



**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
REGULAR BOARD MEETING**

1633 GARDEN HIGHWAY
SACRAMENTO, CA 95833

**FRIDAY, DECEMBER 13, 2019
8:00 A.M.**

AGENDA

1. PRELIMINARY

- 1.1. Call Meeting to Order
- 1.2. Roll Call
- 1.3. Approval of Agenda
- 1.4. Pledge of Allegiance
- 1.5. Oath of Office – Trustees Jeff Smith, Elena Reeder, and Jag Bains
- 1.6. Election of Board President and Vice President
- 1.7. Conflict of Interest (*Any Agenda items that might be a conflict of interest to any Trustee should be identified at this time by the Trustee involved*)

2. PRESENTATIONS

- 2.1. No Scheduled Presentations

3. PUBLIC COMMENT (NON-AGENDA ITEMS)

Any person desiring to speak on a matter which is not scheduled on this agenda may do so under the Public Comments section. Speaker times are limited to three (3) minutes per person on any matter within RD 1000's jurisdiction, not on the Agenda.

Public comments on agenda or non-agenda items during the Board of Trustees meeting are for the purpose of informing the Board to assist Trustees in making decisions. Please address your comments to the President of the Board. The Board President will request responses from staff, if appropriate. Please be aware the California Government Code prohibits the Board from taking any immediate action on an item which does not appear on the agenda unless the item meets stringent statutory requirements (see California Government Code Section 54954.2 (a)).

Public comments during Board meetings are not for question and answers. Should you have questions, please do not ask them as part of your public comments to the Board. Answers will not be provided during Board meetings. Please present your questions to any member of RD 1000 staff via e-mail, telephone, letter, or in-person at a time other than during a Board meeting.

4. INFORMATIONAL ITEMS

- 4.1. GENERAL MANAGER'S REPORT: Update on activities since the November 2019 Board Meeting.
- 4.2. SUPERINTENDENT'S REPORT: Update on activities since the November 2019 Board Meeting.
- 4.3. DISTRICT COUNSEL'S REPORT: Update on activities since the November 2019 Board Meeting.

5. CONSENT CALENDAR

The Board considers all Consent Calendar items to be routine and will adopt them in one motion. There will be no discussion on these items before the Board votes on the motion, unless Trustees, staff or the public request specific items be discussed and/or removed from the Consent Calendar.

- 5.1. APPROVAL OF MINUTES: Approval of Minutes from November 8, 2019 Regular Board Meeting, November 14, 2019 Special Board Meeting and November 20, 2019 Special Board Meeting.
- 5.2. TREASURER'S REPORT: Approve Treasurer's Report for November 2019.
- 5.3. EXPENDITURE REPORT: Review and Accept Report for November 2019.
- 5.4. BUDGET TO ACTUAL REPORT: Review and Accept Report for November 2019.

6. SCHEDULED ITEMS

- 6.1. ENGAGEMENT AGREEMENT: Review and Consider Authorizing the General Manager to Execute Engagement Agreement with Downey Brand, LLP. for General Counsel Legal Services.
- 6.2. AUDITED FINANCIAL STATEMENTS YEAR END JUNE 30, 2019: Review and Receive the Audited Financial Statements for Year End June 30, 2019.
- 6.3. ~~PEABODY LEASE AGREEMENT 3rd AMENDMENT: Review and Consider Authorizing the General Manager to Execute 3rd Amendment to Lease Agreement of District Property with Ross E. Peabody.~~
- 6.4. 2020 CREEK WEEK SPONSORSHIP: Review and Consider Approval of Financial Sponsorship for Support of Creek Week 2020.
- 6.5. RECOGNITION OF SERVICE: Review and Consider Adoption of Resolution No. 2019-12-01 Recognizing Trustee Tom Barandas for Service to the Community.
- 6.6. RECOGNITION OF SERVICE: Review and Consider Adoption of Resolution No. 2019-12-02 Recognizing Trustee Frederick Harris for Service to the Community.
- 6.7. RECOGNITION OF SERVICE: Review and Consider Adoption of Resolution No. 2019-12-03 Recognizing General Counsel Jim Day for Service to the Community.

7. BOARD OF TRUSTEE'S COMMENTS/REPORTS

7.1. BOARD ACTIVITY UPDATES:

7.1.1. RD 1000 Committee Meetings Since Last Board Meeting

- Executive Committee (Smith, Barandas & Burns) December 4, 2019
- Finance Committee (Gilbert & Smith) December 4, 2019

7.1.2. RD 1000 Committees No Meetings Since Last Board Meeting

- Legal Committee (Avdís, Barandas & Harris)
- Operations Committee (Smith, Barandas, & Christophel)
- Personnel Committee (Harris, Burns, Christophel)
- Urbanization Committee (Burns, Gilbert, & Avdís)

7.1.3. Trustee's Comments/Reports

8. CLOSED SESSION

8.1. No Scheduled Closed Session Items

9. ADJOURN



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 4.1

TITLE: General Manager's Report – December 2019

SUBJECT: Update on activities since the November 2019 Board of Trustees Meeting

EXECUTIVE SUMMARY:

This Staff Report is intended to report the noteworthy activities and events of the District. Noteworthy activity from November included interviewing respondents to the Request for Qualifications for General Counsel Legal Services; completing vegetation removal through FMAP Grant; finalizing the Audited Financial Statements; kicking off the CIP Update. In summary, the District had a productive and successful month. Our key activities and achievements are presented below:

BACKGROUND:

1. Administration Services

a. Finance

- i. Working with Cropper Accountancy on 2018/2019 Audit coordination items. See Agenda Item 6.2.

b. Human Resources

- i. District Superintendent Caldwell is out on leave until approximately the middle of December 2019. In his absence, General Manager King temporarily placed Foreman Del Castillo into Acting Superintendent Role and provided temporary acting pay for Del Castillo.

2. District Operations

a. Flood Operations:

- i. Pre-Flood Season Inspection. GM King is working with MBK Engineers, to perform aerial inspection (drone) of the exterior levee system prior to flood season. GM King authorized up to \$18,000 for MBK to perform this service for the District. \$13,000 will be reimbursed under the Flood Maintenance Assistance Program Grant and the remaining \$5,000 will be funded by the District's Operations and Maintenance Budget. Drone survey began on December 2, 2019.

3. Development Projects

a. Sutter Pointe Phase I

- i. GM King working with Sutter Pointe Phase I Landowners and Project Agents to review of Proposed Development Project.

4. Capital Improvement Projects

a. SCADA:

- i. District submitted reimbursement request (\$305,574) to Natomas Mutual Water Company on October 1, 2019 for SCADA improvements. Still waiting for reimbursement.
- ii. All site work complete, except for minor punch list items.
- iii. Programming and field services completed changes to resolve pump automations. Pumps failed to start over the weekend of 11/30 – 12/1. TESCO was called on 12/3 and immediately responded to fix the issue associated with power monitor interference with pump starts.
- iv. TESCO is working with the software provider to improve user interface for remote viewing.
- v. TESCO is still working on a solution to provide efficient data transfer between sites.
- vi. Final demonstration test and training postponed until schedule for integration with Natomas Mutual Water Company's SCADA system is known.

b. CIP Update

- i. District entered into Professional Services Agreement with KSN, Inc. on November 12, 2019. A kickoff meeting with held on December 2, 2019.
- ii. Condition Assessment and Facility Inventory will begin December 10, 2019.

5. Miscellaneous

a. DWR Flood Maintenance Assistance Program (FMAP)

- i. The District awarded contract to Emerald Site Services on October 9, 2019. Work begin near Sankey Rd and Garden Highway on October 21, 2019. All work was completed by December 1, 2019.
- ii. District contracted with Western Grazers on October 30, 2019 for grazing services between Truxel Road and Gateway Oaks. Work was completed on November 25, 2019.
- iii. GM King received funding agreement for 2020/2021 FMAP application on December 4, 2019. Currently reviewing agreement and finalizing project schedule. GM King received Board authorization to execute funding agreement on August 9, 2019 (RD 1000 Resolution No. 2019-08-05).

b. Unauthorized Encampments

- i. AB 137 (Cooper) failed to move out of the Senate Appropriations Committee. District is currently evaluating other options to move forward prior to the 2019/2020 Flood Season. GM King scheduled to meet with City of Sacramento Staff on December 17, 2019.

TITLE: General Manager's Report – December 2019

- c. Sacramento Area Flood Control Agency (SAFCA)
 - i. Board Meeting – November 21, 2019 (Attachment No. 1)
- d. Request for Qualifications for General Counsel Legal Services
 - i. District issued an RFQ for General Counsel Legal Services on October 1, 2019. The District received qualification from five (5) firms on or before the deadline for submittal on October 31, 2019 at 2:00 p.m.
 - ii. Interviews were held on November 14, 2019 and November 20, 2019. Based on the interview results GM King began negotiating a contract with Downey Brand, LLP. See Agenda Item 6.1.
- e. Sacramento County MOU – Flood Fight Material Storage
 - i. Sacramento County sent the District an MOU for Flood Fight Material Storage on District Owned Property (Attachment 2). GM King is currently evaluating the MOU and will return to the Board for approval in January 2020.
- f. Garden Highway – Sacramento River Permits
 - i. GM King endorsed permit applications for the following properties:
 - 5311 Garden Highway – Rock Armoring
 - 6075 Garden Highway – Boat Dock and Deadman
 - 7001 Garden Highway – Geotechnical Investigation
 - 7115 Garden Highway – Boat Dock and Gangway
 - ii. 7907 Garden Highway (Meyer)
 - GM King attended the CVFPB Meeting on November 22, 2019 where the CVFPB issued a Cease and Desist Order to Liam Meyer Irrevocable Trust. See Attachment 3.

ATTACHMENTS:

1. SAFCA Board Meeting – November 21, 2019
2. Sacramento County MOU – Flood Fight Material Storage
3. CVFPB Cease & Desist Order – Liam Meyer Irrevocable Trust (7907 Garden Highway)

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/06/2019



Board of Directors Agenda of

November 21, 2019 - 3:00 pm

City of Sacramento Council Chambers, 915 I Street, Sacramento, CA. 95814

Directors/Alternates Present: Avdis, Barandas, Conant, Harris, Holloway, Jennings, Kennedy, Nava, Nottoli, Schmidt, and Shah

Directors Absent: Ashby, Frost

ROLL CALL

PUBLIC COMMENTS

EXECUTIVE DIRECTOR'S REPORT

1. [Information - Executive Director's Report for November 21, 2019 \(Johnson\)](#).

CONSENT MATTERS

Motion by Director Avdis and seconded by Director Kennedy to approve Resolution Nos.: 2019-139; 2019-140; 2019-141; and 2019-142 of Consent Matters.

AYES: Avdis, Barandas, Conant, Harris, Holloway, Jennings, Kennedy, Nava, Nottoli, Schmidt, and Shah

NOES: None

ABSTAIN: None

RECUSE: None

ABSENT: Ashby and Frost

2. [Adopting the Action Summary for October 17, 2019 \(Russell\)](#).

3. [Resolution No. 2019-139 - Authorizing the Executive Director to Execute Amendment No. 4 to Contract No. 1387 with GEI Consultants, Inc. Related to the Bryte Landfill Remediation Project \(Tibbitts\)](#)
4. [Resolution No. 2019-140 - Authorizing the Executive Director to Execute Amendment No. 2 to Contract No. 1446 with Larsen Wurzel & Associates, Inc. for Financial Management and General Engineering Support Services Related to State Funding Agreements for the Natomas Basin Project \(Bassett\)](#)
5. [Resolution No. 2019-141 - Authorizing the Executive Director to Execute Amendment No. 3 to Contract No. 1447 with Monument ROW for Real Estate Project Management and Support Services \(Campbell\)](#)
6. [Resolution No. 2019-142 - Authorizing an Increase in the Executive Director's Authority to Execute Agreements for Relocation of Sacramento Municipal Utility District Electrical Distribution Facilities Related to Reach B of the American River Watershed Common Features, Natomas Basin Project \(Bassett\)](#)

SEPARATE MATTERS

7. [Information - Bryte Landfill Remediation Project Update \(Tibbitts\)](#)
8. [Resolutions - Plan to Expedite SAFCA's Real Estate Process to Stay Ahead of U.S. Army Corps of Engineers' Requirements \(Johnson\)](#)
 - A. Resolution No. 2019-143 - Authorizing the Executive Director to Expedite the Real Estate Process by Identifying the Required Real Estate Ahead of the Normal U.S. Army Corps of Engineers' Process
 - B. Resolution No. 2019-144 - Amending SAFCA's Contracting Policy to Include a Real Estate Acquisition Incentive Program

Motion by Director Conant and seconded by Director Jennings to approve Resolution No. 2019-143.

AYES: Avdis, Barandas, Conant, Harris, Holloway, Jennings, Kennedy, Nava, Nottoli, Schmidt, and Shah
 NOES: None
 ABSTAIN: None
 RECUSE: None
 ABSENT: Ashby and Frost

Motion by Shah and seconded by Director Nottoli to approve Resolution No. 2019-144.

AYES: Avdis, Barandas, Conant, Harris, Holloway, Jennings, Kennedy, Nava, Nottoli, Schmidt, and Shah

NOES: None
ABSTAIN: None
RECUSE: None
ABSENT: Ashby and Frost

9. [Resolution No. 2019-145 - Approving Final Quantities for the North Area Streams Levee Improvement Project, Contract No. 4355, Sacramento County, California, with Nordic/Great Lakes E&I JV \(Ghelfi\)](#)

Motion by Director Avdis and seconded by Director Conant to approve Resolution No. 2019-145.

