. BOARD BUSINESS (Action/Information)
 - A. Annual Banking Resolution – Signatures/Authorization (Action)
 - B. County of Sacramento 2019 Investment Policy for the Pooled Investment Fund (Receive/File)
 - C. Karen Pardieck Resolution—Public Relations Support
 - D. H.T. Harvey and Associates Contract Amendment for Environmental Consulting Services

ITEMS SCHEDULED FOR INFORMATION/DISCUSSION

5. GENERAL MANAGER'S REPORT
 - A. Regional Flood Control Issues
 - B. Flood Season Update
 - C. Corps Natomas Project Update
 - C. General Manager Position Transition
 - D. Plant 1 Spare SMUD Transformer
 - E. V Drain Letter re Drain Pipe Culvert
 - F. Homeless Camps and Regional Water Board
 - G. Potential to Pre-Fund Pension Liability
 - H. Flood Maintenance Grant Opportunity
 - I. SCADA project update
 - J. District Committee Meeting policy confirmation
6. PUBLIC OUTREACH REPORT
7. DISTRICT COUNSEL'S REPORT
8. SUPERINTENDENT'S REPORT
9. Correspondence/News/Information
10. ADJOURN

**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
ACTION SUMMARY
SACRAMENTO, CA
January 11, 2019
8:00 A.M.
1633 Garden Highway
Sacramento, CA 95833**

Trustees Present: Jeff Smith, Tom Barandas, Fred Harris, David Christophel, Chris Burns, Nick Avdis

Trustees Absent: Thom Gilbert

President Smith presided at the meeting.

Public Comments: There were no public comments

1. Board Business

A. Election of Board Officers

Board President Jeff Smith led the Board Officers Election. President Smith was nominated by Trustee Christophel to serve another year as Board President and seconded by Trustee Barandas. A motion was made to re-elect Jeff Smith as Board President, seconded by Trustee Barandas, by unanimous vote, motion carries.

Next, a motion was made to re-elect Vice President Tom Barandas as Board Vice President. A motion was made by Trustee Harris to elect Tom Barandas as Vice President, by unanimous vote, motion carries.

B. Committee Assignments – Meeting Schedules

Committee assignments remain the same, and current members will continue to serve, except for the HCP Ad-Hoc Committee. By request, Trustee Chris Burns will be added as a fourth Committee member. When the HCP Committee meets, it will do so under a Special Board Meeting if four Committee members are present.

As for SAFCA Board representatives, David Christophel requested to step away as an alternate due to a potential conflict of interest with the impact of the proposed levee improvements on his personal residence. President Smith nominated Chris Burns to serve as a SACFA Board alternate, seconded by Trustee Avdis and carried by a unanimous vote. Trustees Nick Avdis, and Tom Barandas will continue to serve as members on the SAFCA Board with Trustees Jeff Smith and Chris Burns as alternates.

2. Approval of the Minutes of the Board of Trustees

Without edits, Trustee Avdis motioned to approve the minutes, seconded by Trustee Harris, and carried by a unanimous vote.

3. Administrative Items

A. Treasurer's Report for December 2018

Checking:	\$ 172,622.15
Money Market:	\$ 193,440.25
County Treasurer:	\$ 1,096,074.99
LAIF:	\$ 3,276,065.31
City Pool A:	\$ 2,059,781.64

The board packet included Treasurer's Reports. ASM Gutierrez provided an overview of expenditures during December and the Budget to Actual Report. A motion was made by Trustee Harris to approve the Treasurer's Report, seconded by Trustee Christophel and carried by a unanimous vote.

4. Committee Reports

A. SACFA

Trustee Barandas provided a SAFCA update. The SAFCA Board met on January 3. The federal government shutdown was the main topic. The shutdown is not affecting any of the agencies specific to the work that SAFCA does, with the exception of the National Marine Fisheries and US Fish and Wildlife. If the shutdown is prolonged, it could potentially affect permitting for SAFCA's projects.

Natomas, Reach H (Natomas East Main Drain Canal), the request for bid went out, and there was only one bidder at \$41.7 million which is more than 25% above the Corps engineers' estimate of \$21.7 million. Therefore, they cannot award the contract. The Corps will review /compare their estimate for accuracy to account for the discrepancy. The Corps may adjust their estimate where necessary. The project managers intend to award the contract in February.

Because only one contractor placed a bid and given the amount of work available in the private sector and other areas, contractors are not bidding on Corps projects. SAFCA and the Corps are looking at a way to try and get more contractors to bid.

At the Feb SAFCA Board meeting, there will be real estate issues coming to the Board having to do with Reach B in Natomas and the Pocket area in South Sacramento.

Trustee Avdis asked about the President potentially taking supplemental funds from the Corps for the proposed border wall construction. GM Devereux states the Natomas Levee Project funds are outside of the supplemental appropriations. He also noted there is likely to be litigation should the President declare an emergency and transfer the flood control appropriations.

B. Personnel Committee Meeting

Trustee Fred Harris provided a verbal report. The Personnel Committee meeting met on December 20. In attendance at the meeting, Fred Harris, Chris Burns, David Christophel. The Committee met on December 20 to discuss and finalize the terms of the new GM's Employment Agreement.

C. Executive Committee Meeting

The Executive Committee met on January 2. In attendance at the meeting were Trustees Jeff Smith, Tom Barandas, Fred Harris and GM Devereux. GM Devereux provided an update on the negotiations with

Kevin King the District's newly selected candidate for General Manager. The Committee reviewed the draft agenda for the January 11 meeting; discussed Grant Funding opportunities; touched upon Karen Pardieck's recent retirement. Meeting minutes were included in the Board packet.

5. Board Business

A. Approval of Employment Agreement for District Manager Position

GM Devereux reported that he has worked with Counsel Julia Jenness and Bob Murray to finalize the new GM's Employment Agreement. A copy of the Agreement was included in the Board packet. Trustee Burns made a motion to accept the Employment Agreement with the new General Manager Kevin King, seconded by Trustee Barandas and carried by a unanimous vote.

B. State DWR Grant for Flood Maintenance Assistance Program

GM Devereux shared information of a letter received from the California Department of Water Resources, establishing eligibility for the District to participate in the Flood Maintenance Assistance Program (FMAP) that provides funding for eligible maintenance activities. There are three separate funding categories with varying reimbursement available from each category. GM Devereux will look into this further to understand criteria before committing too much time to the grant application. Trustees expressed some hesitation about the District's eligibility and are concerned that grant reimbursements may lead to new efforts or ongoing requirements that would require ongoing budget funding.

C. Status of Sacramento River Bank Erosion site in the vicinity of 7907 Garden Highway

GM Devereux made known that 7907 Garden Highway, the property with the active waterside erosion, is for sale. Potential buyers have been contacting him about the status of erosion repairs. He has directed interested parties to hire an engineer that does bank erosion work for further evaluation. He also explained that the permitting process would be rigorous and extensive. He also shared with interested parties that they should contact the Central Valley Flood Protection Board to determine if responsibility for repairs required by the State would transfer to the new owner.

6. General Manager's Report

A. Regional Flood Control Issues

Trustee Barandas covered most regional flood control issues in his report. GM Devereux shared information from SAFCA's Government Relations meeting. They discussed the Governor had not appointed a Resource Secretary. The Governor's proposed 2019-20 Budget came out. Currently, there is nothing specific in the Budget for flood control. GM Devereux looks forward to reviewing the May Budget Revision to see if there will be more funding for flood control.

Also discussed at the government relations meeting was the government shutdown and the impact from it. SAFCA acknowledged the Bryte Landfill relocation, widening of the Yolo Bypass and Weir is being held up because of the biological opinions from the U.S. Department of the Interior.

B. Flood Season Update

GM presented his posted weather graphs which show that over the next three months, January through March there is an equal chance of wet or dry weather. However, over the next 6-10 days, the National

Weather Service is forecasting a wet pattern. Right now, Shasta, Oroville, and Folsom reservoirs are all well below their required flood conservation levels and have substantial storage available before needing to make any releases.

C. Update Corps Design Progress Natomas Levee Project

In Reach H, the word from the Corps management team is that they want to award a contract by January 16. They still need to work out the government estimate vs. the received bid. Reach I; contract work has started. The Corps has put in a new bike trail under I-5. GM Devereux still has not received the final negotiation from Corps, City, Caltrans, regarding closures along Garden Highway for the work under Interstate 5. GM Devereux will let the Board know when he has more information on this. He advises Councilman Harris has been very involved with negotiations and Corps and outreach plan. GM Devereux estimates traffic impacts will begin to occur in March 2019. In April, the cutoff wall work will begin, and there will be noticeable traffic impacts. Reach D, along the Natomas Cross Canal, is shut down because of the weather. Reaches A and B along the Sacramento River, SAFCA has initiated real estate and eminent domain actions to secure necessary rights for the Corps project. SAFCA is taking the lead on Reach A right of way issues.

D. Update on SCADA Project

Scott Brown reported that due to wiring issues at Pump Plant 8, a Tesco field service technician had been assigned to see the District's project through completion. District Superintendent Don Caldwell reported at Plant 8, all pumps and trash racks were down for 1 week. Trustee Harris asked if there was a backup plan. A backup plan was not feasible because the wire connections had to be dismantled for troubleshooting. The wiring issue is resolved, and Plant 8 is fully operational. Plant 3 work is completed. Plant 1 B will be completed on January 8 with field testing to follow by ATEEM. After testing, only Plant 2 work remains.

Scott Brown said that the SCADA license for radio frequency had been submitted to the Federal Communications Commission (FCC). At this time, the District's planned use for SCADA is strictly for monitoring and not to run pumps until the field crew becomes familiar with the system. Trustees were interested in knowing about SCADA security. Scott explained that a security assessment, protocol, and radio use would be established.