AYES: Avdis, Barandas, Conant, Harris, Holloway, Jennings, Kennedy, Nava, Nottoli, Schmidt, and Shah
NOES: None
ABSTAIN: None
RECUSE: None
ABSENT: Ashby and Frost

10. [Resolution No. 2019-146 - Recognizing Thomas Barandas for His Years of Service on the Sacramento Area Flood Control Agency Board of Directors \(Johnson\)](#)

Motion by Director Avdis and seconded by Director Conant to approve Resolution No. 2019-146.

AYES: Avdis, Barandas, Conant, Harris, Holloway, Jennings, Kennedy, Nava, Nottoli, Schmidt, and Shah
NOES: None
ABSTAIN: None
RECUSE: None
ABSENT: Ashby and Frost

ADJOURN

Respectfully submitted,
Lyndee Russell

**MEMORANDUM OF AGREEMENT BETWEEN
SACRAMENTO COUNTY OFFICE OF
EMERGENCY SERVICES AND
RECLAMATION DISTRICT 1000 FOR
STORAGE OF FLOOD FIGHTING
MATERIALS AND STORAGE STRUCTURE**

THIS MEMORANDUM OF AGREEMENT (MOA) is entered into on _____, by and between the SACRAMENTO COUNTY OFFICE OF EMERGENCY SERVICES (SAC OES), hereinafter referred to as "COUNTY" and RECLAMATION DISTRICT 1000 hereinafter referred to as "RD 1000". COUNTY and RD 1000 may be collectively referred to as "Parties" or in the singular as "Party" as the context requires.

RECITALS

WHEREAS, COUNTY is responsible for the management and coordination of disaster preparedness and response for the Operational Area (OA); and

WHEREAS, portions of Sacramento County are at high risk of flooding requiring extensive stockpiling of flood fighting materials and equipment; and

WHEREAS, the strategic location of the flood fighting materials and equipment is vital for timely responses when disasters occur; and

WHEREAS, RD 1000 has facilities that are strategically located in Sacramento County and are advantageous to COUNTY and the local communities for the purpose of storing flood fighting materials and equipment for use in disasters; and

WHEREAS, RD 1000 has space available at their facility(s) for storage structures to house flood fighting equipment and materials; and

WHEREAS, the COUNTY and RD 1000 desire to enter into this Memorandum of Agreement upon the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

I. PURPOSE

The purpose of this agreement is to establish mutually agreeable terms for the storage of flood fighting materials and equipment as well as the associated storage structures on property owned and managed by RD 1000.

II. TERMS OF THE AGREEMENT

This agreement shall be deemed executed when it has been signed by all Parties and shall end only upon termination by either Party under the terms set forth in Sections IX and XI of this agreement.

III. PARTICIPANTS

Participants include the COUNTY representing the unincorporated area of the county as well as the OA and RD 1000.

IV. BUDGET

No financial compensation shall be provided or received by either Party for flood fighting materials and equipment or structures used to store said materials and equipment; for the land or structures in which they are stored; for the transport of materials and equipment. Agencies using the flood fighting materials are responsible financially for replacement of materials and any damage or loss of equipment being used.

V. PARTY RESPONSIBILITIES

- A. RD 1000 and COUNTY shall determine mutually agreed upon location(s) for the storage of flood fighting materials, equipment and storage structure(s).
- B. RD 1000 shall make the flood fighting materials and equipment accessible to third parties approved by the COUNTY on a 24 hour/365 day basis.
- C. RD 1000 shall have use of the flood fighting materials and equipment at any time upon verbal or written permission from COUNTY.
- D. Any use of the materials or equipment by any party shall be logged

in a log book by the person responsible for using the materials or equipment and the log book shall be maintained inside the storage structure. The following information shall be noted in the log book when equipment or materials are used:

- a. Date/time of use
 - b. Name of individual and agency they represent and contact information
 - c. Purpose for using the materials or equipment and quantity to be used
 - d. Location for which the materials or equipment are to be used
 - e. Approximate date of return of the materials or equipment
- E. COUNTY shall have 24 hour/365 day access to the structure(s) and materials/equipment inside them.

VI. COUNTY AUTHORIZED PERSONNEL

Only employees of SAC OES are authorized to approve requests to use the flood fighting materials and equipment. Any requests for use of the materials and equipment by any other personnel shall be referred to SAC OES for approval. SAC OES authorized personnel and contact information shall be provided to RD 1000. The SAC OES 24 hour Duty Officer should be the first person contacted for permission to use the equipment and materials.

VII. RD 1000 AUTHORIZED PERSONNEL

RD 1000 shall provide SAC OES with emergency contact information for 24 hour/365 day access to the flood fighting materials and equipment.

VIII. EQUIPMENT OPERATION AND MAINTENANCE POLICY

The operation and handling of flood fighting equipment shall be done in accordance with the Equipment Operation and Maintenance Policies found in Exhibit A.

IX. TERMINATION

Either PARTY may terminate this MOA at any time upon serving a 90 day written notice to the other Party.

X. NOTICE

Except as otherwise stated herein, any notice, demand, request, consent of approval that any Party hereto may or is required to give to the other, pursuant to this MOA shall be in writing and shall be either personally delivered or sent by mail addressed as follows:

To County:

Stephen Cantelme, Chief
Office of Emergency Services
3720 Dudley Blvd. Suite 122
McClellan CA 95652
(916) 874-4670

To:

Kevin King, General Manager
Reclamation District 1000
1633 Garden Highway
Sacramento, CA 95833-9706
(916) 922-1449

XI. TERMINATION FOR BREACH

Should any Party either individually or collectively fail to substantially perform its obligations in accordance with this MOA, any non-breaching Party shall thereupon have the right to serve upon breaching Party a written notice of breach and requirement to cure. The notice shall advise the other of the nature of the breach and provide a reasonable opportunity to cure. Such opportunity shall provide a minimum of 30 days following the date of service in which to cure the default, or, if the default is of such a nature that it cannot be reasonably cured within 30 days, to provide a plan for curing and to commence the cure and diligently prosecute it to completion. If the breaching Party fails to cure within the period specified, the other Party may serve upon the breaching party written notice of cancellation specifying the reasons therefor, and the date of cancellation which shall not be sooner than 30 days following the date the notice is served.

XII. INDEMINIFICATION

To the extent permitted by law, each Party hereto does hereby assume liability for, and agrees to defend, indemnify, protect, save and keep harmless the other Party(s) and their directors, officers, employees and its successors and assigns from and against any and all liabilities, obligations, losses, damages, penalties, fines, claims, actions, suits, costs and expenses and disbursements (including legal fees and expenses) of any kind and nature imposed in, asserted against, incurred or suffered by such

indemnified Party or its directors, officers or employees or its successors and assigns by reason of damage, loss or injury (including death) of any kind or nature whatsoever to persons or property caused by or in any way relating to or arising out of:

- i) Any negligent act or action, or any neglect, omission or failure to act when under a duty to act on the part of the indemnifying Party or any of its directors, officers, agents, contractors, or employees in its or their performance hereunder.
- ii) Violation by the indemnifying Party or any of its directors, officers, agents contractors or employees of any applicable federal, state or local laws/ordinances and any and all lawful orders, rules and regulations issued by any authority with jurisdiction over this MOA.
- iii) In the event that both Parties are responsible for any part of any liability hereunder, liability therefor shall be shared according to the principles of comparative fault.
- iv) The Parties shall notify the other Party(s) where appropriate of any claims, administrative actions, or legal actions with respect to any of the matters described in this indemnification provision. The Parties shall cooperate in the defense of such actions brought by others with respect to the matters covered in this indemnity.
- v) This indemnity shall not be limited by the types and amounts of insurance or self-insurance maintained by any Party to this MOA.
- vi) Nothing in this Indemnity shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party.
- vii) The indemnity in this section shall survive the termination or expiration of the MOA.

XIII. INSURANCE OR SELF INSURANCE

Each Party to this MOA, at its sole cost and expense, shall carry insurance – or self-insure – its activities in connection with this MOA, and obtain, keep in force and maintain, insurance or equivalent programs of self-insurance, for general liability, workers compensation, property, professional liability, and business automobile liability adequate to cover its potential liabilities hereunder. Each Party agrees to provide the other thirty (30) days' advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverage. Failure to maintain insurance as required in this MOA is a material breach of contract and may be grounds for termination of the MOA.

XIV. THIRD PARTY OBLIGATIONS

COUNTY shall be solely liable to third parties with whom it enters into contracts to effectuate the purposes of this Agreement. COUNTY shall pay directly such third parties for all amounts due under such contract. To the extent permitted by law, the COUNTY shall indemnify and hold all other parties harmless from any and all claims and liabilities arising from any such contract. COUNTY shall exert its best efforts to prevent any loss to all other Parties from the failure of proper performance of any third party. Other Parties' only obligation with respect to such third parties shall be limited to reimbursement to COUNTY for those expenses from which each Party is obligated to reimburse by virtue of the terms of this MOA.

XV. RELATIONSHIP BETWEEN THE PARTIES

Nothing herein shall be construed to either create, or does COUNTY or any other Party intend to create by the terms hereof, any contractual or other relationship, whether expressed or implied, of joint power, joint venture, partnership, principal-agent, independent contractor, or master-servant.

XVI. ASSIGNMENT - SUCCESSORS AND ASSIGNS

Neither Party may assign this MOA in whole or in part, nor any right, duty, or obligation provided herein, without the express written consent of the other Party. The rights and liabilities set forth herein shall inure to the benefit and bind successors and assigns of the Parties to this MOA, but shall not inure to the benefit of any third party or person.

XVII. SUCCESSORS

Neither Party may assign this MOA in whole or in part, nor any right, duty, or obligation provided herein, without the express written consent of the other Party. The rights and liabilities set forth herein shall inure to the benefit and bind successors and assigns of the Parties to this MOA, but shall not inure to the benefit of any third party or person.

XVIII. GOVERNING LAW

The interpretation and enforcement of the MOA shall be governed by the laws of the State of California. All Parties agree to submit any disputes arising under this MOA to a court of competent jurisdiction located in

Sacramento County, California.

XIX. INTERPRETATION

This MOA shall be deemed to have been prepared equally by all of the Parties, and the MOA and its individual provisions shall not be construed or interpreted more favorably for one Party on the basis that the other Party prepared it.

XX. CHIEF

As used in this MOA, "CHIEF" shall mean the Chief of the Sacramento County OES, or his or her designee.

XXI. DISPUTES

In the event of any dispute arising out of or relating to this MOA, the Parties shall attempt, in good faith, to promptly and mutually resolve the dispute mutually between their respective Parties. Pending resolution of any such dispute, COUNTY and the other Parties shall continue without delay to carry out all its responsibilities under this MOA unless the MOA is otherwise terminated in accordance with the Termination provisions herein. Nothing in this MOA or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

XXII. DUPLICATE COUNTERPARTS

This MOA may be executed in duplicate counterparts, with copies provided to all Parties hereto. The MOA shall be deemed executed when it has been signed by all Parties.

XXIII. AUTHORITY TO EXECUTE

Each person executing this MOA represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this MOA for or on behalf of the Parties to this MOA. Each Party represents and warrants to the other that the execution and delivery of the MOA and the performance of such Party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the Parties hereto have caused this AGREEMENT to be duly executed as of the day and year first written above.

**COUNTY OF SACRAMENTO, a
political subdivision of the State
of California**

RECLAMATION DISTRICT 1000

By _____
Stephen Cantelme,
Chief, Sacramento County OES

By _____
Kevin King,
General Manager

Date _____

Date _____

Approved as to form:

Approved as to form:

By _____
Krista Whitman,
Assistant County Counsel

By _____

Date _____

Date _____

EXHIBIT A

EQUIPMENT OPERATION AND MAINTENANCE POLICIES

Operations and maintenance of flood fighting equipment shall be done in accordance with the manufacturer's safety and maintenance guidelines and the county policies set forth in this document.

Agencies using the equipment are responsible for returning the equipment to the storage location in clean, usable condition and are responsible for any damage or loss of the equipment while in their possession.

- Safety gloves, helmet and goggles shall be worn when working with or around flood fighting equipment.
- Remove all tripping hazards from the area when operating equipment.
- Ensure adequate lighting is present when operating equipment.
- When operating machinery, make sure loose clothing remains out of the way of moving parts.
- Always have a work partner or observer with you to maintain a safety watch on your operations.
- Always lock storage containers after using equipment and materials and close and lock access/egress gates if containers are within a secured fence or building.
- A log book and maintenance log must be completed when using materials or operating equipment. Equipment & materials must be logged out/in.
- Only adults 18 years of age or older may operate machinery and only after reviewing the training documents for the respective equipment. Children under the age of 12 shall not be allowed to be in close proximity to flood fighting equipment.
- Equipment requiring certification or license to operate said equipment can only be operated by certified or licensed personnel.
- Everyone must obey lawful orders or direction from fire, law, OES or safety personnel at all times when using flood fighting materials and equipment.

CENTRAL VALLEY FLOOD PROTECTION BOARD

3310 El Camino Ave., Ste. 170
SACRAMENTO, CA 95821
(916) 574-0609 FAX: (916) 574-0682



Sent Via U.S. Mail and Electronic Mail

COMPLIANCE IS REQUIRED BY: Monday, December 23, 2019

November 25, 2019

Mr. Liam Meyer on behalf of
Liam Meyer Irrevocable Trust
7907 Garden Highway
Sacramento, California 95837-9311

Subject: **Cease and Desist Order for Enforcement Case: 2017-15464 (Sacramento River, Sacramento County)**

Dear Mr. Meyer,

On November 22, 2019, the Central Valley Flood Protection Board (CVFPB) affirmed the Cease and Desist Order (CDO) previously issued to you by CVFPB staff on October 22, 2019. As a result, you are required to comply with the Corrective Actions identified below and previously outlined in the Notice of Violation (NOV) dated March 6, 2018 and again noted in the CDO, by December 23, 2019.

Corrective Actions:

1. Submit a Stabilization Plan with a project schedule (Plan) prepared by a registered California professional engineer, to stabilize the riverbank and prevent further erosion.
 - a. The plan must include a contingency plan to stabilize the site during the flood season.

2. Submit a Removal Plan with a project schedule (Removal Plan) to remove the following unauthorized encroachments and dispose them outside of the floodway:
 - a. Unauthorized waterside berm and concrete walkway;
 - b. Unauthorized waterside berm and retaining wall; and
 - c. Unauthorized waterside berm structures.

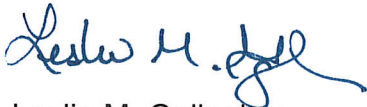
3. Submit Name Change Permit applications for CVFPB Encroachment Permit Nos. 3576, 13531, 12535, 14490 and 14533.

CVFPB staff will be conducting a site visit to assess the bank erosion and if staff deems there to be an emergency you will be required to stabilize the site to prevent further erosion pursuant to Title 23, California Code of Regulations, Section 17. Should you fail to stabilize the site and the State or the Local Maintaining Agency is required to perform the stabilization work, you will be

responsible for all costs incurred. Any stabilization measures are temporary, and you will still be required to restore the site, as outlined in the NOV and the CDO.

If you have any questions related to this matter, please contact the staff member assigned to this enforcement case: Mr. Jon Tice; E-mail: Jon.Tice@cvflood.ca.gov, Desk: (916) 574-2641.

Sincerely,



Leslie M. Gallagher
Executive Officer

Attachments: Cease and Desist Order w/Exhibit A dated October 22, 2019 (w/out attachments)

cc: (Via electronic copy)
Mr. Liam Meyer, Respondent
Mr. Kevin King, RD 1000
Mr. Don Caldwell, RD 1000
Mr. Ryan Larson, USACE
Ms. Leslie Gallagher, CVFPB
Mr. Michael Wright, CVFPB
Ms. Sarah Backus, CVFPB
Mr. Yiguo Liang, CVFPB
Ms. Angeles Caliso, CVFPB
Mr. Jon Tice, CVFPB

CENTRAL VALLEY FLOOD PROTECTION BOARD

3310 El Camino Ave., Ste. 170
SACRAMENTO, CA 95821
(916) 574-0609 FAX: (916) 574-0682



Sent Via U.S. Mail and Hand Delivery

CEASE AND DESIST ORDER

Property Owner: Liam Meyer Irrevocable Trust

Date: October 22, 2019

Mailing Address: 7907 Garden Highway
Sacramento, California 95837-9311

Enforcement Action: 2017-15464

Encroachment Location: 7907 Garden Highway, Sacramento, CA 95837-9311
Sacramento River, Unit No. 1, Right Bank
Levee Mile 5.24
Latitude: 38.710656° N, Longitude: 121.611622° W

Local Maintaining Agency: Reclamation District No. 1000 (RD 1000)

On March 6, 2018, the State of California Central Valley Flood Protection Board (CVFPB) issued a Notice of Violation (NOV) to Ms. Peggy Pickyoke Yee, the previous property owner of 7907 Garden Highway, for noncompliant/unpermitted encroachments within the CVFPB's jurisdiction at the location noted above. CVFPB staff did not receive a response from Ms. Yee indicating any intent to comply with the corrective actions noted in the NOV by the final date to respond, April 6, 2018, as set forth in the NOV (see Attachment 1), nor from our February 22, 2019 letter to Ms. Yee's attorney, Brian Manning (see Attachment 2).

CVFPB staff has been in contact with Mr. Meyer since May 2019 regarding the NOV and the corrective actions because he expressed an interest to purchase this property at that time. On June 12, 2019 Mr. Meyer informed CVFPB staff he had received a copy of the NOV from Ms. Yee and was aware of the corrective actions. On July 16, 2019, CVFPB staff met with Mr. Meyer and provided him a copy of the NOV, along with a copy of the California Code of Regulations, Title 23, Division 1, Waters (CCR Title 23), and informed Mr. Meyer that if he purchased the property, he would have to comply with the corrective actions in the NOV and CCR Title 23 when developing plans to address the waterside bank erosion and noncompliant encroachments on the property.

On September 11, 2019, Mr. Meyer notified CVFPB staff that he purchased the property and provided a copy of the grant deed to CVFPB staff. On September 17, 2019, Mr. Meyer was notified by CVFPB staff to provide a response to the NOV by October 7, 2019. Mr. Meyer submitted a "Stabilization Plan – Compliance" (Plan) package to CVFPB staff on October 7, 2019 (see Attachment 3). However, the Plan does not comply with the corrective actions stated in the NOV as it did not include any design documents prepared by a California licensed Civil Engineer, nor a project schedule, and failed to address the other violations noted in the NOV. On October 11, 2019, Mr. Meyer was notified by CVFPB staff his submitted Plan did not comply with the NOV and that the CVFPB would be moving forward with its enforcement process (see Attachment 4).

It should be noted in January 2018 the Sacramento County Office of Development and Code Services posted a daylight only occupancy status restriction for 7907 Garden Highway after being made aware of the waterside berm erosion. On September 16, 2019 Sacramento County reposted the same daylight only occupancy status restriction after Mr. Meyer purchased this property and had begun living on the property full time since August 2019.

PLEASE TAKE NOTICE AS FOLLOWS:

1. This CDO is being issued because you have not corrected the violations described in the NOV and additional violations have been noted since the issuance of the NOV which are shown in CDO Exhibit A.
2. This CDO is effective immediately pursuant to California Water Code Section 8701.2 (c).
3. This CDO will be considered by the CVFPB during a regularly scheduled meeting as follows:

Meeting Date: **November 22, 2019 at 9:00 AM. (or as soon thereafter as the matter may be announced.)**

Meeting Location: Sacramento City Hall
First Floor Council Chamber
915 I Street
Sacramento, CA 95814

At this meeting, you will have the opportunity to contest the CDO before the CVFPB. Please note that this is not an evidentiary hearing. The CVFPB may affirm, amend, modify, stay, or rescind this CDO. You are not required to attend the meeting; however, regardless of whether you appear, the CVFPB will consider and may affirm the CDO. Please be advised that CVFPB staff will recommend that the CVFPB affirm the issuance of the CDO. The meeting for consideration of the CDO is being held in accordance with California Water Code Section 8701.2 and CCR Title 23 Section 24.

Action Required:

You are required to comply with the Corrective Actions as outlined in the March 6, 2018 NOV and Exhibit A of this CDO within thirty (30) days of the date of this CDO. You are strongly encouraged to resolve this matter before the scheduled Board meeting to avoid additional penalties.

If you fail to comply with this CDO, the CVFPB will hold an enforcement hearing at a later date to consider the issuance of an enforcement order pursuant to California Water Code Section 8701.4. The enforcement order may include, but will not be limited to, an order to remove, modify, abate or restore the violation site; imposition of administrative penalties ranging from \$500 - \$50,000 per violation; recordation of a lien; recovery of CVFPB staff's time and expenses associated with these violations.

CVFPB Contact:

The staff member assigned to this enforcement action is: Mr. Jon P. Tice, Jr., P.E., Staff Engineer, Enforcement Section. E-mail: Jon.Tice@CVFlood.ca.gov, desk: (916) 574-2641.

If you have any questions about this CDO or the CVFPB meeting, please contact Michael C. Wright, PE, Chief Engineer at E-mail: Michael.Wright@CVflood.ca.gov, or by phone: (916) 574-0698.

Sincerely,



Leslie M. Gallagher
Executive Officer

Attachments:

Exhibit A – Additional Violations, CDO Map and Photos

1. Notice of Violation, dated March 6, 2018
2. February 22, 2019 Letter to Brian Manning
3. October 7, 2019 Stabilization Plan – Compliance (Plan)
4. October 11, 2019 Letter to Liam Meyer

cc: (via electronic copy)
Mr. Liam Meyer, Respondent
Mr. Kevin King, RD 1000
Mr. Don Caldwell, RD 1000
Mr. Ryan Larson, USACE
Mr. Paul Maniccia, USACE
Ms. Leslie M. Gallagher, CVFPB
Mr. Michael C. Wright, CVFPB
Ms. Sarah Backus, CVFPB
Mr. Yiguo Liang, CVFPB
Mrs. Andrea Buckley, CVFPB
Mrs. Angeles Caliso, CVFPB
Mr. Jon Tice, CVFPB

CEASE AND DESIST ORDER (CDO) EXHIBIT A

Violation Nos. 1 through 12 are identified in the March 6, 2018 Notice of Violation (NOV) issued to Ms. Peggy Pickoke Yee (see Attachment 1).

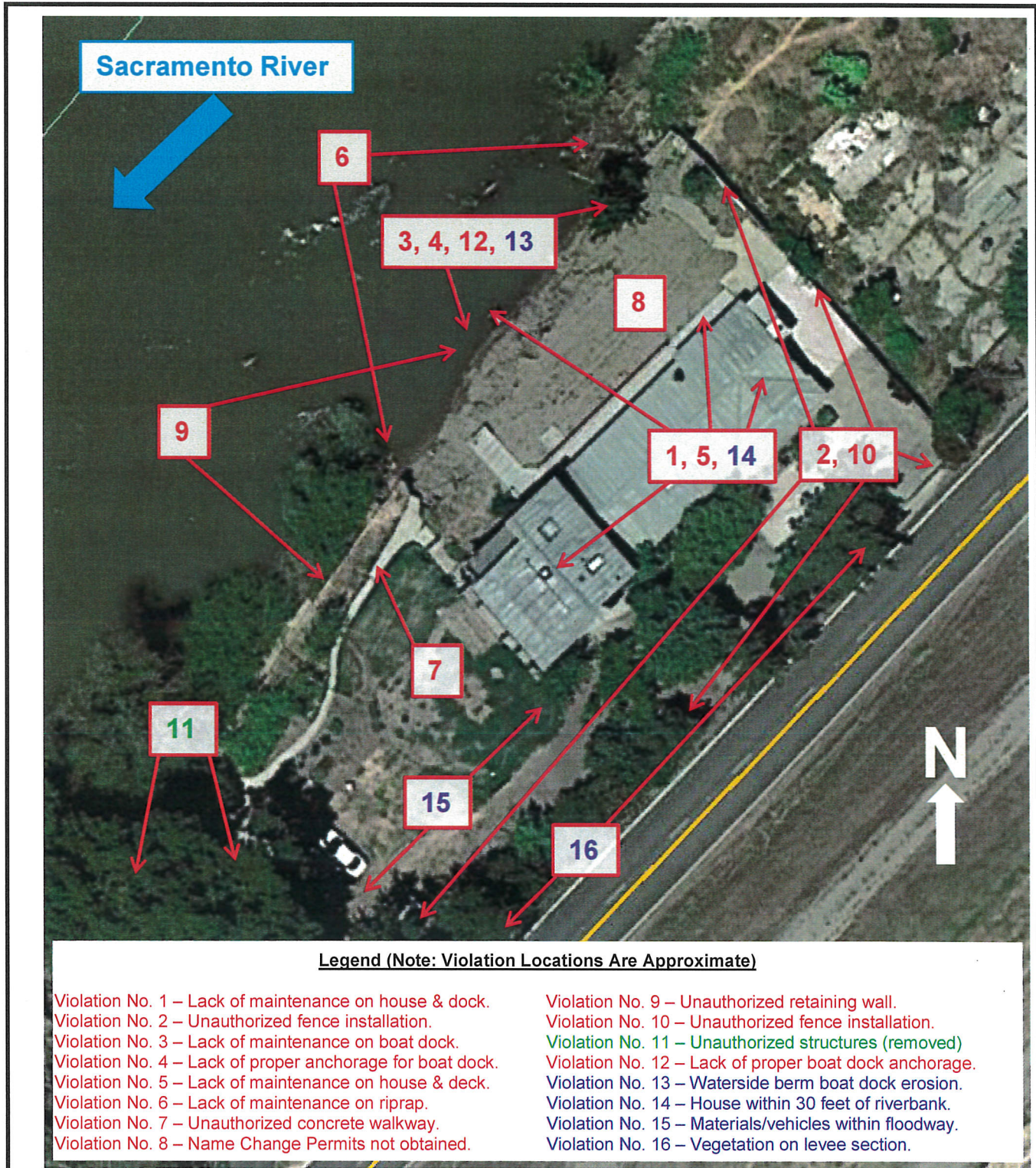
Violation Nos. 13 through 16 noted below have been added to this CDO because they have been recently identified by CVFPB staff as additional violations at 7907 Garden Highway. The authority for adding additional violations to this CDO comes from California Water Code Section 8701.2(b), since the CVFPB Executive Officer has found that issuing an NOV would be futile, would result in unreasonable delay, and is unlikely to invoke a timely response.