E. Cleanup of Homeless Camps Natomas East Main Drain Canal

GM Devereux had previously shared that the District coordinated with the City, County, and American River Flood Control District to remove 60 tons of trash and debris from the East Main Drain Canal last November. He estimates that the District cost for staff time, equipment and dump fees are close to 20K for four days work. Cumulatively the District and partners spent over \$100,000 for a 1-week concentrated cleanup. Even with this work, there still is a lot of trash and debris, and it continues to increase daily. The Regional Water Quality Control Board (RWQCB) has invited cleanup agencies to their next Board meeting to thank them personally for the effort. GM Devereux expects RWQCB to continue targeting the District and its partners for a continued commitment of cleanup. Trustee Avdis believes trespass needs to be enforced by the appropriate authority. Discussion about solutions to the cleanup of homeless camps will continue. Trustee Barandas inquired about water increases warnings.

F. Placer County Development Projects

Placer County Sunset Specific Plan cross-canal watershed. We are initiating discussions with our partners at SAFCA and Sutter County along with the upstream land use agencies to identify impacts of new upstream development on the Natomas Cross Canal watershed below including the 200-year even, smaller frequency events and volume impacts.

G. Encroachment Permits Endorsed

GM Devereux endorsed one permit for a homeowner in the 6000 block. The owner was unaware of the Encroachment Permit requirement and had begun interior renovations and a concrete pour for a patio and barbeque.

7. Public Outreach Update

Now that Public Outreach Consultant Karen Pardieck has retired the Board will need to assess its ongoing needs for Public Outreach and whether some of the work will be done in-house. The Board will revisit this topic once the new GM is on-board and after it has a thorough discussion about its overall objectives.

8. District Counsel's Report

Counsel Jim Day provided a verbal update of his work during December 2018.

9. Superintendent's Report

A copy of the Superintendent's report was included in the January Board packet.

10. Correspondence/News/Information

GM Devereux included a public relations handout in the Board packet from the Corps of Engineers regarding the Natomas Levee Improvement Project.

11. Adjournment

With no other matters to discuss, the Board meeting adjourned.

**TREASURER'S REPORT
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 2**

SUBJECT: ADMINISTRATIVE ITEMS (Action)

- A) Treasurer's Report
The Treasurers' Report for January 8, 2019 is enclosed for your review
- B) Expenditure Report
The Expenditure report for the month of January 8, 2019 is enclosed for your review
- C) Budget to Actual Report

RECOMMENDATION:

- A) Review and approve the Treasurers' Report.
- B) Signing of the Expenditure Reports is Board approval of the Expenditure Report.

Reclamation District 1000
Treasurer's Report
January 2019

Treasurer's Report for January 2019

January 2019	
Total Funds	6,464,891.53
Bank of the West - Checking	53,029.53
Bank of the West - Money Market	293,440.25
Sacramento County Treasurer	1,113,112.39
State Treasurer - Local Agency Investment Fund	2,945,527.72
City of Sacramento - Pool A	2,059,781.64

January 2019 - Operations and Maintenance Cash Flow			
Beginning Balance			1,281,187.12
	Income	Expense	
Current months receipts	9,467.65		9,467.65
Transfer from money market account	250,000.00		250,000.00
Accounts Payable*		(298,008.67)	(298,008.67)
Payroll		(76,504.18)	(76,504.18)
Ending Balance			1,166,141.92

*See Attached Check Register

Current months receipts are made up of the following:

Sacramento City Fire Department	4,967.65
The Notomas Basin Conservancy	4,500.00
	<hr/>
	9,467.65
	<hr/> <hr/>

Reclamation District No. 1000
Transactions by Account
As of January 31, 2019

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Cash and Investments							168,074.73
1010.00 - Bank of the West Checking Acct							168,074.73
General Journal	01/02/2019			1/2/19 payroll		26,660.54	141,414.19
General Journal	01/02/2019			1/2/19 payroll		12,829.31	128,584.88
General Journal	01/02/2019			1/2/19 payroll		91.50	128,493.38
General Journal	01/02/2019			1/2/19 payroll, ck # 10031		587.22	127,906.16
General Journal	01/02/2019			1/2/19 payroll, ck # 10032		207.79	127,698.37
Bill Pmt - Check	01/09/2019	40318	SMUD		38,568.37		89,130.00
Bill Pmt - Check	01/09/2019	40321	The Grove		24,990.00		64,140.00
Bill Pmt - Check	01/09/2019	40304	A T.E.E.M. Electrical Engineering, Inc.		11,270.00		52,870.00
Bill Pmt - Check	01/09/2019	40305	Airgas NCN		363.58		52,506.42
Bill Pmt - Check	01/09/2019	40306	AT&T		273.93		52,232.49
Bill Pmt - Check	01/09/2019	40307	Berkshire Hathaway Homestate Companies		2,600.72		49,631.77
Bill Pmt - Check	01/09/2019	40308	Boutin Jones, Inc.		931.00		48,700.77
Bill Pmt - Check	01/09/2019	40309	Brookman Protection Services, Inc.		7,800.00		40,900.77
Bill Pmt - Check	01/09/2019	40310	Carson Landscape Industries		695.00		40,205.77
Bill Pmt - Check	01/09/2019	40311	Great America Financial Services		304.85		39,900.92
Bill Pmt - Check	01/09/2019	40312	Miles Treaster & Associates		284.44		39,616.48
Bill Pmt - Check	01/09/2019	40313	Neat Freak Clean, LLC		280.00		39,336.48
Bill Pmt - Check	01/09/2019	40314	Placer Electric, Inc.		4,837.50		34,498.98
Bill Pmt - Check	01/09/2019	40315	Platt		187.89		34,311.09
Bill Pmt - Check	01/09/2019	40316	Sacramento County Utilities		227.40		34,083.69
Bill Pmt - Check	01/09/2019	40317	Smile Business Products		221.80		33,861.89
Bill Pmt - Check	01/09/2019	40319	Steve Yaeger Consulting		5,527.25		28,334.64
Bill Pmt - Check	01/09/2019	40320	Stevens Consulting		1,143.00		27,191.64
Bill Pmt - Check	01/09/2019	40322	Valley Hydraulics & Machine, Inc.		57.41		27,134.23
Bill Pmt - Check	01/09/2019	40323	Yolo County Public Works		992.80		26,141.43
Transfer	01/10/2019			Funds Transfer	150,000.00		176,141.43
General Journal	01/10/2019		City of Sacramento	Q3 FY 19 rental from Sac City Fire	4,967.65		181,109.08
Check	01/10/2019	EFT	Cal Pers			500.00	180,609.08
Check	01/10/2019	EFT	Cal Pers			8,032.26	172,576.82
Check	01/10/2019	EFT	Cal Pers			7,441.26	165,135.56
Check	01/10/2019	EFT	Cal Pers	Payroll ending 12/31/18		1,846.44	163,289.12
Check	01/10/2019	EFT	Cal Pers	Payroll ending 12/31/18		1,719.82	161,569.30
Bill Pmt - Check	01/10/2019	EFT	PG&E		145.48		161,423.82
Bill Pmt - Check	01/11/2019	EFT	Napa Auto Parts		173.68		161,250.14
Bill Pmt - Check	01/11/2019	EFT	City of Sacramento		4.38		161,245.76
Bill Pmt - Check	01/11/2019	EFT	Comcast		158.30		161,087.46
Bill Pmt - Check	01/11/2019	EFT	Waste Management of Sacramento		470.82		160,616.64
Bill Pmt - Check	01/15/2019	40327	Paul Devereux		101.84		160,514.80
Bill Pmt - Check	01/15/2019	40330	Tesco Controls, Inc.		76,095.00		84,419.80
Check	01/15/2019	40324	ACWA JPIA		2,048.63		82,371.17
Bill Pmt - Check	01/15/2019	40325	Blankinship & Associates, Inc.		1,883.86		80,487.31
Bill Pmt - Check	01/15/2019	40326	Chavez, Silva & Company		1,615.00		78,872.31
Bill Pmt - Check	01/15/2019	40328	Streamline		200.00		78,672.31
Bill Pmt - Check	01/15/2019	40329	Terrapin Technology Group		737.94		77,934.37
Bill Pmt - Check	01/15/2019	40331	US Bank Corp		2,121.02		75,813.35
Bill Pmt - Check	01/17/2019	EFT	The Home Depot		52.95		75,760.40
Transfer	01/22/2019			Funds Transfer	100,000.00		175,760.40
General Journal	01/22/2019		The Natomas Basin Conservancy	Q4 2018 Security	4,500.00		180,260.40
Bill Pmt - Check	01/22/2019	40341	City of Sacramento		1,346.00		178,914.40
Bill Pmt - Check	01/23/2019	40332	Bob Murray & Associates		3,753.60		175,160.80
Bill Pmt - Check	01/23/2019	40333	Day Carter & Murphy LLP		9,060.21		166,100.59
Bill Pmt - Check	01/23/2019	40334	Green Light Termite and Pest		75.00		166,025.59
Bill Pmt - Check	01/23/2019	40335	Interstate Oil Company		522.80		165,502.79
Bill Pmt - Check	01/23/2019	40336	Larsen Wurzel & Associates		4,195.00		161,307.79
Bill Pmt - Check	01/23/2019	40337	Mead & Hunt		6,496.00		154,811.79
Bill Pmt - Check	01/23/2019	40338	Neofunds by Neopost		100.00		154,711.79
Bill Pmt - Check	01/23/2019	40339	SMUD		46,915.10		107,796.69
Bill Pmt - Check	01/23/2019	40340	Valley Tire Center, Inc.		3,498.91		104,297.78
General Journal	01/24/2019			1/24/19 payroll		23,987.12	80,310.66
General Journal	01/24/2019			1/24/19 payroll		12,062.70	68,247.96
General Journal	01/24/2019			1/24/19 payroll		78.00	68,169.96
Check	01/24/2019	EFT	Cal Pers			14,250.52	53,919.44
Bill Pmt - Check	01/24/2019	EFT	PG&E		240.93		53,678.51
Bill Pmt - Check	01/25/2019	EFT	City of Sacramento		145.71		53,532.80
Bill Pmt - Check	01/25/2019	EFT	City of Sacramento		42.87		53,489.93
Bill Pmt - Check	01/25/2019	EFT	Verizon		322.90		53,167.03
Check	01/25/2019	EFT	Wells Fargo			137.50	53,029.53
Total 1010.00 - Bank of the West Checking Acct					259,467.65	374,512.85	53,029.53
Total Cash and Investments					259,467.65	374,512.85	53,029.53
TOTAL					259,467.65	374,512.85	53,029.53