The attached Encroachment Map notes the original NOV encroachments in red, new additional CDO Exhibit A encroachments in purple, and corrected NOV encroachments in green.

Violation No.	Violation Description	CCR Title 23 Sections and/or Permit Conditions violated	Corrective Action
13.	Waterside berm erosion at and near previously permitted boat dock location.	§127(a)(3)(c)	Submit a Stabilization Plan or a Removal Plan.
14.	Dwellings and appurtenant structures are not permitted within thirty (30) feet of the top of an unrevetted riverbank.	§133(d)(5)	Submit a Stabilization Plan or a Removal Plan.
15.	Materials and vehicles stored within the Sacramento River floodway must be removed prior to flood season (November 1 st through April 15 th).	§137(i), (k)(5); §112(b); §133(f)	Remove materials and vehicles prior to November 1 st from the Sacramento River floodway.
16.	Vegetation is interfering with flood fight, maintenance and inspection activities.	§131(c), (f)(2), (f)(3), (f)(4), (f)(7); Permit No. 3576, Special Condition No. 16	Remove vegetation.

Notes:

1. Any proposed NOV or CDO corrective action work for Violation Nos. 13 and 14 must be reviewed and approved by CVFPB staff before any actual corrective work occurs on site.
2. Any proposed NOV or CDO corrective action work for Violation Nos. 15 and 16 may be performed without prior CVFPB staff approval.
3. The resulting final corrective action for Violation Nos. 13 and 14 may be eligible for a CVFPB permit after CVFPB staff review and approval of the Respondent's submitted Stabilization Plan or Removal Plan.
4. The corrective actions for Violation Nos. 15 and 16 are not eligible for a CVFPB permit.
5. Violation No. 11 in the March 6, 2018 NOV has been corrected because the two waterside berm structures have been removed from the waterside berm.



CENTRAL VALLEY FLOOD PROTECTION BOARD

Source: Google Earth

Encroachment Violation Locations

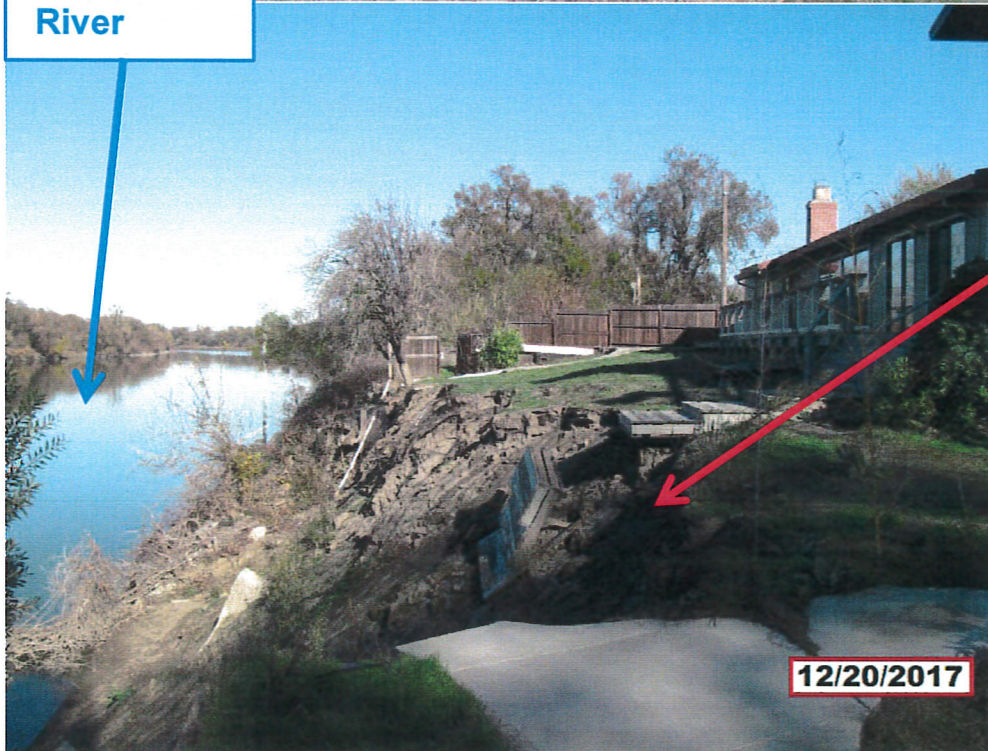
CDO Exhibit A
Encroachment
Map

Enforcement Case 2017-15464



Sacramento River

Waterside berm erosion at and near previously permitted boat dock location. Dwelling is now less than 30 feet away from the top of the unrevetted riverbank.



Violation Nos. 13 & 14



CENTRAL VALLEY FLOOD PROTECTION BOARD

Source: CVFPB Staff, 8-4 + 12-20-2019

CDO Exhibit A
CVFPB Site Visit
Photos

Looking NW on WS berm

Enforcement Case: 2017-15464



**Materials
and vehicles
stored within
Sacramento
River
floodway.**

**Violation
No. 15**



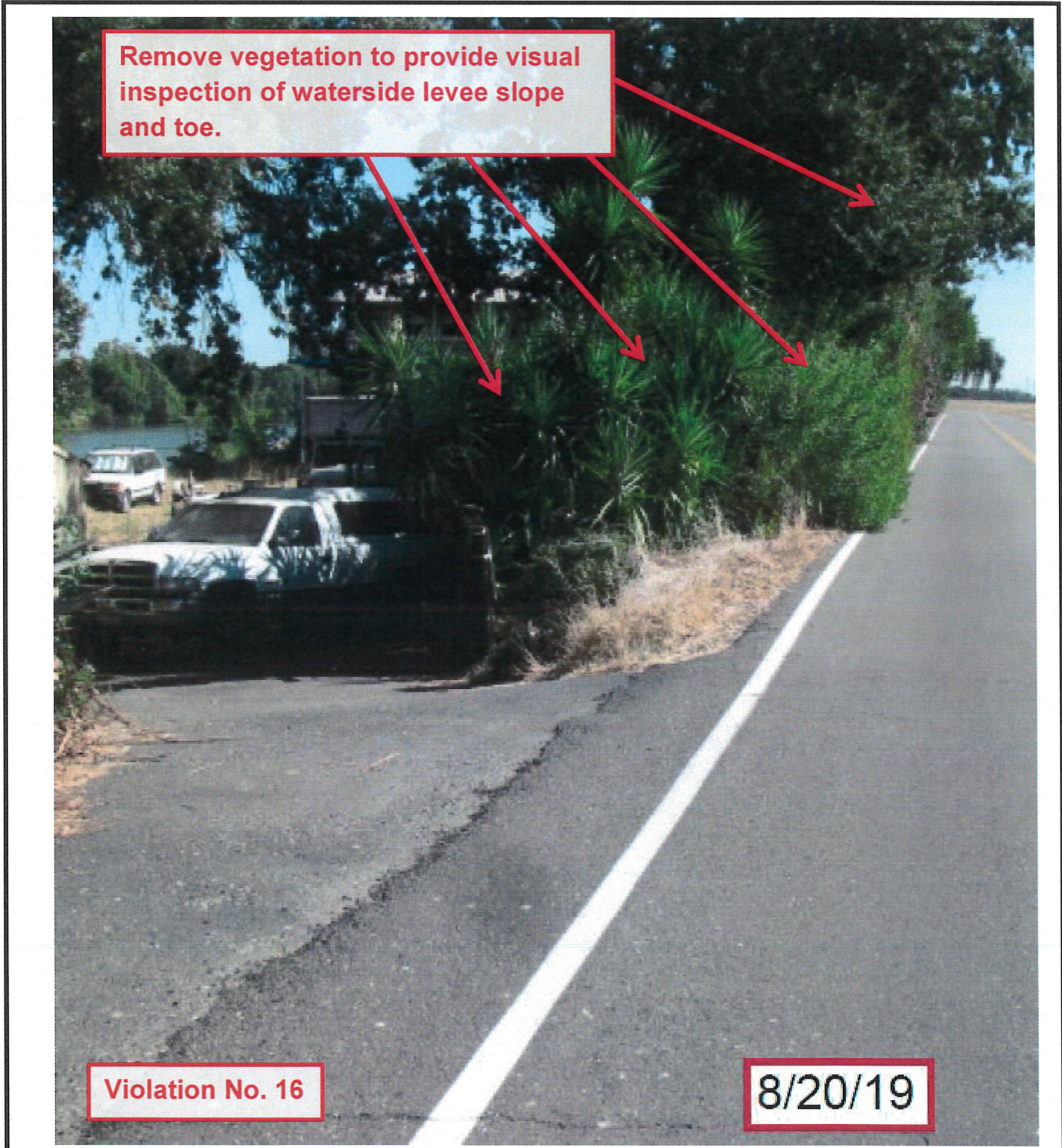
**CENTRAL VALLEY FLOOD
PROTECTION BOARD**

Source: CVFPB Staff, 8-20-2019

On WS berm looking at WS levee toe

CDO Exhibit A
CVFPB Site Visit
Photos

Enforcement Case: 2017-15464



**CENTRAL VALLEY FLOOD
PROTECTION BOARD**

Source: CVFPB Staff, 8-20-2019

Looking N at the river bank

CDO Exhibit A
CVFPB Site Visit
Photos

Enforcement Case: 2017-15464



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 4.2

TITLE: Superintendent's Report – December 2019

SUBJECT: Update on activities since the November 2019 Board of Trustees Meeting

EXECUTIVE SUMMARY:

This Staff Report is intended to inform the Board and serve as official record of the activities the District's field staff engaged in for the month of November 2019. As well as provide information regarding District facility use and local weather impacts on District facilities and river levels.

The Superintendent report was created to provide monthly updates to the Board of Trustees on field activities within the District boundaries, as well as provide a historical record. This allows for the District and the public the opportunity to refer back to data trends over time regarding the weather impact on District facilities, crew activities and local river and canal conditions as well as general District activities from month to month.

RECOMMENDATION:

There are no staff recommendations, information provided is strictly informational.

ATTACHMENTS:

1. Superintendent's Report Data Sheet

STAFF RESPONSIBLE FOR REPORT:

Donald Caldwell, Superintendent

Date: 12/02/2019

Kevin L. King, General Manager

Date: 12/04/2019

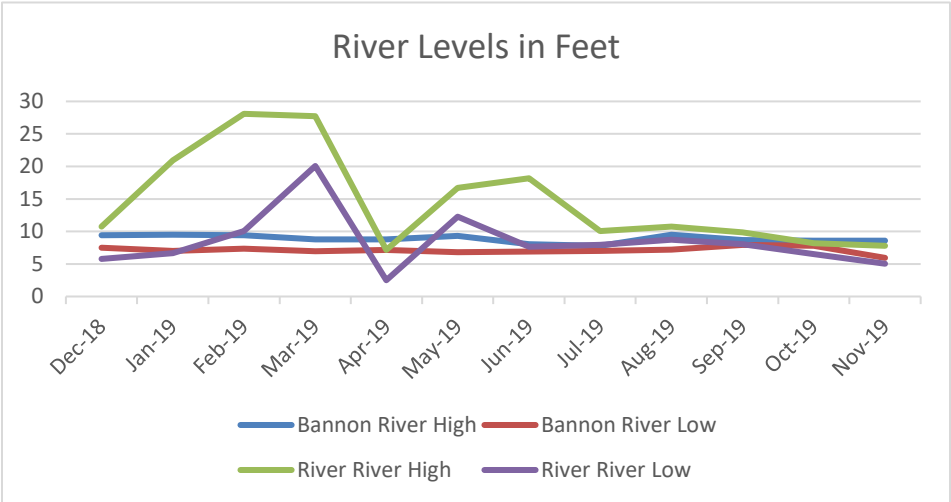


**Superintendent's Report
November 2019**

River Levels:

Bannon H: 8.56'
L: 5.94'

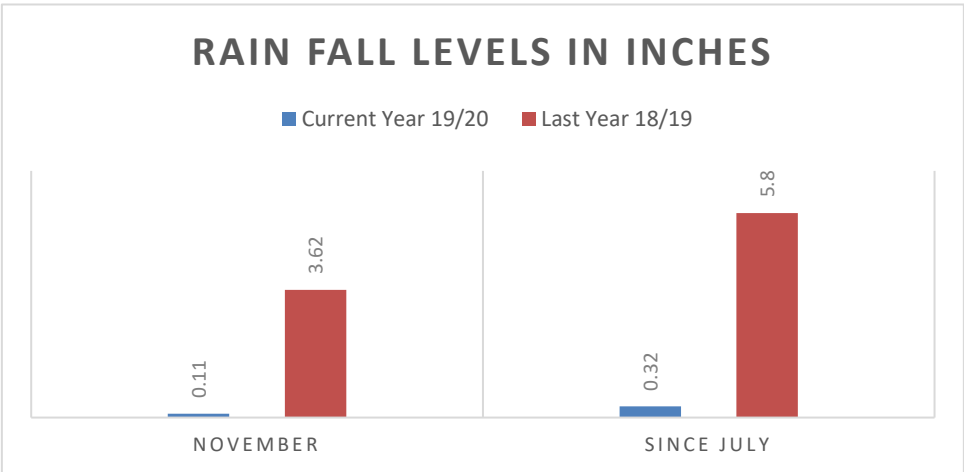
River H: 7.78'
L: 5.04'



Rain Fall Totals:

November rain totals were 0.11"

Rain totals since July 1st were 0.32"



Safety topics for the month of November: Wet Conditions – Be watchful for slick surfaces on the roads and in District facilities.