Reclamation District No. 1000
Budget to Actual Comparison
July 1, 2018 to January 31, 2019 (Seven Months Ending of Fiscal 2019)

	Year to Date July 1, 2018 to January 31, 2019	Budget	Percent of Budget
Operation & Maintenance Income			
Property Assessments	81	2,250,000	0.00%
Rents	14,903	20,000	74.52%
Interest Income	61,331	50,000	122.66%
SAFCA - O/M Assessment	-	1,400,000	0.00%
Misc Income	298	-	Not Budgeted
Gain on Capital Asset Disposal	6,400	-	Not Budgeted
Total	83,013	3,720,000	2.23%
Restricted Fund			
Metro Airpark Groundwater Pumping	-	22,000	0.00%
Total Combined Income	83,013	3,742,000	2.22%
Operations and Maintenance - Expense			
Administration			
Government Fees/Permits	7,591	12,000	63.26%
Legal	46,510	100,000	46.51%
Liability/Auto Insurance	108,208	110,000	98.37%
Office Supplies	2,968	5,500	53.96%
Computer Costs	12,416	17,000	73.04%
Accounting/Audit	29,837	45,000	66.30%
Admin. Services	9,567	17,000	56.28%
Utilities (Phone/Water/Sewer)	11,307	22,000	51.40%
Mit. Land Expenses	2,592	3,000	86.40%
Administrative Consultants	32,345	52,000	62.20%
Assessment/Property Taxes (SAFCA - CAD)	7,359	6,350	115.89%
Admin - Misc./Other Expenses	4,002	5,000	80.04%
Memberships	31,014	30,000	103.38%
Office Maintenance & Repair	7,046	24,000	29.36%
Payroll Service	1,301	3,000	43.37%
Public Relations	16,494	40,000	41.24%
Small Office & Computer Equipment	-	5,000	0.00%
Sub Total	330,557	496,850	66.53%
Personnel/Labor			
Wages	486,397	1,000,000	48.64%
Group Insurance	58,260	130,000	44.82%
Worker's Compensation Insurance	24,429	40,000	61.07%
OPEB - ARC	44,452	28,000	158.76%
Dental/Vision/Life	13,549	26,000	52.11%
Payroll Taxes	36,523	77,500	47.13%
Pension	108,052	165,000	65.49%
Continuing Education	1,664	15,000	11.09%
Trustee Fees	19,350	39,000	49.62%
Sub Total	792,676	1,520,500	52.13%

Operations			
Power	227,489	500,000	45.50%
Supplies/Materials	8,255	22,000	37.52%
Herbicide	79,287	115,000	68.95%
Fuel	24,532	65,000	37.74%
Field Services	50,174	142,000	35.33%
Field Operations Consultants	10,380	20,000	51.90%
Equipment Rental	100	10,000	1.00%
Refuse Collection	6,042	25,000	24.17%
Equipment Repair/Service	704	22,000	3.20%
Equipment Parts/Supplies	40,919	60,000	68.20%
Facility Repairs	31,890	273,000	11.68%
Shop Equipment (not vehicles)	409	9,000	4.54%
Field Equipment	-	8,000	0.00%
Misc/Other 2	2,091	-	Not Budgeted
Sub Total	482,272	1,271,000	37.94%
Equipment			
Equipment	146,908	150,000	97.94%
Sub Total	146,908	150,000	97.94%
Consulting/Contracts/Memberships			
Engineering/Technical Consultants	94,862	250,000	37.94%
Security Patrol	38,100	80,000	47.63%
Sub Total	132,962	330,000	40.29%
Total O & M Expenses	1,885,375	3,768,350	50.03%
Capital Expenses			
Capital Office Upgrades	14,907	15,000	99.38%
Capital RE Acquisition	5,500	120,000	4.58%
Capital Office Facility Repair	-	30,000	0.00%
Document Management	2,522	8,800	28.66%
Capital Facilities	245,293	715,000	34.31%
Sub Total	268,222	888,800	30.18%
Total All Expenditures	2,153,597	4,657,150	46.24%

**STAFF
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 3**

SUBJECT: Committee Reports (Information)

- A. SAFCA Representatives – verbal report
- B. Finance Committee Meeting (2/1)
- C. HCP Ad Hoc Committee and Special Board Meeting Committee Meeting (2/1)
- D. Executive Committee Meeting (1/30)
- E. Personnel Committee Meeting (1/18)

Finance Committee Meeting

February 1, 2019

The Finance Committee met on February 1, 2019. In attendance at the meeting were Trustees Thom Gilbert, Fred Harris, Jeff Smith (participated by phone), GM Devereux, and ASM Gutierrez.

There were no members of the public present and therefore no public comments.

Mid-year Review FY 2018-2019 Budget

Discussion began with a mid-year review of the FY 18-19 Budget. ASM Gutierrez advised the Committee that the current Budget did not anticipate the needs of an office furniture refresh for the newly hired general manager; and that expenses would exceed the current budgeted amount. Further she explained with savings in other budget line items over the course of the year, this difference would be made up. GM Devereux advised the Committee of personnel salary and benefits increases due to the overlap of the General Manager position. The Committee determined that additional costs would even out through field staff attrition. GM Devereux also reviewed O/M expenses. The Committee decided that no budget adjustments would be necessary. Committee member Smith would like to revisit the option of staff producing a budget curve to better gauge spending throughout the year. It was determined we do not have enough history to do so in our new financial software system to produce such report.

District Auditor Contract

GM Devereux informed the committee that we have engaged Cropper Accountancy to prepare District audits for 6 years. He asked the committee if they are interested in extending the Cropper Accountancy contact for one more year or if it is time to solicit RFPs. Committee member Harris suggested that the new GM should express his preference. The Committee determined to grant a 1-year extension providing the fees are in line with current reasonable fees (20k). The Committee directed ASM Gutierrez to request an engagement letter from Mary Ann Cropper.

CalPERS OPEB

GM Devereux reported to the Committee that he and ASM Gutierrez met with representatives from Public Agency Retirement Services (PARS) in which PARS representatives provided an overview of their services and option to prefund pension liability via a 115 (IRC) Trust Fund. Staff learned that PARS funds consistently outperform the CalPERS OPEB Trust Fund. Currently, the District's pension liability is \$1.2 million, but it is well-known and expected that CalPERS projects reduced returns on investments in the future thereby creating an increase in pension liability. PARS projected the District's contributions to increase 32.4% by 2024-2025. GM Devereux sees funding pension through a trust as an opportunity to stabilize rising pension costs. He reported that an unexpected FEMA reimbursement could be used to toward prefunding. Committee member Smith would like to hold off on committing funds until the next CIP update. Committee members discussed advantages and disadvantages on fully funding pension liability. Committee member Harris would like to learn more about other agencies' experience with PARS portfolio managers, entity portfolio choices and fund performance. He also requested more information about PARS (who they are?), when fees are charged, and information about flexibility or restriction to move funds in/out vice versa from CalPERS. Committee member Harris asked that staff report back after reaching out to SAFCA, Natomas Unified, and West Sacramento to poll their experience with PARS and High Mark Capital.

Being no further business to discuss, the meeting was adjourned.

Natomas Basin HCP Ad Hoc Committee and Special Board Meeting

February 1, 2019

The Natomas Basin Habitat Conservation Plan (HCP) ad hoc Committee met on February 1, 2019. Trustees David Christophel, Tom Barandas, Nick Avdis, Chris Burns and Fred Harris were in attendance which made this a Special Board Meeting since it included a quorum of the Board. Staff in attendance was GM Devereux along with the District's environmental consultants Debra Bishop and Craig Stevens.

After the meeting was called to order GM Devereux provided a summary of actions since the last Committee meeting in November and indicated we were at a critical juncture in the decision process. The consultant team then provided more details about activities since November including a meeting the Natomas Basin Conservancy Executive Director John Roberts. The team presented the areas of uncertainty about joining the HCP which include the financial impact to our O&M and what Avoidance and Minimization Measures (AMM) might be required. They also discussed how to resolve these areas of uncertainty and presented a list of options the District could consider

Trustee Avdis asked if we need to join the HCP and wanted a better sense of the legal risk to the District should we choose not to join. Trustee Burns asked about quantifying the costs and the work currently being done by MBK Engineers in developing an O&M Plan. GM Devereux indicated the work by MBK would be used as a baseline to determine the additional costs to implement the O&M Plan within the framework of the HCP and AMM's. Trustee Christophel indicated by joining the HCP we will gain more certainty on what our O&M costs will be in the future which allows us to adjust our assessment rate through the Prop 218 process. Trustee Barandas provided some context on the District's decision not to join the HCP in 2003 which in part was due to no take coverage for our chemical spray application. It was recognized at that time the District was taking some risk in not joining the HCP, but by modifying our O&M procedures we could reduce the risk of impacting the species.

After more discussion, the Committee directed staff to continue efforts to quantify the potential costs of joining the HCP and to engage our legal consultant to help define the regulatory risks of not joining. The Committee would like to review this information and meet with our legal consultant prior to reaching out to the resource agencies. This will require a contract amendment for HT Harvey to continue their work. Staff will prepare the cost analysis and meet with our legal counsel to outline the issues. A Committee meeting will be scheduled for April to include legal counsel and the consultant team to review the findings and recommend a next step.

There being no further business, the meeting was adjourned.

Executive Committee Minutes

January 30, 2019

In attendance was Trustee Tom Barandas; Trustees Jeff Smith, Fred Harris participated by phone. Staff in attendance was GM Devereux

There were no members of the public present and therefore no public comments.

GM Devereux reviewed the proposed agenda for the February 8 Board meeting. There were several Committee meetings either prior or scheduled for later in the week which we will report. He has proposed an item for a contract amendment with HT Harvey associates for environmental consulting services which will be discussed at the HCP Committee meeting on Friday. Also, the developer for Grand Park project in Sacramento County had indicated their desire to brief the Board, though GM Devereux may defer until the new GM Kevin King is started here at the District. Also on the agenda will be an item to recognize and thank Karen Pardieck for her time working for the District on our public relations and community outreach.

The committee also discussed the transition plan to the new General Manager and the potential for support beyond GM Devereux's retirement date; status of the Corps Natomas Levee Project; and potential for pre-funding the District's pension liability.

There being no further business, the meeting was adjourned.

Personnel Committee Minutes

January 18, 2019

The Personnel Committee met on January 18; in attendance was Trustees Fred Harris, Chris Burns; and David Christophel. Staff in attendance was General Manager (GM) Devereux.

GM Devereux provided information on the transition to new GM Kevin King who starts February 11. As of that date, Mr. King will assume the authority of the GM position with support from current GM Devereux who will continue as a full-time employee through April using some accrued vacation as his hours are reduced. He is continuing to assemble the GM Procedures manual with support from K. Grace. The Committee expressed their interest in GM Devereux continuing as a retired annuitant and requested he work with Counsel on the steps necessary to return as a RA prior to the 6-month separation period.

He is continuing to work with K. Grace on the job description for the Admin Assistant position and if any salary schedule changes should be considered. Trustee Burns suggested we delay action until the new GM is on board as he may want to modify current duties for the admin positions which could affect the job descriptions. Trustee Harris suggested we complete the task with K. Grace and then work with the new GM on its implementation.

GM Devereux noted we are currently recruiting to fill the field position from Jay Hendrick's retirement last spring.

The Committee then reviewed the current District's retirement health benefit (OPEB) policy. Several years ago, the District adopted the State's policy requiring at least 10 years of service with 100% benefit after 20 years for new employees. GM Devereux noted not all of the service needs to be with the District and we could be liable for paying the lifetime benefit for an employee with service elsewhere in the CalPERS system. The Committee directed staff to have our HR Counsel review options and see what other similar Districts are doing for OPEB. Depending on the outcome, the District may look at health care options beyond CalPERS such as ACWA or CSDA.

GM Devereux recommends the District not conduct a total compensation survey this year; our last one was two years ago, and he feels we are competitive in the market. Next year after the new GM has a year with the District, the Committee can decide about a new TCS. Also, it was suggested the District should do an RFQ for this and other similar HR work since we have been with K. Grace for a number of years and it would be beneficial to see what other consultants could provide.

There being no further business to discuss, the meeting was adjourned.

**STAFF
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 4**

SUBJECT: Board Business (Action/Information)

- A. Annual Banking Resolution – Signatures/Authorization (Action)
- B. County of Sacramento 2019 Investment Policy for the Pooled Investment Fund
(Receive/File)
- C. Karen Pardieck Letter of Appreciation (verbal)
- D. H.T. Harvey and Associates Contract Amendment
- E. Trustee Compensation (review ordinance)

Item No. 4D
Amendment to Master Service Agreement with
H.T. Harvey and Associates for Environmental Consulting Services

Summary and Recommendation

Staff is recommending the Board authorize the General Manager to amend the previously authorized master services agreement with H. T. Harvey and Associates for environmental consulting services. Last year the Board approved a list of task orders and an initial contract ceiling of \$60,195. Staff is requesting authority to amend the agreement and increase the contract ceiling by \$74,319 based on the task order and fee estimate attached.

Background

Last year the Board approved a Master Services Agreement with H.T. Harvey for environmental consulting services the District anticipated it would need in the foreseeable future. The selection was made based on Statements of Qualifications received and evaluated by the District. The Board approved an initial contract ceiling of \$60,195 based on a set of task orders anticipated for the remainder of 2018, several of which are on-going environmental related activities.

The budgets for the Natomas Basin HCP decision document and permit coordination on the 2017 FEMA related Main Drain repairs exceeded their estimates. Staff used funds from the contingency as well as delaying work on the urban forest and Fisherman's Lake concept plan to keep these critical projects on schedule.

H.T. Harvey has prepared a new set of task orders and fee estimate of \$74,319 for the remainder of 2019 based on anticipated environmental consulting needs for the District this year. The estimate includes funds for "Other Tasks" as identified by the General Manager to provide some contingency for unforeseen circumstances. These funds may only be expended upon the approval of the General Manager. It also includes fees for Craig Stevens consulting as a sub-consultant to H.T. Harvey. Funds have been included in the current budget for work anticipated this fiscal year.



February 5, 2019

Mr. Paul Devereux
Reclamation District 1000
1633 Garden Highway
Sacramento, CA 95833

Subject: Scope and Budget for 2019 Environmental Tasks

Dear Paul:

As we discussed, I am providing a scope and budget to continue to assist Reclamation District 1000 (the District) with anticipated environmental tasks for 2019. This submittal is a continuation of the scope of work that we collaboratively developed in May 2018 to identify all the environmental-related tasks that may be undertaken by the District. Our firm has worked closely with you since the initiation of that contract to ensure that the highest priority tasks have been addressed. We have noted that some of these tasks required a higher level of effort than envisioned, and other activities were partially implemented or postponed. For 2019, H. T. Harvey & Associates, with assistance from our subconsultant (Stevens Consulting), may provide the following services under direction and guidance from the District:

- Operations and maintenance (O&M) permitting support
- Environmental training/education for field staff
- Natomas Levee Improvement Project Site-Specific Management Plan (NLIP SSMP) coordination
- West Drain (Fisherman's Lake) Sediment Removal Project assistance
- Urban forest plan assistance
- Aquatic vegetation management working group participation
- FEMA Disaster Grant Projects coordination
- As-needed assistance

Task 1. O&M Permitting Support

Throughout 2018, we worked with the District to identify the potential benefits and drawbacks of its becoming a participant in the Natomas Basin Habitat Conservation Plan (HCP). We will resume assisting the District and its Board of Trustees (ad hoc committee) in identifying permitting options, including further evaluation of the costs and benefits of formally joining the HCP. Our team will continue to provide guidance and detailed information to enable the District to select the most time- and cost-efficient permitting strategy. This task may also include preparation for, and participation in, resource agency meetings.

Tasks and Deliverables:

- Assist with completing O&M cost comparison between current and with HCP BMPs/AMMs
- Support legal review and documentation for HCP decision
- Prepare documents for and meet with HCP Committee (two meetings assumed)
- Assist staff with preparation of alternatives and decision paper for Board of Trustees
- Provide support at preliminary agency meetings

Should the Board decide to move forward with implementing an alternative, a contract amendment will be developed based on the specific alternative.

Task 2. Environmental Training/Education for Field Staff

If needed and as requested, we will update the materials from the previous training session and conduct one 3–4 hour workshop related to environmental and cultural resource issues that may be encountered in the District’s service area. Topics will include a brief background of the known and potential environmental resources in the area, species and habitat types that may be encountered, and avoidance and minimization efforts.

Tasks and Deliverables:

- One ½ day training session
- Course outline
- Field cards

Task 3. NLIP SSMP Coordination

As the District assumes O&M responsibilities for properties related to the NLIP, we will continue to provide assistance by researching and analyzing the NLIP SSMP for flood control and drainage facilities that included mitigation elements as part of the NLIP including the upper and lower giant garter snake canals, and grasslands. This task will include reviewing the SSMPs developed under Sacramento Area Flood Control Agency (SAFCA), meeting with SAFCA representatives, identifying SSMP documentation requirements, identifying new O&M procedures and time constraints, developing a schedule for documentation, identifying the responsible person, and developing a field checklist.

Tasks and Deliverables:

- Meeting attendance (two meetings assumed)
- Summary of meeting notes
- Technical memorandum of findings
- Field staff checklist

Task 4. West Drain (Fisherman’s Lake) Sediment Removal Project

We will work with the District and Mead & Hunt to help develop a project description for the sediment removal project at Fisherman’s Lake. The project description will identify the need for the project and outline potential conceptual short- to long-term solutions to address sediment accumulation. The alternative solutions provided in the project description may include proposed enhancements to the site. We will provide information regarding the anticipated level of environmental compliance that may be needed under varying scenarios.

Tasks and Deliverables:

- Site visit and coordination
- Technical memorandum that identifies the project need, opportunities, and constraints
- Conceptual plans

Task 5. Urban Forest Plan

We will work with the District to identify parcels of land owned by the District to identify areas that may be suitable for native tree plantings. We will provide the District with recommendations regarding suitable tree species for supplemental planting and potential locations for installation. These recommendations will be submitted as a technical memorandum.

Tasks and Deliverables:

- Site visit of District owned lands
- Conceptual map
- Technical memorandum with recommendations

Task 6. Participation in Aquatic Vegetation Working Group

Our team will continue to provide an expert in aquatic vegetation to serve as a representative of the District in a Natomas Basin aquatic vegetation working group on an as-needed basis. Our deliverable/s for this task will consist of meeting minutes and recommendations.

Tasks and Deliverables:

- Meeting attendance (two meetings assumed)
- Meeting minutes and recommendations

Task 7. FEMA Disaster Grant Projects Coordination

Under this task order, we will continue to provide assistance in securing compliance for the slope repair located in the Main Drain. To date, we have provided biological surveys and reporting, CEQA compliance, secured a 1600 permit, and are finalizing the 401 permit. We will continue to coordinate with the state and federal agencies to finalize regulatory issues for project implementation. If needed, we will also provide preconstruction and construction monitoring and we will continue to coordinate with District and agency staff.