District Complaints: For the month of November the District received three (3) complaints. A resident reported high weeds in one of the District canals and expressed concerns regarding potential flooding during a rain event. The canal had been already added to the maintenance schedule for vegetation management, no follow up was required. The District also received two calls from the City of Sacramento, one due to an open gate allowing unauthorized access to the property and canals, the other informing the District of an additional unauthorized encampment on District property. The City informed the District that they had contacted the impact team to remove encampments and requested the District replace the lock which had been removed.

TITLE: Superintendent's Report

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

RD 1000 Field Crew	*Field Hours Worked	Activity
	70.5	Grounds
	202	Pump Plant Maintenance
	9	Pump Rounds
	85	Ditch Maintenance
	48	Levee Maintenance
	78	Garbage
	113	Weed Control
	116	Tree Trimming/Removal
	128	Mowing
	112	Equipment Repair

**Hours worked do not include Superintendent's time*

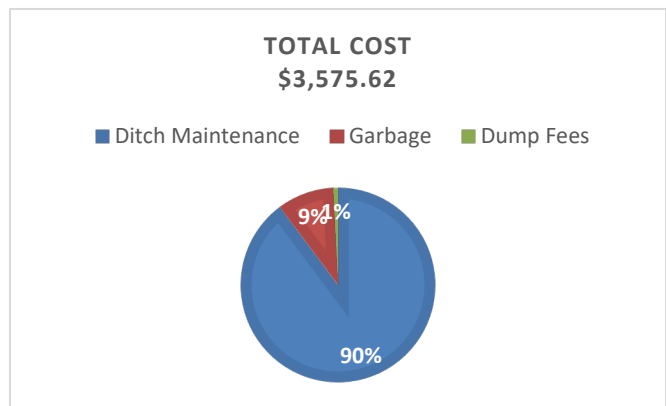
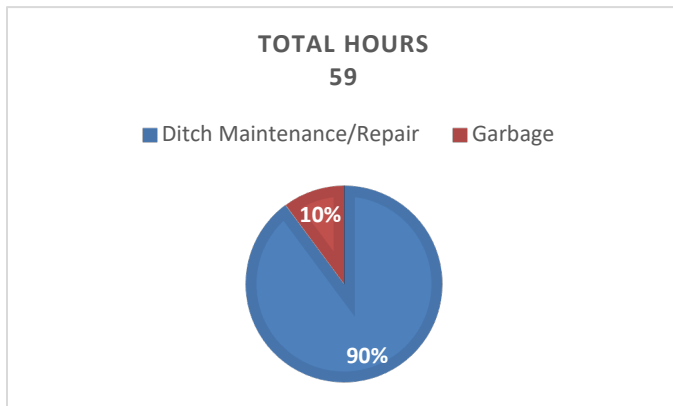
Pumping

No Pumping for the month of November

Unauthorized Encampment Activity

The District spent a total of 59 crew hours on unauthorized encampments for a total cost to the district of \$3,575.62. This total includes labor,* equipment costs and dump fees.

**labor costs only include hourly wages and does not include a weighted rate for each employee*





RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 4.3

TITLE: District Counsel's Report – December 2019

SUBJECT: Update on activities since the November 2019 Board of Trustees Meeting

EXECUTIVE SUMMARY:

Reclamation District 1000's (RD 1000; District) General Counsel, Jim Day, to provide verbal report of work performed during the month of November 2019.

ATTACHMENTS:

None

STAFF RESPONSIBLE FOR REPORT:

Kevin L. King, General Manager

Date: 12/04/2019



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 5.1

TITLE: Approval of Minutes

SUBJECT: Approval of Minutes from November 8, 2019 Regular Board Meeting, November 14, 2019 Special Board Meeting and November 20, 2019 Special Board Meeting.

EXECUTIVE SUMMARY:

This staff report is intended to serve as the official record of monthly meetings of the Board of Trustees. This document details meeting participants, proof of items discussed, summaries of board meeting discussion, and actions taken by the Board. Staff recommends Board approval of meeting minutes (Attachments 1-3) from the November 8, 2019 Regular Board Meeting, November 14, 2019 Special Board Meeting and November 20, 2019 Special Board Meeting.

BACKGROUND:

The Ralph M. Brown Act (Gov. Code §54950 et seq.) governs meetings by public commissions, boards and councils, and public agencies in California. The Act facilitates public transparency and public participation in local government decisions. The Act also contains specific exemptions from the open meeting requirements where governmental agencies have a demonstrated need for confidentiality. To further comply with transparency, Reclamation District No. 1000 documents meetings of the Board of Trustees through Board Minutes.

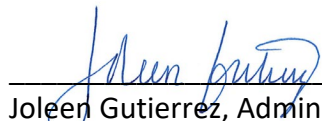
RECOMMENDATION:

Staff Recommends the Board approve the Minutes from the November 8, 2019 Regular Board Meeting, November 14, 2019 Special Board Meeting and November 20, 2019 Special Board Meeting.

ATTACHMENTS:

1. November 8, 2019, Board Meeting Minutes
2. November 14, 2019 Board Meeting Minutes
3. November 20, 2019 Board Meeting Minutes

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Services Manager

Date: 12/02/2019



Kevin L. King, General Manager

Date: 12/06/2019



**Reclamation District No. 1000
Board of Trustees Meeting**

1633 Garden Highway
Sacramento, CA 95833

**November 8, 2019
MEETING MINUTES**

The Reclamation District No. 1000 Board of Trustees met in regular session on this date at the District Office. Present were: Board President Jeff Smith; Vice President Tom Barandas; Trustee Fred Harris; Trustee David Christophel; Trustee Nick Avdis; Trustee Chris Burns; Trustee Thom Gilbert; General Manager Kevin King; General Counsel Jim Day; Administrative Services Manager Joleen Gutierrez; and Administrative Assistant Christina Forehand.

Also Present: Scott Brown from Larsen, Wurzel & Associates, Mark Rodgers from Wood Rodgers, Barry O'Regan from Kjeldsen, Sinnock & Neudeck, Inc.

1. PRELIMINARY

The meeting was called to order by Board President Jeff Smith.

After the Pledge of Allegiance, President Smith offered Trustees the opportunity to disclose any potential conflicts of interest for items listed on the agenda. Trustee Avdis recused himself from the discussion of Item 6.2.

2. PRESENTATIONS

There were no scheduled presentations.

3. PUBLIC COMMENT

Trustee Fred Harris stepped down from the dais for public comment and gave a farewell speech to the Board, congratulated newly elected Board members, made known he is proud of all the Board has accomplished together. He shared his hope for the Board's continued focus on Flood protection and O/M of its levees. Mr. Harris shared his experience with the election process and expressed his acceptance of the election outcome. He then shared his concern about interactions of other candidates and their meetings with a developer and asked the Board to investigate this issue further for any ethical violation before the Board approves a specific developer's bridge project. Mr. Harris left the meeting immediately following his comment.

4. INFORMATIONAL ITEMS

- 4.1 General Manager's Report: GM King provided a written report of work performed during October 2019.

GM King announced the District has a grazing contractor performing vegetation management along Garden Highway funding through the 2019 FMAP Grant. The District also has Emerald Site Services working on mechanical vegetation removal along Garden Highway from Sankey Rd to Poweline Rd. The cleanup has improved visual access and physical access as well.

GM King made known SAFCA still has available tour dates to see several projects: Bryte Landfill and Mediation Project, Sacramento Weir and Bypass Expansion Project, Elkhorn Basin Levee Setback Project, and interior Drainage and Pump Station Project. Interested Trustees should see GM King for further scheduling.

- 4.2 Superintendent's Report: A written informational summary was provided to the Board in the November board packet.

- 4.3 District Counsel's Report: District Counsel Jim Day provided a verbal report of his activities during November 2019.

5. CONSENT CALENDAR

All Consent Calendar items are acted upon by one Motion. There were no items pulled for further discussion.

Moved/Seconded: Trustee Avdis / Trustee Barandas

Ayes: Trustees Jeff Smith, Tom Barandas, Nick Avdis, Chris Burns, David Christophel, Thom Gilbert

Noes: None

Absent: Trustee Harris

Action: A motion passed to approve Consent Calendar Items 5.1, 5.2, 5.3, 5.4 in one motion.

- 5.1 Approval of Minutes from the October 11, 2019, Regular Board Meeting

Action: Approved Minutes from October 11, 2019, Board Meeting.

- 5.2 Treasurer's Report for October 2019.

Action: Approved Treasurer's Report for November 8, 2019.

- 5.3 Expenditure Report: Review and Accept Report for October 2019.

Action: Reviewed and Accepted Expenditure Report for October 2019.

5.4 Budget to Actual Report: Review and Accept Report for October 2019.

Action: Reviewed and Accepted Budget to Actual Report for October 2019.

6. SCHEDULED ITEMS

6.1 PROFESSIONAL SERVICES AGREEMENT: Review and Consider Authorizing the General Manager to Execute a Professional Services Agreement with Kjeldsen Sinnock Neudeck, Inc. for Capital Improvement Plan Update Project.

GM King made known KSN responded to our request for qualifications for the District's Capital Improvement Plan. The scope of services, fee schedule, and a draft professional services agreement attachments were included for review in the board packet. GM King asked the Board for authorization to execute the agreement with KSN, which is inclusive of one date change to Item 3, third condition. Barry O'Regan, Principal of KSN, was present for questions. Trustee Smith shared with the Board the Operations Committee is comfortable moving forward with the contract. Due to a misestimation, a budget amendment will be necessary to cover the additional \$100,000 proposed costs. Funds will be pulled from the Capital Improvement Budget to cover the difference.

There were no public comments.

Moved/Seconded: Trustee Christophel/ Trustee Burns

Ayes: Trustees Smith, Barandas, Avdis, Burns, Christophel, Gilbert

Noes: None

Absent: Trustee Harris

Action: A motion passed to authorize GM King to execute a professional Services Agreement with KSN, Inc. for the District's CIP update.

6.2 DEVELOPMENT IMPACT FEE: Review and Consider Approval of Request from Greenbriar Developers to Defer Payment of Development Impact Fee.

GM King made known the developers of Greenbriar entered into a funding agreement in May 2017. The agreement exempted Greenbriar from the District's Development Fee, provided the developer pay a "Catch-Up Fee" associated with the former Community Facilities District No. 97-01 taxes levied against the lands within the North Natomas Community Plan. The developer requested to defer paying improvements and Catch-Up Fees until recordation of the first subdivision map or December 31, 2020. The reason for the change is to assist the developer with cash flow. The original agreement between the District, Greenbriar Project Owner, LP, and the City of Sacramento would be amended to defer the payment date. Mark Rodgers from Wood Rodgers discussed improvements that would benefit RD1000. Trustee Smith shared concerns about the location of power poles location and maintenance. Mark Rodgers assured Trustee Smith that the position of poles does not create a maintenance issue.

Trustee Barandas had a concern about time/value/money and better cash flow for the developer. GM King clarified that we would only delay any deposit of remaining Catch-Up Fee by a couple of months once the developer files subdivision maps, and the City settles the accounting. Trustee Christophel also shared concerns about there not being a clear explanation of the benefits to the District or the Developer. Trustee Burns explained there is no loss of interest because developer fees would sit in an escrow account held by the City of Sacramento.

There was no public comment.

Moved/Seconded: Trustee Burns/ Trustee Barandas

Ayes: Trustees Smith, Barandas, Burns, Christophel, Gilbert

Noes: None

Abstain: Trustee Avdis

Absent: Trustee Harris

Action: A motion to accept an agreement to defer Greenbriar Developers payment of the Development Impact Fee.

7. BOARD OF TRUSTEE'S COMMENTS

7.1 Board Activity Updates:

7.1.1. RD 1000 Committee Meetings Since Last Board Meeting

- Operations Committee (Smith, Barandas, & Christophel) October 25, 2019
- Executive Committee Meeting (Smith & Barandas) October 30, 2019

A summary of Committee Meeting Minutes was included for review in the November 8, 2019 board packet.

7.1.2 RD 1000 Committees No Meetings Since Last Board Meeting

- Legal Committee (Avdis, Barandas, & Harris)
- Finance Committee (Gilbert, Harris, & Smith)
- Personnel Committee (Harris, Burns, Christophel)
- Urbanization Committee (Burns, Gilbert, & were)

7.1.3 Trustee's Comments/Reports

8. CLOSED SESSION

No scheduled Closed Session items.

9. ADJOURN

Meeting adjourned.



**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
SPECIAL BOARD MEETING**

1633 Garden Highway
Sacramento, CA 95833

**November 14, 2019
MEETING MINUTES**

The Reclamation District No. 1000 Board of Trustees met on this date at the District Office. Present were: Board President Jeff Smith; Trustee Nick Avdis; Trustee Chris Burns; Trustee Thom Gilbert; General Manager Kevin King; and Administrative Services Manager Joleen Gutierrez.

1. PRELIMINARY

The meeting was called to order by Board President Jeff Smith. After the Pledge of Allegiance and board roll call, President Smith offered Trustees the opportunity to disclose any potential conflicts of interest for items listed on the agenda. There were no stated conflicts.

2. PRESENTATIONS

There were no Scheduled Presentations.