Tasks and Deliverables:

- Completion of state permits
- Coordination with agencies
- Post-project compliance documentation (if needed)

Task 7. Assistance with Other Tasks as Needed (On-Call)

This task will consist of responding on an as-needed, on-call basis to District requests. Specific efforts may include biological and cultural resource field surveys; project management, coordination, and meetings not included in other tasks; coordination with District staff, resource agencies, and other entities; additional actions related to the tasks above; and other items as directed by the General Manager.

Tasks and Deliverables:

- To be determined by General Manager

Fee Estimate and Assumptions

We propose to complete these services for a total, not-to-exceed amount of \$74,319. All charges will be billed on a time-and-charges basis, up to this specific contract limit, based on actual labor and direct costs incurred. Costs provided are estimates based on preliminary discussions. Charges will be incurred under the guidance and supervision of the District's General Manager. Charges for individual tasks may cost less or more than estimates and therefore may surpass the amount allocated for each task, provided the overall budget is not exceeded. Because this is a preliminary estimate, not all deliverables may be completed if time and effort exceeds this initial cost estimate. We will work closely with the District's General Manager to make sure all tasks are completed as efficiently and expeditiously as possible.

Thank you for allowing H. T. Harvey & Associates this opportunity to assist you. Please let me know if you have any questions or if I can provide additional information. I may be reached at dbishop@harveyecology.com or at 916.779.7351.

Sincerely,

A handwritten signature in blue ink that reads "Debra Bishop". The signature is fluid and cursive, with the first name "Debra" and last name "Bishop" clearly legible.

Debra Bishop, MS
Principal



Scope of Work and Cost Estimate H.T. Harvey Contract with Reclamation District 1000

Task 1: Decision Document Regarding Regulatory Compliance for Operations and Maintenance Work

Stevens Consulting will assist RD 1000 (District) and H.T. Harvey (Harvey) in continue to formulate a strategy for obtaining regulatory coverage for its ongoing operations and maintenance program. This will include comparing current District O&M activities with activities that would be required if the District joined the NBHCP or sought to obtain coverage under a programmatic 1602 agreement. 52 hours @ \$175/hour = \$9,100.

Task 5: Improvements to Fisherman's Lake

Stevens Consulting will visit Fisherman's Lake with Harvey and the District to evaluate existing environmental conditions and to understand in more detail what improvements the District would like to make in this area. We will then assist Harvey in preparing an opportunities and constraints memo regarding these improvements, particularly focused on recommendations regarding CEQA compliance for the project.

16 hours @ \$175/hour = \$2,800.

Task 8: As Needed Work

Stevens Consulting will assist Harvey with environmental compliance work beyond the tasks delineated above, as requested by the District. Additional hours could be used from the above noted tasks if not needed.

**Total for Stevens Consulting:
\$11,900.**



H. T. HARVEY & ASSOCIATES
Ecological Consultants

Project Name: RD1000 Project Scoping Assistance

Project Number: 4174-01

Date: February 5, 2019

Staff Time Estimates

Task	Personnel Hours by Task										HTH Cost by Task	HTH Direct Expenses (incl. 5% mark-up)	Subcontractor*	Total Project Cost		
	Debra Bishop Principal, Restoration Ecology	Matt Wacker Senior Associate Restoration Ecologist	Charles McClain Senior Restoration Ecologist	Ellen Pimentel Senior Plant Ecologist	Kristina Wolf Restoration Ecologist	Kevin Cahill Wildlife Biologist	Robert Lee Plant Biologist	Senior GIS Analyst	GIS Analyst	Technical Editor					Technical Support	
1. O&M Permitting Support	55															
2. Environmental Training/Education/for Field Staff	3				12											
3. NHP SSMP Coordination	6			20												
4. West Drain (fisherman's lock) Sediment Removal Project	12		35	10												
5. Urban Forest Plan	5		20													
6. Participation in Aquatic Vegetation Working Group	2	15														
7. FEMA Disaster Grant Project Coordination	10					25										
8. Assistance with Other Tasks as Needed (OT-Call)	35															
Total Labor Hours	128	15	55	30	12	50	20	0	0	10	19	Total Costs	\$61,714	\$110	\$11,900	Total Cost
TOTAL COST	\$ 3,616	\$ 3,330	\$ 9,295	\$ 5,070	\$ 1,752	\$ 5,600	\$ 2,240	\$ -	\$ -	\$ 1,120	\$ 1,691					\$74,319

Billing rates are subject to annual increases and will be adjusted at the beginning of each calendar year.

**STAFF
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 5A**

SUBJECT: **Adopt Annual Banking Resolution**

BACKGROUND:

The California Water Code allows the Board to create a revolving fund for paying expenses.

In December 1997, the Board adopted Resolution 1997-12B outlining the District's signature authorization and check signing limits. Specimen signatures were provided at that time for the Sacramento County Treasurer and Bank of the West.

In December of 2014 the Board authorized payment to specific vendors via electronic payment and set a limit of \$20,000.00 per transaction. Transactions over \$20,000.00 require the written authorization of a Trustee. An email authorizing payment over \$20,000.00 will serve for a written authorization.

SUMMARY:

The Board is required to adopt and file a new Banking Resolution with the Sacramento County Treasurer annually and with Bank of the West when signatories change.

RECOMMENDATION:

Move to adopt the resolution as prepared by staff. Provide specimen signature on Resolution as required.

RECLAMATION DISTRICT NO. 1000
OPERATION AND MAINTENANCE FUND
RESOLUTION NO. 2019-02-08

WHEREAS, Reclamation District No. 1000 maintains an Operation and Maintenance Fund held by the Sacramento County Treasurer; and

WHEREAS, Reclamation District No. 1000 also maintains a Revolving Fund pursuant to Water Code Section 50657; and Reclamation District No. 1000 assumes responsibility for disbursement of such Revolving Fund and agrees to hold and save the Sacramento County Treasurer harmless from any improper disbursement of such Revolving Fund as required by Water Code Section 50658; and

WHEREAS, the Board of Trustees by this Resolution desires to set forth the names and specimen signatures of the officers and Trustees of Reclamation District No. 1000 and set forth the names and required signatures for withdrawal or payment of funds from such accounts;

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The following are the names and specimen signatures of Trustees of Reclamation District No. 1000:

Nicholas Avdis

Tom Barandas

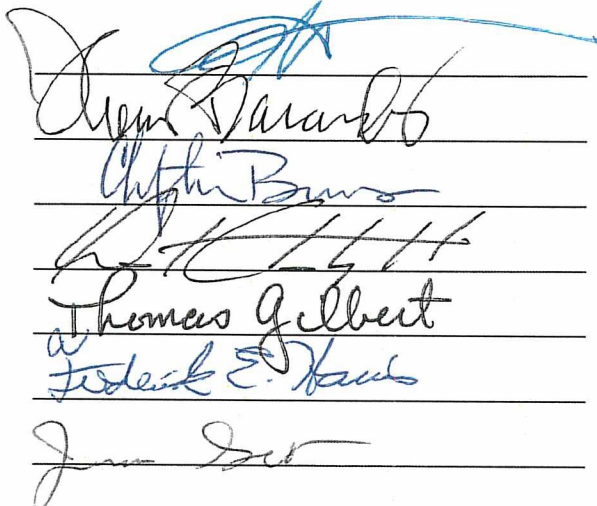
Christopher Burns

David Christophel

Thomas Gilbert

Frederick Harris

Jerome Smith



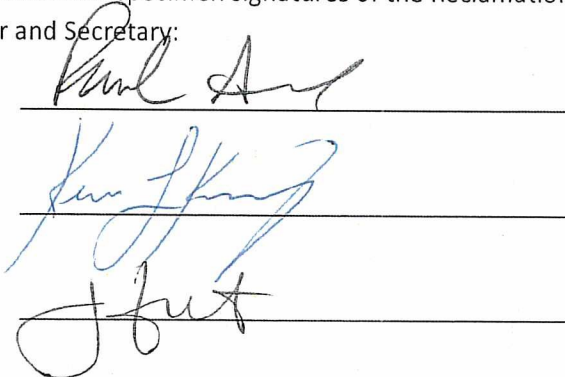
Handwritten signatures of Trustees: Nicholas Avdis, Tom Barandas, Christopher Burns, David Christophel, Thomas Gilbert, Frederick Harris, and Jerome Smith.

2. The following are the name and specimen signatures of the Reclamation District No. 1000 General Manager and Secretary:

Paul Devereux
General Manager

Kevin L. King
General Manager

Joleen Gutierrez
District Secretary

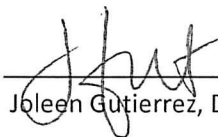


Handwritten signatures of General Manager and Secretary: Paul Devereux, Kevin L. King, and Joleen Gutierrez.

3. Funds held in the Reclamation District No. 1000 Operation and Maintenance Fund held by the Sacramento County Treasurer may be withdrawn or paid solely by warrant signed by any four or more of the Trustees of the District as identified in Paragraph 1 or this Resolution and attested to by the Secretary of the Board of Trustees or General Manager as identified in Paragraph 2 of this resolution.
4. Funds on deposit in the District's revolving fund may be withdrawn or paid by check signed by any one of those identified in paragraph 1 of this resolution or the District Manager or District Secretary as identified in paragraph 2 of this resolution, for amounts less than \$20,000.00 and any two of the Trustees as identified in Paragraph 1 or the General Manager as identified in paragraph 2 and a Trustee as identified in paragraph 1 of this resolution for amounts exceeding \$20,000.00.
5. Funds on deposit in the District's revolving fund may be withdrawn or paid via electronic fund transfer (ACH) to specific vendors as shown on Attachment A. Electronic fund transfers paid to vendors specified in Attachment 1 shall not exceed \$20,000.00. If an amount to be paid via electronic transfer exceeds \$20,000.00, a written authorization must be received from a Trustee as identified in Paragraph 1 of this Resolution in addition to authorization by the General Manager, an email authorization is considered a written authorization. Amounts of \$20,000.00 or less may be authorized by any of those identified in paragraph 1 of this resolution or the District Manager or District Secretary as identified in paragraph 2 of this resolution.

CERTIFICATION

I, Joleen Gutierrez, Secretary of Reclamation District No. 1000, hereby certify that the foregoing Resolution 2019-02-08 was duly adopted by the Board of Trustees of Reclamation District No. 1000 at the regular meeting held February 8, 2019 and made a part of the minutes thereof.



Joleen Gutierrez, District Secretary

Attachment 1

The following is a list of vendors approved by the Board to be paid electronically:

Vendor	Item(s) Paid
CalPERS	Pension/Health/Deferred Comp
PG&E	Utilities
City of Sacramento	Utilities
Verizon	Wireless Phone Service
Comcast	Internet Service
Smile Business	Office Equipment Maintenance
Alhambra	Water Service
Airgas	Shop Service
Berkshire Hathaway	Worker's Comp
Home Depot Credit	Shop Supplies
Napa Auto Parts	Equipment Supplies/Parts
Tractor Supply	Equipment Parts
Waste Management	Garbage/Recycling

**STAFF
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 5B**

SUBJECT: Sacramento County 2019 Investment Policy - Receive and File

SUMMARY

The Sacramento County Treasurer is required to disclose their Annual Investment Policy to agencies with funds on deposit with the County Treasurer. The District's annual assessments are deposited with the Sacramento County Treasurer.

As a depositor with the Sacramento County Treasurer, the District should formally receive and file the County's Annual Investment Policy.

RECOMMENDATION

Move to receive and file the Sacramento County Calendar Year 2019 Investment Policy for the Pooled Investment Fund.

Department of Finance

Ben Lamera
Director



County of Sacramento

Divisions
Administration
Auditor-Controller
Consolidated Utilities Billing & Service
Investments
Tax Collection & Business Licensing
Treasury

January 1, 2019

To: Pooled Investment Fund Participant Agency Board Chairs

Subject: **CALENDAR YEAR 2019 INVESTMENT POLICY FOR THE POOLED INVESTMENT FUND**

Since 1987, the Director of Finance has submitted a statement of investment policy to the Sacramento County Board of Supervisors for consideration and adoption. The Board of Supervisors approved the enclosed calendar year 2019 investment policy on December 4, 2018.

All changes to the investment policy for 2019 were grammatical and do not affect the intent of the policy.

I recommend that the legislative body of your agency receive and file the enclosed Sacramento County Annual Investment Policy of the Pooled Investment Fund — Calendar Year 2019 at its next regular meeting. Your action to receive and file the policy constitutes consideration at a public meeting as recommended by Government Code section 53646(a)(2). The investment policy is also available on the Department of Finance – Investment Division webpage at www.finance.saccounty.net/investments.

The following investment-related reports are also available on the Investment Division webpage:

- Pooled Investment Fund Monthly Review;
- Quarterly Pooled Investment Fund Report; and
- Non-Pooled Investment Funds Portfolio Reports.

If you have any questions about the investment policy or management of the Pooled Investment Fund portfolio, please call me at (916) 874-6744 or Chief Investment Officer Bernard Santo Domingo at (916) 874-7320.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Lamera".

Ben Lamera
Director of Finance

Enclosure



SACRAMENTO COUNTY

**Annual Investment Policy
of the Pooled Investment Fund**

CALENDAR YEAR 2019

*Approved by the
Sacramento County Board of Supervisors*

December 4, 2018
Resolution No. 2018-0839

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SACRAMENTO COUNTY

**Annual Investment Policy
of the Pooled Investment Fund**

CALENDAR YEAR 2019

I. Authority

Under the Sacramento County Charter, the Board of Supervisors established the position of Director of Finance and by ordinance will annually review and renew the Director of Finance's authority to invest and reinvest all the funds in the County Treasury.

II. Policy Statement

This Investment Policy (Policy) establishes cash management and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be judged by the standards of the Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to the Policy.

III. Standard of Care

The Director of Finance is the Trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The Director of Finance, employees involved in the investment process, and members of the Sacramento County Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activities that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Director of Finance shall act with care, skill, prudence, and diligence to meet the aims of the investment objectives listed in Section IV, Investment Objectives.

IV. Investment Objectives

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

A. Safety of Principal

The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

B. Liquidity

As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the Director of Finance to meet all operating requirements that may be reasonably anticipated in any depositor's fund.

C. Public Trust

In managing the Pooled Investment Fund, the Director of Finance and the authorized investment traders should avoid any transactions that might impair public confidence in Sacramento County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

D. Maximum Rate of Return

As the fourth objective, the Pooled Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein. For comparative purposes, the State of California Local Agency Investment Fund (LAIF) will be used as a performance benchmark. The Pooled Investment Fund quarterly performance benchmark target has been set at or above LAIF's yield. This benchmark was chosen because LAIF's portfolio structure is similar to the Pooled Investment Fund.

V. Pooled Investment Fund Investors

The Pooled Investment Fund investors are comprised of Sacramento County, school and community college districts, districts directed by the Board of Supervisors, and independent special districts whose treasurer is the Director of Finance. Any local agencies not included in this category are subject to California Government Code section 53684 and are referred to as outside investors.

VI. Implementation

In order to provide direction to those responsible for management of the Pooled Investment Fund, the Director of Finance has established this Policy and will provide it to the Oversight Committee and render it to legislative bodies of local agencies that participate in the Pooled Investment Fund. In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy annually.

This Policy provides a detailed description of investment parameters used to implement the investment process and includes the following: investable funds; authorized instruments; prohibited investments; credit requirements; maximum maturities and concentrations; repurchase agreements; Community Reinvestment Act Program; criteria and qualifications of broker/dealers and direct issuers; investment guidelines, management style and strategy; Approved Lists; and calculation of yield and costs.

VII. Internal Controls

The Director of Finance shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. To assist in implementation and internal controls, the Director of Finance has established an Investment Group and a Review Group.

The Investment Group, which is comprised of the Director of Finance and his/her designees, is responsible for maintenance of the investment guidelines and Approved Lists. These guidelines and lists can be altered daily, if needed, to adjust to the ever-changing financial markets. The guidelines can be more conservative or match the policy language. In no case can the guidelines override the Policy.

The Review Group, which is comprised of the Director of Finance and his/her designees, is responsible for the monthly review and appraisal of all the investments purchased by the Director of Finance and staff. This review includes bond proceeds, which are invested separately from the Pooled Investment Fund and are not governed by this Policy.

The Director of Finance shall establish a process for daily, monthly, quarterly, and annual review and monitoring of the Pooled Investment Fund activity. The following articles, in order of supremacy, govern the Pooled Investment Fund:

1. California Government Code
2. Annual Investment Policy
3. Current Investment Guidelines
4. Approved Lists (see page 9, Section IX.K)

The Director of Finance shall review the daily investment activity and corresponding bank balances.

Monthly, the Review Group shall review all investment activity and its compliance to the corresponding governing articles and investment objectives.

Quarterly, the Director of Finance will provide the Oversight Committee with a copy of the Pooled Investment Fund activity and its compliance to the annual Policy and California Government Code.

Annually, the Oversight Committee shall cause an annual audit of the activities within the Pooled Investment Fund to be conducted to determine compliance to the Policy and California Government Code. This audit will include issues relating to the structure of the investment portfolio and risk.

All securities purchased, with the exception of time deposits, money market mutual funds, LAIF and Wells Fargo's overnight investment fund, shall be delivered to the independent third-party custodian selected by the Director of Finance. This includes all collateral for repurchase agreements. All trades, where applicable, will be executed by delivery versus payment by the designated third-party custodian.

VIII. Sacramento County Treasury Oversight Committee

In accordance with California Government Code section 27130 et seq., the Board of Supervisors, in consultation with the Director of Finance, has created the Sacramento County Treasury Oversight Committee (Oversight Committee). Annually, the Director of Finance shall prepare an Investment Policy that will be forwarded to and monitored by the Oversight Committee and rendered to Boards of all local agency participants. The Board of Supervisors shall review and approve the Policy during public session. Quarterly, the Director of Finance shall provide the Oversight Committee a report of all investment activities of the Pooled Investment Fund to ensure compliance to the Policy. Annually, the Oversight Committee shall cause an audit to be conducted on the Pooled Investment Fund. The meetings of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Oversight Committee. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the Sacramento County Board of Supervisors or governing board of any local agency that has deposited funds in the county treasury while a member of the Oversight Committee. Finally, a member may not secure employment with, or be employed by bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the Oversight Committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the Department of Finance treasury and investment operations.

IX. Investment Parameters

A. Investable Funds

Total Investable Funds (TIF) for purposes of this Policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Included in TIF are funds of outside investors, if applicable, for which the Director of Finance provides investment services. Excluded from TIF are all funds held in separate portfolios.

The Cash Flow Horizon is the period in which the Pooled Investment Fund cash flow can be reasonably forecasted. This Policy establishes the Cash Flow Horizon to be one (1) year.

Once the Director of Finance has deemed that the cash flow forecast can be met, the Director of Finance may invest funds with maturities beyond one year. These securities will be referred to as the Core Portfolio.

B. Authorized Investments

Authorized investments shall match the general categories established by the California Government Code sections 53601 et seq. and 53635 et seq. Authorized investments shall include, in accordance with California Government Code section 16429.1, investments into LAIF. Authorization for specific instruments within these general categories, as well as narrower portfolio concentration and maturity limits, will be established and maintained by the Investment Group as part of the Investment Guidelines. As the California Government Code is amended, this Policy shall likewise become amended.

C. Prohibited Investments

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are any component companies in the Dow Jones U.S. Tobacco Index or the NYSE Arca Tobacco Index. Annually the Director of Finance and/or his designee will update the list of tobacco-related companies.