3. PUBLIC COMMENT

There were no members of the public in attendance and, therefore no public comments.

4. INFORMATIONAL ITEMS

There were no Scheduled Informational Items.

5. CONSENT CALENDAR

There were no Scheduled Consent Calendar Items.

6. SCHEDULED ITEMS

6.1 INTERVIEW & PRESENTATION: Interview and presentation from various respondents to the District's Request for Qualifications General Counsel Legal Services.

The Board interviewed firm counsel from the following law firms:

- Kronik Moskovitz Tiedemann & Girard
- Herum Crabtree Suntag

7. BOARD OF TRUSTEE'S COMMENTS

7.1 BOARD ACTIVITY UPDATES:

7.1.1 Trustee's Comments/Reports

There were no Trustee Comments or Reports.

8. CLOSED SESSION

There were no scheduled Closed Session Items.

9. ADJOURN

Meeting adjourned.



**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
SPECIAL BOARD MEETING**

1633 Garden Highway
Sacramento, CA 95833

**November 20, 2019
MEETING MINUTES**

The Reclamation District No. 1000 Board of Trustees met in regular session on this date at the District Office. Present were: Board Vice President Tom Barandas; Trustee David Christophel; Trustee Nick Avdis; Trustee Chris Burns; Trustee Thom Gilbert; General Manager Kevin King; and Administrative Services Manager Joleen Gutierrez.

1. PRELIMINARY

The meeting was called to order by Vice President Tom Barandas. After the Pledge of Allegiance and board roll call, Vice President Tom Barandas offered Trustees the opportunity to disclose any potential conflicts of interest for items listed on the agenda. There were no stated conflicts.

2. PRESENTATIONS

There were no Scheduled Presentations.

3. PUBLIC COMMENT

There were no members of the public in attendance and, therefore no public comments.

4. INFORMATIONAL ITEMS

There were no Scheduled Informational Items.

5. CONSENT CALENDAR

There were no Scheduled Consent Calendar Items.

6. SCHEDULED ITEMS

6.1 INTERVIEW & PRESENTATION: Interview and presentation from various respondents to the District's Request for Qualifications General Counsel Legal Services.

The Board interviewed firm counsel from the following law firms:

- Downey Brand, LLP
- Somanch Simmons & Dunn, Attorneys at Law
- Day Carter Murphy, LLP

7. BOARD OF TRUSTEE'S COMMENTS

7.1 BOARD ACTIVITY UPDATES:

7.1.1 Trustee's Comments/Reports

There were no Trustee Comments or Reports.

8. CLOSED SESSION

There were no scheduled Closed Session Items.

9. ADJOURN

Meeting adjourned.



RECLAMATION DISTRICT 1000

DATE: December 13 , 2019

AGENDA ITEM NO. 5.2

TITLE: Treasurer's Report

SUBJECT: Approve Treasurer's Report for November 2019

EXECUTIVE SUMMARY:

This Staff Report is intended to inform the Board of the current total funds in the District's checking and money market accounts, Sacramento County Treasurer Fund, State Treasurer Local Agency Investment Fund (LAIF), and the City of Sacramento Pooled Investment Fund.

The Staff Report attachment provides the monthly beginning and ending balances of its Operations and Maintenance cash flow. The report considers the current month's receipts, fund to fund transfers, accounts payable, and payroll.

Noteworthy fund and cash flow items in the month of November 2019 are featured in the attached Treasurer's Report. The District incurred several large expenses associated with the FMAP Grant (i.e., vegetation management, consultants, and large equipment purchases). Because of this, transfers were made from the District's LAIF account to cover these upfront expenses. The District has since reimbursed itself from the FMAP bank account for associated expenses.

BACKGROUND:

Income and Cash

The District has funds in the California State Controller Local Agency Investment Fund (LAIF), the Sacramento County Treasurer and Bank of the West.

The District's primary source of income is property assessments. Assessments are collected through respective Sacramento and Sutter County tax bills.

The District is required by law to have a minimum of six (6) months operation and maintenance reserves. Additionally, the District needs six (6) months of Operations and Maintenance (O/M) reserves to pay expenses from July through December when the 1st installments are collected on property assessments. The annual O/M budget is approximately \$2 million per year.

RECOMMENDATION:

Staff recommends the Board approve the information in the November 2019 Treasurer's Report.

FINANCIAL IMPACT:

None.

TITLE: Treasurer's Report – November 2019

ATTACHMENTS:

1. Treasurer's Report

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Services Manager

Date: 12/02/2019



Kevin L. King, General Manager

Date: 12/06/2019

Reclamation District 1000
Treasurer's Report
November 2019

Treasurer's Report for November 2019

November 2019	
Total Funds	7,973,547.00
Bank of the West - Checking	56,957.14
Bank of the West - Money Market	259,913.19
Bank of the West FMAP	408,417.10
Sacramento County Treasurer	3,416,675.74
State Treasurer - Local Agency Investment Fund	1,721,486.96
City of Sacramento - Pool A	2,110,096.87

November 2019 - Operations and Maintenance Cash Flow			
Beginning Balance			3,508,987.07
	Income	Expense	
Current months receipts	9,568.53		9,568.53
Transfers from money market account	300,000.00		300,000.00
Transfers from FMAP bank account	165,709.12		165,709.12
Accounts Payable*		(409,395.73)	(409,395.73)
Payroll		(101,236.11)	(101,236.11)
Ending Balance			3,473,632.88

*See Attached Check Register

Current months receipts are made up of the following:

Refund of bank fee from Bank of the West	20.00
Rental income from Sacramento City Fire Dept.	5,325.86
Project expense reimbursement from Greenbriar	4,025.45
Refund from Grainger	105.76
Unknown bank deposit	91.46

The district received \$809.00 into the County Treasury for interest during October 2019. Because of the timing of receipt of the County Treasury statements, these amounts were not previously reported.



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 5.3

TITLE: Expenditure Report

SUBJECT: Review and Accept Report for November 2019

EXECUTIVE SUMMARY:

This Staff Report is intended to advise the Board of monthly expenditures and provide an explanation of any expenses outside of the usual course of business. Staff recommends the Board review and accept the Expenditure Report for November 2019.

Expenses

The Administrative Services Manager reviews and the General Manager approves expenditures. This activity is disclosed monthly as an attachment to this staff report. The Expenditure Report (Attachment 1) reveals typical District spending for the month; however, there are a few noteworthy expenses related to the FMAP Grant – Western Grazers \$23,000 for grazing, tree trimming and vegetation management by Emerald Site Services \$120,345, Deere & Company \$116,524 for tractor purchase, and \$15,072 paid to Big Valley Drivers, Inc. pumping plant trash rack repairs. The District also incurred an increased power expense from SMUD \$29,632 for continued dewatering of irrigation tailwater.

RECOMMENDATION:

Staff recommends the Board review and accept the Expenditure Report for November 2019.

FINANCIAL IMPACT:

Expected FMAP related expenses have lowered District reserves. The District will continue to reimburse itself from FMAP grant bank account.

ATTACHMENTS:

1. November 2019 Expenditure Report

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Services Manager

Date: 12/02/2019



Kevin L. King, General Manager

Date: 12/06/2019

November 2019 Expenditure Report

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Cash and Investments							92,311.33
1010.00 - Bank of the West Checking Acct							92,311.33
General Journal	11/01/2019		Bank of the West	Service charge rebate	20.00		92,331.33
Check	11/01/2019	EFT	Bank of the West			20.00	92,311.33
Bill Pmt - Check	11/04/2019	40762	Western Grazers			6,000.00	86,311.33
Bill Pmt - Check	11/05/2019	385386387	Cal Pers			13,047.87	73,263.46
Bill Pmt - Check	11/05/2019	30959951607	City of Sacramento	Acct 7029676079		4.38	73,259.08
Bill Pmt - Check	11/05/2019	7032903821	Comcast	account 8155600381146169		158.38	73,100.70
Bill Pmt - Check	11/05/2019	2284292	Napa Auto Parts			833.39	72,267.31
Bill Pmt - Check	11/05/2019	80005572935	Waste Management of Sacramento			487.62	71,779.69
Bill Pmt - Check	11/05/2019	30903746032	PG&E			43.18	71,736.51
Bill Pmt - Check	11/05/2019	40763	Airgas NCN			833.04	70,903.47
Bill Pmt - Check	11/05/2019	40764	Appeal - Democrat			452.28	70,451.19
Bill Pmt - Check	11/05/2019	40765	Bode & Bode			1,956.72	68,494.47
Bill Pmt - Check	11/05/2019	40766	Neat Freak Clean, LLC			350.00	68,144.47
Bill Pmt - Check	11/05/2019	40767	PAPA			135.00	68,009.47
Bill Pmt - Check	11/05/2019	40768	Yolo County Public Works			317.65	67,691.82
Bill Pmt - Check	11/05/2019	40769	Brookman Protection Services, Inc.			7,500.00	60,191.82
Bill Pmt - Check	11/05/2019	40770	Joe Countryman			500.00	59,691.82
Bill Pmt - Check	11/05/2019	40771	Vanessa Sonnier			500.00	59,191.82
Bill Pmt - Check	11/05/2019	40772	Z Wayne Johnson			500.00	58,691.82
General Journal	11/05/2019			Record 11/4/19 payroll		35,719.29	22,972.53
Bill Pmt - Check	11/05/2019	EFT	Cal Pers			300.00	22,672.53
Bill Pmt - Check	11/05/2019	EFT	Cal Pers			893.26	21,779.27
General Journal	11/05/2019			Record 11/4/19 payroll		15,159.21	6,620.06
General Journal	11/05/2019			Record 11/4/19 payroll		94.97	6,525.09
Transfer Bill Pmt - Check	11/07/2019		Sacramento County Utilities	Funds Transfer	100,000.00		106,525.09
Bill Pmt - Check	11/07/2019	EFT	Sacramento County Utilities	acct 50005654895		113.70	106,411.39
Bill Pmt - Check	11/07/2019	EFT	Sacramento County Utilities	acct 50005654877		113.70	106,297.69
General Journal	11/07/2019				9,457.07		115,754.76
Bill Pmt - Check	11/08/2019	40773	ACWA JPIA			1,689.47	114,065.29
Bill Pmt - Check	11/08/2019	40774	AT&T			290.53	113,774.76
Bill Pmt - Check	11/08/2019	40775	Chavez Accountancy Corporation			1,785.00	111,989.76
Bill Pmt - Check	11/08/2019	40776	Great America Financial Services			332.29	111,657.47
Bill Pmt - Check	11/08/2019	40777	Steve Yaeger Consulting			1,630.00	110,027.47
Bill Pmt - Check	11/08/2019	40778	Tractor Supply Credit Plan			280.58	109,746.89
Bill Pmt - Check	11/08/2019	40779	Woodland Motors			228.37	109,518.52

Bill Pmt - Check	11/13/2019	40780	Carson Landscape Industries		695.00	108,823.52
Bill Pmt - Check	11/13/2019	40781	ECS Imaging, Inc.		1,090.00	107,733.52
Bill Pmt - Check	11/13/2019	40782	Miles Treaster & Associates		4,837.20	102,896.32
Bill Pmt - Check	11/13/2019	40783	State Water Resources Control Board		130.04	102,766.28
Bill Pmt - Check	11/13/2019	40784	Stillwater Sciences		5,209.86	97,556.42
Bill Pmt - Check	11/13/2019	40785	Terrapin Technology Group		7,216.85	90,339.57
Bill Pmt - Check	11/13/2019	40786	The Sacramento Bee	Acct 339553	657.04	89,682.53
Bill Pmt - Check	11/13/2019	40787	Valley Truck & Tractor Company		169.76	89,512.77
Bill Pmt - Check	11/13/2019	40788	State Water Resources Control Board		2,572.00	86,940.77
Bill Pmt - Check	11/13/2019	111319	Alhambra & Sierra Springs		52.46	86,888.31
Bill Pmt - Check	11/13/2019	210025	Berkshire Hathaway Homestate Companies		1,830.52	85,057.79
Bill Pmt - Check	11/13/2019	31738804421	PG&E	7682608878-3	362.34	84,695.45
Bill Pmt - Check	11/18/2019	40789	Day Carter & Murphy LLP		10,716.00	73,979.45
Bill Pmt - Check	11/18/2019	40790	Emerald Site Services, Inc		120,345.00	-46,365.55
Bill Pmt - Check	11/18/2019	40791	Hire Right Solutions, LLC		93.04	-46,458.59
Bill Pmt - Check	11/18/2019	40792	Western Grazers		17,000.00	-63,458.59
Bill Pmt - Check	11/18/2019	1001446975	Cal Pers		17,280.16	-80,738.75
Bill Pmt - Check	11/18/2019	ANQN87WL	Streamline		200.00	-80,938.75
Bill Pmt - Check	11/18/2019	16312386170	The Home Depot		777.10	-81,715.85
Bill Pmt - Check	11/18/2019	1001446979	Cal Pers		300.00	-82,015.85
Transfer	11/18/2019		Funds Transfer		148,554.86	66,539.01
Transfer	11/18/2019		Funds Transfer		9,224.73	75,763.74
Transfer	11/18/2019		Funds Transfer		7,929.53	83,693.27
General Journal	11/20/2019		Record 11/20/19 Payroll		34,051.79	49,641.48
General Journal	11/20/2019		Record 11/20/19 Payroll		16,079.38	33,562.10
General Journal	11/20/2019		Record 11/20/19 Payroll		81.47	33,480.63
Bill Pmt - Check	11/22/2019	40793	Big Valley Divers, Inc.		15,072.48	18,408.15
Transfer	11/22/2019		Funds Transfer		200,000.00	218,408.15
Check Bill Pmt - Check	11/22/2019	EFT	ADP		50.00	218,358.15
Check General Journal	11/25/2019	1001451545	Cal Pers		300.00	218,058.15
Bill Pmt - Check	11/25/2019		Unknown bank deposit on 11/25/19		91.46	218,149.61
Bill Pmt - Check	11/27/2019	40794	Blankinship & Associates, Inc.		1,758.25	216,391.36
Bill Pmt - Check	11/27/2019	40795	Deere & Company		116,524.51	99,866.85
Bill Pmt - Check	11/27/2019	40796	Green Light Termite and Pest		75.00	99,791.85
Bill Pmt - Check	11/27/2019	40797	Interstate Oil Company		60.47	99,731.38
Bill Pmt - Check	11/27/2019	40798	Larsen Wurzel & Associates		577.50	99,153.88
Bill Pmt - Check	11/27/2019	40799	MBK Engineers		9,123.75	90,030.13
Bill Pmt - Check	11/27/2019	40800	Mead & Hunt		2,563.25	87,466.88
Bill Pmt - Check	11/27/2019	40801	Smile Business Products		391.61	87,075.27