D. Credit Requirements

Except for municipal obligations and Community Reinvestment Act (CRA) bank deposits and certificates of deposit, the issuer's short-term credit ratings shall be at or above A-1 by Standard & Poor's, P-1 by Moody's, and, if available, F1 by Fitch, and the issuer's long-term credit ratings shall be at or above A by Standard & Poor's, A2 by Moody's, and, if available, A by Fitch. There are no credit requirements for Registered State Warrants. All other municipal obligations shall be at or above a short-term rating of SP-1 by Standard & Poor's, MIG1 by Moody's, and, if available, F1 by Fitch. In addition, domestic banks are limited to those with a Fitch Viability rating of a or better, without regard to modifiers. The Investment Group is granted the authority to specify approved California banks with Fitch Viability ratings of bbb+ but they must have a Support rating of 1 where appropriate. Foreign banks with domestic licensed offices must have a Sovereign rating of AAA from Standard and Poor's, Moody's, or Fitch and a Fitch Viability rating of a or better, without regard to modifiers; however, a foreign bank may have a rating of bbb+ but they must have a Support rating of 1. Domestic savings banks must be rated a or better, without regard to modifiers, or may have a rating of bbb+ but they must a Support rating of 1.

Community Reinvestment Act Program Credit Requirements

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	Banks — FDIC Insurance Coverage
	Credit Unions — NCUSIF Insurance Coverage <i>Credit unions are limited to a maximum deposit of the NCUSIF-insured limit since they are not rated by nationally recognized rating agencies and are not required to provide collateral on public deposits.</i>
Over the FDIC- or NCUSIF-insured limit to \$10 million	<p>(Any 2 of 3 ratings)</p> <p>S&P: A-2</p> <p>Moody's: P-2</p> <p>Fitch: F-2</p> <p>Collateral is required</p> <p style="text-align: center;">OR</p> <p>Through a private sector entity that assists in the placement of deposits to achieve FDIC insurance coverage of the full deposit and accrued interest.</p>

Eligible banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from each financial institution’s regulatory authority. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must place securities worth between 110% and 150% of the value of the deposit with the Federal Reserve Bank of San Francisco, the Home Loan Bank of San Francisco, or a trust bank.

Since credit unions do not have Community Reinvestment Act performance ratings, they must demonstrate their commitment to meeting the community reinvestment lending and charitable activities, which are also required of banks.

All commercial paper and medium-term note issues must be issued by corporations operating within the United States and having total assets in excess of one billion dollars (\$1,000,000,000).

The Investment Group may raise these credit standards as part of the Investment Guidelines and Approved Lists. Appendix A provides a Comparison and Interpretation of Credit Ratings by Standard & Poor’s, Moody’s, and Fitch.

E. Maximum Maturities

Due to the nature of the invested funds, no investment with limited market liquidity should be used. Appropriate amounts of highly-liquid investments, such as Treasury and Agency securities, should be maintained to accommodate unforeseen withdrawals.

The maximum maturity, determined as the term from the date of ownership to the date of maturity, for each investment shall be established as follows:

U.S. Treasury and Agency Obligations	5 years
Washington Supranational Obligations ¹	5 years
Municipal Notes	5 years
Registered State Warrants.....	5 years
Bankers Acceptances	180 days
Commercial Paper	270 days
Negotiable Certificates of Deposit	180 days
CRA Bank Deposit/Certificates of Deposit	1 year
Repurchase Agreements	1 year
Reverse Repurchase Agreements	92 days
Medium-Term Corporate Notes	180 days
Collateralized Mortgage Obligations	180 days

The Investment Group may reduce these maturity limits to a shorter term as part of the Investment Guidelines and the Approved Lists.

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

F. Maximum Concentrations

No more than 80% of the portfolio may be invested in issues other than United States Treasuries and Government Agencies. The maximum allowable percentage for each type of security is set forth as follows:

U.S. Treasury and Agency Obligations	100%
Municipal Notes	80%
Registered State Warrants.....	80%
Bankers Acceptances	40%
Commercial Paper	40%
Washington Supranational Obligations.....	30%
Negotiable Certificates of Deposit and CRA Bank Deposit/Certificates of Deposit .	30%
Repurchase Agreements	30%
Reverse Repurchase Agreements	20%
Medium-Term Corporate Notes	30%
Money Market Mutual Funds.....	20%
Collateralized Mortgage Obligations	20%
Local Agency Investment Fund (LAIF)	(per State limit) ²

The Investment Group may reduce these concentrations as part of the Investment Guidelines and the Approved Lists.

¹ The International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

² LAIF current maximum allowed is \$65 million.

No more than 10% of the portfolio, except Treasuries and Agencies, may be invested in securities of a single issuer including its related entities.

Where a percentage limitation is established above, for the purpose of determining investment compliance, that maximum percentage will be applied on the date of purchase.

G. Repurchase Agreements

Under California Government Code section 53601, paragraph (j) and section 53635, the Director of Finance may enter into Repurchase Agreements and Reverse Repurchase Agreements. The maximum maturity of a Repurchase Agreement shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of a reverse repurchase agreement may not be invested beyond the expiration of the agreement. The reverse repurchase agreement must be "matched to maturity" and meet all other requirements in the code.

All repurchase agreements must have an executed Sacramento County Master Repurchase Agreement on file with both the Director of Finance and the Broker/Dealer. Repurchase Agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily; or (2) money market instruments which are on the Approved Lists of the County and which meet the qualifications of the Policy, with a market value of 102%. Since the market value of the underlying securities is subject to daily market fluctuations, investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. Use of mortgage-backed securities for collateral is not permitted. Strictly for purposes of investing the daily excess bank balance, the collateral provided by the Sacramento County's depository bank can be Treasuries or Agencies valued at 110%, or mortgage-backed securities valued at 150%.

H. Community Reinvestment Act Program

The Director of Finance has allocated within the Pooled Investment Fund, a maximum of \$90 million for the Community Reinvestment Act Program to encourage community investment by financial institutions, which includes community banks and credit unions, and to acknowledge and reward local financial institutions which support the community's financial needs. The Director of Finance may increase this amount, as appropriate, while staying within the investment policy objectives and maximum maturity and concentration limits. The eligible banks and savings banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from each financial institution's regulatory authority. The minimum credit requirements are located on page 5 of Section IX.D.

I. Criteria and Qualifications of Brokers/Dealers and Direct Issuers

All transactions initiated on behalf of the Pooled Investment Fund and Sacramento County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York or direct issuers that directly issue their own securities which have been placed on the Approved List of

brokers/dealers and direct issuers. Further, these firms must have an investment grade rating from at least two national rating services, if available.

Brokers/Dealers and direct issuers which have exceeded the political contribution limits, as contained in Rule G-37 of the Municipal Securities Rulemaking Board, within the preceding four-year period to the Director of Finance, any member of the Board of Supervisors, or any candidate for the Board of Supervisors, are prohibited from the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer authorized to do business with Sacramento County shall, at least annually, supply the Director of Finance with audited financial statements.

J. Investment Guidelines, Management Style and Strategy

The Investment Group, named by the Director of Finance, shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits which are consistent with this Policy.

The Investment Group shall also issue a statement describing the investment management style and current strategy for the entire investment program. The management style and strategy can be changed to accommodate shifts in the financial markets, but at all times they must be consistent with this Policy and its objectives.

K. Approved Lists

The Investment Group, named by the Director of Finance, shall issue and maintain various Approved Lists. These lists are:

1. Approved Domestic Banks for all legal investments.
2. Approved Foreign Banks for all legal investments.
3. Approved Commercial Paper and Medium Term Note Issuers.
4. Approved Money Market Mutual Funds.
5. Approved Firms for Purchase or Sale of Securities (Brokers/Dealers and Direct Issuers).
6. Approved Banks / Credit Unions for the Community Reinvestment Act Program.

L. Calculation of Yield and Costs

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost

accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Department of Finance will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

X. Reviewing, Monitoring and Reporting of the Portfolio

The Review Group will prepare and present to the Director of Finance at least monthly a comprehensive review and evaluation of the transactions, positions, performance of the Pooled Investment Fund and compliance to the California Government Code, Policy, and Investment Guidelines.

Quarterly, the Director of Finance will provide to the Oversight Committee and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. Pursuant to California Government Code section 53646, the report will list the type of investments, name of issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value, and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months.

Each quarter, the Director of Finance shall provide to the Board of Supervisors and interested parties a comprehensive report on the Pooled Investment Fund.

Annually, the Director of Finance shall provide to the Oversight Committee the Investment Policy. Additionally, the Director of Finance will render a copy of the Investment Policy to the legislative body of the local agencies that participate in the Pooled Investment Fund.

XI. Withdrawal Requests for Pooled Fund Investors

The Director of Finance will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Director of Finance at a one dollar net asset value. Any requests to withdraw funds for purposes other than immediate cash flow needs, such as for external investing, are subject to the consent of the Director of Finance. In accordance with California Government Code Sections 27133(h) and 27136, such requests for withdrawals must first be made in writing to the Director of Finance. When evaluating a request to withdraw funds, the Director of Finance will take into account the effect of a withdrawal on the stability and predictability of the Pooled Investment Fund and the interests of other depositors. Any withdrawal for such purposes will be at the market value of the Pooled Investment Fund on the date of the withdrawal.

XII. Limits on Honoraria, Gifts, and Gratuities

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment

trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities from any single source in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. This limitation was \$470 for the period January 1, 2017, to December 31, 2018, and is adjusted for inflation every odd-numbered year. Any violation must be reported to the State Fair Political Practices Commission.

XIII. Terms and Conditions for Outside Investors

Outside investors may invest in the Pooled Investment Fund through California Government Code Section 53684. Their deposits are subject to the consent of the Director of Finance. The legislative body of the local agency must approve the Sacramento County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. Any withdrawal of these deposits must be made in writing 30 days in advance and will be paid based upon the market value of the Pooled Investment Fund. If the Director of Finance considers it appropriate, the deposits may be returned at any time to the local agency.

Appendix A

Comparison and Interpretation of Credit Ratings

Long Term Debt & Individual Bank Ratings				
Rating Interpretation	Moody's	S&P	Fitch	Fitch Viability Rating
<i>Best-quality grade</i>	Aaa	AAA	AAA	aaa
<i>High-quality grade</i>	Aa1	AA+	AA+	aa+
	Aa2	AA	AA	aa
	Aa3	AA-	AA-	aa-
<i>Upper Medium Grade</i>	A1	A+	A+	a+
	A2	A	A	a
	A3	A-	A-	a-
<i>Medium Grade</i>	Baa1	BBB+	BBB+	bbb+
	Baa2	BBB	BBB	bbb
	Baa3	BBB-	BBB-	bbb-
<i>Speculative Grade</i>	Ba1	BB+	BB+	bb+
	Ba2	BB	BB	bb
	Ba3	BB-	BB-	bb-
<i>Low Grade</i>	B1	B+	B+	b+
	B2	B	B	b
	B3	B-	B-	b-
<i>Poor Grade to Default</i>	Caa	CCC+	CCC	ccc
<i>In Poor Standing</i>	-	CCC	-	
	-	CCC-	-	
<i>Highly Speculative Default</i>	Ca	CC	CC	cc
	C	-	-	c
<i>Default</i>	-	-	DDD	f
	-	-	DD	f
	-	D	D	f

Short Term / Municipal Note Investment Grade Ratings			
Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	MIG-1	SP-1+/SP-1	F1+/F1
<i>Strong Capacity</i>	MIG-2	SP-2	F2
<i>Acceptable Capacity</i>	MIG-3	SP-3	F3

Appendix A

Short Term / Commercial Paper Investment Grade Ratings

Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	P-1	A-1+/A-1	F1+/F1
<i>Strong Capacity</i>	P-2	A-2	F2
<i>Acceptable Capacity</i>	P-3	A-3	F3

Fitch Support Ratings

<i>Rating</i>	<i>Interpretation</i>
1	A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.
2	A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.
3	A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.
4	A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.
5	A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

Appendix A

Fitch Sovereign Risk Ratings	
<i>Rating</i>	<i>Interpretation</i>
AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	Good credit quality. 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for timely payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.
BB	Speculative. 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.
B	Highly speculative. 'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	High default risk. Default is a real possibility.
CC	Very high levels of credit risk. Default of some kind appears probable.
C	Exceptionally high levels of credit risk. Default appears imminent or inevitable.
D	<p>Default. Indicates a default. Default generally is defined as one of the following:</p> <ul style="list-style-type: none"> • Failure to make payment of principal and/or interest under the contractual terms of the rated obligation; • The bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of the business of an issuer/obligor; or • The coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.

ORDINANCE NO. 2008-01

AN ORDINANCE OF THE BOARD OF TRUSTEES OF RECLAMATION DISTRICT NO. 1000 ADJUSTING THE COMPENSATION OF TRUSTEES.

WHEREAS, the Board of Trustees of the District finds that it would be fair and reasonable within the meaning of California Water Code § 50605 that Trustees be compensated in the manner set forth below; and

WHEREAS, the proposed compensation set forth below is within the limitations set forth in California Water Code § 20200 et seq.;

NOW, THEREFORE, BE IT ORDERED by the Board of Trustees of Reclamation District No. 1000 as follows:

Section 1: Purpose.

The Board of Trustees finds that in order to adequately compensate Trustees for their services to the District, the Board finds it appropriate to adjust compensation to Trustees.

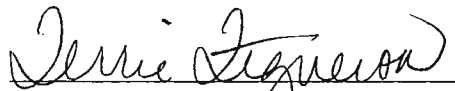
Section 2: Trustee Compensation.

All Trustees shall be compensated in the amount of Two Hundred Twenty Five Dollars (\$225.00) per day for meetings of the Board of Trustees or meetings of any committee thereof, up to a maximum of three days per calendar month.

Section 3: Effective Date.

This ordinance shall become effective sixty (60) days from the date of final passage by the Board of Trustees.

ADOPTED this 14th day of January, 2008


Secretary

**STAFF
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 5**

SUBJECT: General Manager's Report

- A. Regional Flood Control Issues
- B. Flood Season Update
- C. Corps Natomas Project Update
- D. General Manager Position Transition
- E. Plant 1 Spare SMUD Transformer
- F. V Drain Letter re Drain Pipe Culvert
- G. Homeless Camps and Regional Water Board
- H. Potential to Pre-Fund Pension Liability
- I. Flood Maintenance Grant Opportunity
- J. SCADA project update
- K. District Committee Meeting policy confirmation



RECLAMATION
DISTRICT 1000

January 28, 2019

Robert Leal
Sent Via Email

Subject: V Drain Culvert Crossing Replacements

Mr. Leal,

I recently contacted you about the status of three existing pipe culverts, one crossing the District's V1 Drain and two pipe culverts crossing the District's V Drain on property you own (see attached map). At the time, you referred me to John Penning who currently farms the property affected by the culverts. The pipe for the east-west culvert crossing the V1 Drain just north of its confluence with the V Drain was removed several years ago. The other two north-south pipes across the District's V Drain provide access for current agricultural operations by your tenant farmer and have some usefulness to the District for its operation and maintenance of the drains. These pipe crossings were installed as part of the Highway 99 widening project in 1999 to accommodate drainage crossing the freeway from the east, though documentation was not clear if the work was done on behalf of the District or the property owner.

Mr. Penning and I met last week to discuss the status of the pipe crossings and their need for both the continued agricultural operations as well as the District's drainage operations. At this meeting, I agreed to have the District fund the replacement of the east-west pipe culvert across the V1 Drain as well as the largest north-south pipe culvert across the V Drain between Highway 99 and the V1 Drain. We agreed these were the most critical crossings for both agricultural use and the District's drainage operations. The third pipe crossing of the V drain west of the V1 drain will be removed and not replaced.

Our decision to fund the above pipe culvert crossing replacements is based upon both the uncertainty in the documentation when they were constructed, and, more importantly, on the benefit these crossings have on the efficient operation and maintenance of the District's drainage system. To the extent these crossings continue to be necessary for the efficient operations of our system, we will maintain them, including replacement when necessary at the District's cost. However, should the District determine in the future that these crossings are not necessary for our operations, we will not replace them. If the current owner wants them replaced at that time for its convenience, it can be done as an encroachment at the owner's expense.

In consideration for the District funding replacement of the pipe culvert crossings, the District needs to insure that it has sufficient existing easement rights for our continued operation and maintenance of the V Drain, V1 Drain and the associated access roads and crossings.

We ask for your concurrence, as the property owner, with the proposed disposition of the three pipe culvert crossings as set forth above, and your agreement to work with the District on appropriate easements for our operation and maintenance of the drains to our mutual benefit.

On a separate note, we agree to improve our communications with you and your tenant farmer prior to construction activities or maintenance work that could impact the agricultural operations on the property.

Please contact me with any questions or to discuss issues noted in this letter or to arrange a convenient time to meet and review these issues. Thank you in advance for your cooperation in working together to improve the flood safety and drainage operations in the Natomas Basin.

Sincerely,



Paul Devereux

General Manager/District Engineer

cc Board of Trustees
John Penning

**STAFF
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 6**

SUBJECT: Public Outreach Update

**STAFF
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 7**

SUBJECT: District Counsel's Report

This will be a verbal report by District Counsel Jim Day.

**STAFF
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 8**

SUBJECT: Superintendent's Report

To: Trustees of Reclamation District No. 1000

From: Superintendent Don Caldwell

Date: February 4, 2019

Re: Report of activities within the District during the month of January 2019

The chart below represents the various activities the field crew spent their time working on during the month of January 2019.

RD 1000 Field Crew	*Field Hours Worked	Activity
	19.5	Plant Maintenance
	353	Pump Rounds
	162	Grounds
	19	Levee Maintenance
	0	Ditch Maintenance
	0	Fence Repair
	127	Garbage
	0	Weed Control
	0	Mowing
	173	Upper GGS
	144	Equipment Repairs

**Days worked do not include: sick, vacation, holiday or Superintendent's time*

Bannon H: 9.50'
L: 7.00'

River H: 20.93'
L: 6.65'

Rain totals

Rain totals for the month of January were 5.61"
Rain totals since July 1st were 15.57"

Pumping

The District pumped at Pump Plants 1-B, 2, 3, 8. Due to multiple rain events in January.

Pump Plant # 1-B

Pump # 1 pumped for 75.6 hours and pumped 740.88 A/F

Pump # 2 pumped for 10.9 hours and pumped 106.82 A/F

Pump # 4 pumped for 9.7 hours and pumped 95.06 A/F

Pump # 5 pumped for 29.6 hours and pumped 290.08 A/F

Pump # 6 pumped for 0.3 hours and pumped 2.94 A/F

Pump Plant # 2

Pump # 1 pumped for 11.7 hours and pumped 77.22 A/F

Pump # 2 pumped for 63.5 hours and pumped 184.15 A/F

Pump Plant # 3

Pump # 1 pumped for 86.3 hours and pumped 319.31 A/F

Pump # 2 pumped for 522.7 hours and pumped 2,404.42 A/F

Pump # 3 pumped for 46.2 hours and pumped 309.54 A/F

Pump # 4 pumped for 0.5 hours and pumped 2.05 A/F

Pump Plant # 8

Pump # 1 pumped for 60.0 hours and pumped 630.0 A/F

Pump # 2 pumped for 25.8 hours and pumped 270.9 A/F

Pump # 3 pumped for 622.6 hours and pumped 2,365.88 A/F

Pump # 5 pumped for 127.1 hours and pumped 482.98 A/F

Safety Topic for the month of January was: Never check running pump plants alone always have another person with you for safety.

Reclamation District No. 1000
Superintendent Don Caldwell

**STAFF
SUMMARIES & RECOMMENDATIONS
FEBRUARY 8, 2019
AGENDA ITEM 9**

SUBJECT: Correspondence/News/Information