Bill Pmt - Check	11/27/2019	40802	SMUD	Account 7000000317	29,632.55	57,442.72	
Bill Pmt - Check	11/27/2019	33148032946	City of Sacramento	account 2007944000	177.94	57,264.78	
Bill Pmt - Check	11/27/2019	33148050776	City of Sacramento	account 5450844000	65.04	57,199.74	
Bill Pmt - Check	11/27/2019	871103614	Verizon		242.60	56,957.14	
Total 1010.00 · Bank of the West Checking Acct					<u>475,277.65</u>	<u>510,631.84</u>	<u>56,957.14</u>
Total Cash and Investments					<u>475,277.65</u>	<u>510,631.84</u>	<u>56,957.14</u>
					<u>475,277.65</u>	<u>510,631.84</u>	<u>56,957.14</u>

Total receipts	9,568.53
Transfers from Money Market	300,000.00
Transfers from FMAP bank account	165,709.12
Payroll disbursements	101,236.11
Accounts payable disbursements	409,395.73



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 5.4

TITLE: Budget to Actual Report

SUBJECT: Review and Accept Report for November 2019

EXECUTIVE SUMMARY:

This Staff Report is intended to provide a monthly budgetary snapshot of how well the District is meeting its set budget goals for the fiscal year. The monthly Budget to Actual Report contains a three-column presentation of actual expenditures, budgeted expenditures, and percentage of the budget. Each line item compares budgeted amounts against actual to date expenses. Significant budgeted line item variances (if any) will be explained in the Executive Summary of this report.

Attachment 1 provides a fiscal year to date report for the month ending November 30, 2019. At this time, the District is at 89.45% of our anticipated Capital – District Server expense. This is a budgeted item and one-time purchase to replace the District’s aging server system. Administrative expenses exceeding 50% are due to one-time annual budgeted expenses including District memberships, property taxes and our annual liability and auto insurance policies.

BACKGROUND:

The Board of Trustees adopts a budget annually in June. District staff prepares the Budget, which shows current year budget versus expenditures and a proposed budget for the next fiscal year.

Three committees review the draft budget before being presented to the Board for adoption in June. The Personnel Committee reviews the wage and benefits portion of the Budget. The Operations Committee reviews the Capital expenditures Budget. After the two committees review and make recommendations to the budget, the final draft is prepared for the Finance Committee to consider. After review by the Finance Committee, the final Budget is presented to the Board for adoption at a regular Board meeting.

RECOMMENDATION:

Staff recommends the Board review and accept the Budget to Actual Report for November 2019.

FINANCIAL IMPACT:

None.

TITLE: Budget to Actual Report

ATTACHMENTS:

1. Budget to Actual Report November 2019

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Services Manager

Date: 12/02/2019



Kevin L. King, General Manager

Date: 12/06/2019

Reclamation District No. 1000
Budget to Actual Comparison
July 1, 2019 to November 30, 2019 (Five Months Ending of Fiscal 2020)

	Year to Date July 1, 2019 to November 30, 2019	Budget	Percent of Budget
Operation & Maintenance Income			
Property Assessments	-	2,250,000	0.00%
Rents	10,652	20,000	53.26%
Interest Income	42,297	65,000	65.07%
SAFCA - O/M Assessment	-	1,400,000	0.00%
Misc Income	2,206	-	Not Budgeted
FMAP Grant	574,000	574,000	100.00%
Annuitant Trust Reimbursement	-	70,000	0.00%
Security Patrol Reimbursement	-	31,000	0.00%
Total	629,155	4,410,000	14.27%
Restricted Fund			
Metro Airpark Groundwater Pumping	-	22,000	0.00%
Total Combined Income	629,155	4,432,000	14.20%

Administration, Operations and Maintenance - Expenses

Administration

Government Fees/Permits	5,713	12,500	45.70%
Legal	20,433	97,000	21.06%
Liability/Auto Insurance	117,320	150,000	78.21%
Office Supplies	1,471	5,500	26.75%
Computer Costs	6,814	24,000	28.39%
Accounting/Audit	16,947	46,050	36.80%
Admin. Services	5,836	17,000	34.33%
Utilities (Phone/Water/Sewer)	7,359	23,700	31.05%
Mit. Land Expenses	2,592	3,000	86.40%
Administrative Consultants	10,079	130,000	7.75%
Assessment/Property Taxes (SAFCA - CAD)	8,139	8,000	101.74%
Admin - Misc./Other Expenses	2,222	8,250	26.93%
Memberships	31,798	40,500	78.51%
Office Maintenance & Repair	5,520	27,000	20.44%
Payroll Service	1,021	3,500	29.17%
Public Relations	2,056	45,000	4.57%
Small Office & Computer Equipment	2,516	12,000	20.97%
Election	25,445	55,000	46.26%
Conference/Travel/Professional Development	507	20,500	2.47%
Sub Total	273,788	728,500	37.58%

Personnel/Labor

Wages	405,317	1,058,262	38.30%
Group Insurance	50,557	97,440	51.89%
Worker's Compensation Insurance	10,774	39,544	27.25%
OPEB - ARC	-	30,000	0.00%
Dental/Vision/Life	10,063	22,328	45.07%
Payroll Taxes	30,919	71,000	43.55%
Pension	104,163	178,264	58.43%
Continuing Education	2,235	5,000	44.70%
Trustee Fees	11,700	40,000	29.25%
Annuitant Health Care	39,682	70,000	56.69%

Sub Total

665,410

1,611,838

41.28%

Operations			
Power	158,668	500,000	31.73%
Supplies/Materials	12,896	22,000	58.62%
Herbicide	87,052	105,000	82.91%
Fuel	18,968	55,000	34.49%
Field Services	11,634	100,000	11.63%
Field Operations Consultants	4,827	20,000	24.14%
Equipment Rental	605	5,000	12.10%
Refuse Collection	4,257	25,000	17.03%
Equipment Repair/Service	1,757	16,000	10.98%
Equipment Parts/Supplies	9,574	60,000	15.96%
Facility Repairs	22,587	366,000	6.17%
Shop Equipment (not vehicles)	362	3,000	12.07%
Field Equipment	-	10,100	0.00%
Misc/Other 2	4	500	0.80%
Utilities - Field	3,177	8,000	39.71%
Government Fees/Permits - Field	-	12,000	0.00%
FEMA Permits	-	4,000	0.00%
Sub Total	336,368	1,311,600	25.65%
Equipment			
Equipment	-	132,000	0.00%
Sub Total	-	132,000	0.00%
Consulting/Contracts/Memberships			
Engineering/Technical Consultants	25,583	180,000	14.21%
Security Patrol	17,900	65,000	27.54%
Temporary Admin	14,000	15,000	93.33%
Sub Total	57,483	260,000	22.11%
FMAP Expenditures			
LOI/SWIF (Consultants)	18,348	20,000	91.74%
Equipment	116,525	305,100	38.19%
Operations & Maintenance (Field)	148,555	236,500	62.81%
Administrative	-	12,400	0.00%
Sub Total	283,428	574,000	49.38%
Total A, O & M Expenses	1,616,477	4,617,938	35.00%
Capital Expenses			
Capital Office Upgrades	9,598	30,000	31.99%
Capital RE Acquisition	-	50,000	0.00%
Capital Office Facility Repair	-	30,000	0.00%
Document Management	-	-	Not Budgeted
Capital - District Server	8,945	10,000	89.45%
Capital Facilities	1,863	180,000	1.04%
Sub Total	20,406	300,000	6.80%
Total All Expenditures	1,636,883	4,917,938	33.28%



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 6.1

TITLE: Engagement Agreement – General Counsel Legal Services

SUBJECT: Review and Consider Authorizing the General Manager to Execute Engagement Agreement with Downey Brand, LLP. for General Counsel Legal Services.

EXECUTIVE SUMMARY:

Reclamation District No. 1000 (RD 1000; District) solicited requests for qualifications General Counsel Legal Services on October 1, 2019. The District received statements of Qualifications from five (5) respondents on October 31, 2019 in accordance with the Request for Qualifications. The District interviewed all five (5) respondents on November 14 and 20, 2019. Based on the results of the interviews, General Manager King engaged Downey Brand, LLP to negotiate an Engagement Agreement. Downey Brand, LLP. provided an Engagement and Fee Schedule on December 4, 2019.

RECOMMENDATION:

Staff recommends the Board review and consider authorizing the General Manager to execute the Engagement Agreement with Downey Brand, LLP. for General Counsel Legal Services.

FINANCIAL IMPACT:

\$24,000 flat fee for Monthly Board Meetings (\$2,000/meeting), plus additional expenditures for all other legal expenses on an as needed basis.

ATTACHMENTS:

1. None.

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/05/2019



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 6.2

TITLE: Audited Financial Statements Year End June 30, 2019

SUBJECT: Review and Receive the Audited Financial Statements for Year End June 30, 2019.

EXECUTIVE SUMMARY:

This Staff Report is prepared to present Fiscal Year 2018/2019 Reclamation District No. 1000 (RD 1000; District) Audited Financial Statements for year ended June 30, 2019 to the Board of Trustees, as provided in Attachment 1.

RD 1000 ended Fiscal Year 2018/2019 in a stable financial position and received the best possible audit opinion from Cropper Accountancy Corporation (Auditor), indicating RD 1000 staff follows accounting rules and applies them correctly. The following is from page two of the Independent Auditor's Report to the Board of Trustees signed by Cropper Accountancy Corporation:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Reclamation District No. 1000, California as of June 30, 2019 and 2018, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed for special districts by the Office of the California State Controller."

RECOMMENDATION:

Staff recommends the Board of Trustees review and receive the Reclamation District No. 1000 Audited Financial Statements for year end June 30, 2019.

ATTACHMENTS:

1. Reclamation District No. 1000 Audited Financial Statements for Year End June 30, 2019.

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/05/2019

RECLAMATION DISTRICT NO. 1000

**REPORT TO THE BOARD OF TRUSTEES
INCLUDING REQUIRED COMMUNICATIONS**

December 4, 2019

DRAFT

Board of Trustees
Reclamation District No. 1000

This report summarizes certain matters required by professional auditing standards to be communicated to you in your oversight responsibility for Reclamation District No. 1000's financial reporting process. We are pleased to present this report related to our audit of the financial statements of the District for the year ended June 30, 2019.

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to the District.

Cropper Accountancy Corporation
December 4, 2019

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Summary of Uncorrected Misstatements	7
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Required Communications

Statement on Auditing Standard No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Area	Comments
Auditors' Responsibility Under Professional Standards	Our responsibility has been described to you in our arrangement letter dated February 13, 2019. That responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.
Accounting Practices	Adoption of, or Change in, Accounting Policies Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies set forth by Reclamation District No. 1000 (the District) are described in Note 1 to the financial statements. No changes in any significant accounting policies were made during the current period. Two new accounting pronouncements were implemented during the current period; however, those pronouncements did not have a significant impact on the District's financial statements.
	Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Alternative Treatments Discussed with Management

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.

Recently Issued Accounting Pronouncements and Developments

New accounting standards required for implementation in the future have been described in Note 6 to the financial statements.

Management's Judgments and Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

The most significant estimates affecting the financial statements are as follows:

- Depreciation – assignment of useful lives
- Pension benefit obligations and related actuarial expense
- OPEB assets, liabilities, deferred outflows and inflows, and expense
- Collectability of receivables
- Fair value of pooled cash and investments in the County Treasury
- Refundable deposits

Financial Statement Disclosures

We have no significant observations regarding the neutrality, consistency, and clarity of the disclosures in the financial statements.

Audit Adjustments

The audit adjustments recorded by the District are shown on the attached "Summary of Recorded Audit Adjustments".

Uncorrected Misstatements

The audit adjustments passed by the District are shown on the attached “Summary of Uncorrected Misstatements”.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

There were no significant issues discussed with management during the current year.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Certain Written Communications Between Management and Our Firm

Management has provided an audit representation letter dated December 4, 2019.

DRAFT

Reclamation District No. 1000
Summary of Recorded Audit Adjustments
Year Ended June 30, 2019

Adjusting Journal Entry #1 – Government-wide

To reduce receivables to estimated realizable value

	DR	CR
FEMA revenue	\$ 150,873	
FEMA receivables		\$ 150,873

Adjusting Journal Entry #2 – Government-wide

To expense amounts capitalized below threshold and bundle office furniture to capitalize

	DR	CR
Capital – furniture and equipment	\$ 14,338	
Land and rights of way		\$ 5,500
Equipment expense		8,838

Adjusting Journal Entry #3 – Government-wide and Fund

To reflect amounts owed to SAFCA after settlement and billing

	DR	CR
Deferred revenue	\$ 514,914	
FEMA grant revenue	627,736	
Due to SAFCA		\$ 1,141,650

Adjusting Journal Entry #4 – Government-wide

To adjust OPEB asset and deferred outflows and recognize OPEB expense

	DR	CR
OPEB expense	\$ 22,366	
Net OPEB asset		\$ 1,307
Deferred outflows - OPEB		21,059

Adjusting Journal Entry #5 – Government-wide and Fund

To recognize workers' comp payable as a result of workers comp audit

	DR.	CR
Workers compensation expense	\$ 5,056	
Accrued expense		\$ 5,056

**Reclamation District No. 1000
Summary of Passed Adjustments
June 30, 2019**

Passed Adjusting Journal Entry #1 – Government-wide and Fund

To reverse effect of prior year passed adjustment

	DR	CR
Contributions/grant expense	\$1,000	
Prepaid expenses		\$1,000

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**Reclamation District No. 1000
Internal Control Over Financial Reporting
Findings and Recommendations
Year Ended June 30, 2019**

Note: The matters below address deficiencies considered control deficiencies according to professional standards¹.

Area	Recommendation
Direct Levy assessments receivable	<p>A portion of the District’s assessment revenue is collected outside of the Teeter plan as a direct levy, but billed and collected by Sacramento County. (Sutter County only bills and collects within the Teeter plan.)</p> <p>The District does not record Teeter plan or direct levy assessments into the accounting system as a receivable. As a result, delinquent assessments are not detailed in a sub-ledger and managed for collectability.</p> <p><i>In order to record assessments in the proper accounting period and to manage delinquent direct levy receivables, we recommend the District accrue delinquent assessments within their receivables module through reports obtained from the County. We also recommend that assessments per the SCI report be reconciled to the</i></p>

¹ A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the engagement letter and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**FEMA/CalOES grant
receivables**

general ledger annually.

As FEMA/CalOES grant reimbursement requests are made infrequently and requests for reimbursement are not billed through the accounting system, the process to recognize related grant revenue and estimate collectability of those requests has not been set forth. As a result, there was a \$150K in FEMA revenues written off.

We recommend that a process be set forth wherein those individuals preparing the FEMA request for reimbursement (the engineering team) coordinate with accounting staff to ensure that the related receivable and revenue be recognized in the books and records, as well as to annually assess collectability of uncollected amounts in years moving forward.

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RECLAMATION DISTRICT NO. 1000, CALIFORNIA

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

WITH INDEPENDENT AUDITORS' REPORTS THEREON

Years Ended June 30, 2019 and 2018

DRAFT

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

**1633 Garden Highway
Sacramento, California 95833
Tel: (916) 922-1449**

Years Ended June 30, 2019 and 2018

**BOARD OF TRUSTEES
Elected Officials**

Trustees	Four-Year Term Expires
Jerome Smith, President	December 2019
Tom Barandas, Vice-President	December 2019
Thomas M. Gilbert, Trustee	December 2021
Nick Avdis, Trustee	December 2021
Chris Burns, Trustee	December 2021
David Christophel, Trustee	December 2021
Frederick Harris, Trustee	December 2019

DISTRICT MANAGEMENT

**General Manager
District Secretary**

**Kevin L. King
Joleen Gutierrez**

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Reclamation District 1000, California
Sacramento, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Reclamation District No. 1000, California, (the District) as of June 30, 2019 and 2018, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Reclamation District No. 1000, California as of June 30, 2019 and 2018, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed for special districts by the Office of the California State Controller.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-13, the Schedule of the District's Net Proportionate Share of the Net Pension Liability on page 46, the Schedule of the District's Contributions on page 47, the Schedule of Changes in the Net OPEB Asset and Related Ratios on page 48, the Schedule of the District's Contributions on page 49 and the respective budgetary comparisons for the governmental fund on pages 43 and 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CROPPER ACCOUNTANCY CORPORATION

WALNUT CREEK, CALIFORNIA

December 4, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

RECLAMATION DISTRICT NO. 1000, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

Management's discussion and analysis provides an overview of Reclamation District No. 1000's (District) financial activities for the fiscal year ended June 30, 2019. The discussion and analysis should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2018

- At the end of the year, the District's net position is \$51.5 million, of which \$43.0 million is invested in capital assets and \$8.5 million is unrestricted.
- As of June 30, 2019, the District's General Fund reported a total fund balance of \$9.0 million, of which \$8.9 million has been assigned or committed by the Board.
- The District's capital asset balances were \$43.0 million at year-end, decreasing slightly due to \$610 thousand in capital additions offset by \$1.3 million in depreciation.
- The District has no long-term debt.

CAPITAL PROJECTS

- ***Pumping Plant No. 2 Reconstruction***

During the 2006 flood emergency declaration, the District initiated flood emergency operations including removal of Pumping Plant No. 2 to prevent a levee failure due to under-seepage concerns. Following the disaster, FEMA determined the costs for replacement of the pumping plant to be eligible for reimbursement through a FEMA Disaster Assistance Grant. This project was funded primarily by the FEMA disaster assistance grant with SAFCA funding associated canal, levee and other ancillary improvements not eligible for reimbursement under the FEMA grant as part of their Natomas Levee Improvement Project.

In 2016, the District submitted a Project Close-Out and requested reimbursement of an additional \$594,808 based on actual costs and work the District believes are eligible under the grant. By letter dated November 9, 2018, FEMA approved the District's request for addition costs except for \$2716 for some paving and formally closed out this disaster grant. The final approved amount for this project is \$7,996,632. CalOES provided payments in the total amount of \$463,470 during this fiscal year which included any retentions held as well as other funds not previously provided. Following receipt of these funds, the District initiated an accounting reconciliation with SAFCA for funds they had previously provided the District which were subsequently reimbursed by FEMA/OES as part of the project closeout as well as project costs associated with a 2012 cost share agreement among the District, SAFCA and Natomas Central Mutual Water Company for the non FEMA eligible project costs. The District reimbursed SAFCA \$1,141,650 subsequent to June 30, 2019.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

- ***Supervisory Control and Data Acquisition System (SCADA)***

The District adopted a SCADA (Supervisory Control and Data Acquisition) Master Plan in 2017. With its implementation, the District will be able to remotely monitor canal levels and operations at its pumping stations. This will improve public safety and allow for a more efficient monitoring and operations of its interior drainage and flood control system. Eventually, the SCADA system can be expanded to allow for remote operations of its pumping plants, as well as security monitoring in the future. In FY 2017-2018, the District completed plans and specifications for implementing Phase 1 of the SCADA system; a portion of the costs are eligible for reimbursement through a Bureau of Reclamation federal grant coordinated through an agreement with the Natomas Mutual Water Company. A contract for construction of the Phase 1 facilities was awarded in July 2018 in the amount of \$448,000.

As of June 30, 2019, the Phase 1 SCADA system was under construction with anticipated completion in late 2019.

- ***Significant Capital Projects on District Facilities Undertaken By Others***

NLIP is funded by the Sacramento Area Flood Control Agency (SAFCA) and Natomas Basin Project (Federal Project) funded by the United States Army Corps of Engineers (USACE) with State and SAFCA cost sharing. The goal of the combined levee system improvements protecting the Natomas Basin is to provide at least 200-year flood protection as required by the State's Urban Level of Flood Protection (ULOP) standards. Levee improvements and associated works completed to date have been funded through a combination of SAFCA funds (voter approved SAFCA Capital Assessment Districts) and State funds from the Proposition 1E Bond. These funds have been sufficient to complete 50% of the total levee improvements needed to provide the 200-year flood protection between 2006 and 2013. It should be noted the improvements completed to date addressed the highest risk areas based on studies done to date, as well as previous experience during flood events.

It is anticipated that the remaining work will be completed by the USACE as part of the Natomas Basin Project authorized by Congress in the 2014 Water Resources Reform and Development Act (WRRDA). Despite the availability of federal funds, construction had been delayed due to construction contracting issues. However, work commenced in August 2018 on Reach D along the Natomas Cross Canal and additional construction contracts were awarded for construction in 2019. Specifically, construction work began in 2019 on Reach H and Reach I. Additionally, the USACE completed designs/specifications on Reach B improvements and is scheduled to award construction contract in late 2019.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

Completion of the entire project is anticipated by 2024 or 2025. However, this schedule is dependent on annual federal appropriations and the timely acquisition of necessary rights of way and relocations of utilities, which interfere with the levee improvements

OPERATIONS AND MAINTENANCE

After normal rainfall amounts in 2017-2018, the District saw a return of significant rainfall in the 2018-2019 flood season. After a mostly dry fall and early winter, several large storms moved through the area beginning in February 2019 through May 2019. Between the period of February 14, 2019 and April 15, 2019, the District was on 24-hour patrol for 37 days, as required by the District's Emergency Action Plan when river levels reached monitoring stages.

Outside of the flood season, the District performed normal operations and maintenance activities including mowing canals/levees; spraying both terrestrial and aquatic pesticides to manage the vegetation, minor repairs to facilities, garbage/debris removal and pump station maintenance. As was the case in 2017-2018, the District has also experienced a considerable increase in unauthorized encampment activity within its floodways. This activity resulted in a significant increase in trash and debris removal and impacted the District's efficiency in other operations due to the presence of unauthorized encampments within the floodway. The District requested immediate assistance from Local Law Enforcement Agencies in the spring of 2019, as levee damaged had been discovered at the encampment sites. In coordination with the Local Law Enforcement Agencies, the District removed 81 encampment sites along a six-mile stretch of Garden Highway. The District also worked with the Central Valley Flood Protection Board and California Assembly Member Jim Cooper to introduce Assembly Bill No. 137, to address the critical safety infrastructure of the levee system and restrict certain activities. As of June 30, 2019, AB 137 was working its way through the Assembly and Senate.

As noted in previous years, the District has assumed full operations and maintenance responsibility for all 21 miles of levee improvements completed to date as part of the NLIP, including the remaining grassland vegetation along the levees. While the levees are improved and significantly reduce the flood risk in the District, they include a much larger footprint to operate and maintain. The District is currently studying options for the most efficient method to maintain the expanded levee footprint and is developing an Annual Operations and Maintenance Plan to determine the resources needed to meet its responsibility.

PLANNING

The District adopted a Capital Improvement Program (CIP) in 2014 which identified a number of projects to be constructed over the next 20 years and identified several funding sources to meet these future funding obligations. The CIP is scheduled to be updated in 2019.

The District previously adopted the 2015-2020 Reclamation District No. 1000 Strategic Plan,

RECLAMATION DISTRICT NO. 1000, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

which will assist management and the Board in identifying and prioritizing short term planning and funding goals for the five-year period of the Plan. Several actions identified in the Plan have already been implemented. The Board received an update on implementation of the Strategic Plan at their August 2018 meeting.

The Board approved an Asset Management Roadmap in March 2018 which identified several planning and administrative initiatives to improve the District's operations and efficiency. Action has already begun on several items identified in the Roadmap including implementation of electronic time keeping; initiation of the SCADA system' staff training; document management and implementation of a revised accounting system.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Annual Report consists of three parts, Management's Discussion and Analysis (this section), the Basic Financial Statements, and Required Supplemental Information (RSI). The Basic Financial Statements include the Government-wide financial statements and the Fund Financial Statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes the entire District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference representing net position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating.

The government-wide financial statements of the District report on one category, Governmental activities, as the District does not have business-type activities.

Governmental Activities - All of the District's basic services are included here. Assessment revenue and restricted capital project reimbursements finance almost all of the District's flood protection activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's significant funds. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has one type of fund, the Governmental Fund.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

Governmental Fund – All of the District's basic services are included in the Governmental Fund, which focuses on how resources flow in and out. The balance remaining at year-end is available for spending. The governmental fund statements provide a detailed short-term view to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities. Because this information does not encompass the additional long-term focus of the government-wide statements, we describe the relationship between governmental activities and governmental funds through the reconciliations and in the notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the Basic Financial Statements and accompanying notes, this report presents certain required supplementary information (RSI) concerning the District's budget and actual on a budgetary basis, as well as required pension and OPEB schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the District, assets and deferred outflows of resources less liabilities and deferred inflows of resources equaled \$51.5 million at the close of the most recent fiscal year.

The largest portion of the District's net position (83.5%) reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery, and equipment) with the majority being levees, canals or pump stations. The District uses these capital assets to provide flood protection services. Consequently, these assets are not available for future spending. There is no related debt associated with the District's investments in its capital assets.

**RECLAMATION DISTRICT NO. 1000, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**
Year Ended June 30, 2019

TABLE 1
Condensed Statement of Net Position
June 30, 2019 and 2018
(in thousands)

	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 10,743	\$ 9,658
Capital assets	<u>43,036</u>	<u>43,771</u>
Total assets	<u>53,779</u>	<u>53,429</u>
Deferred outflows of resources	<u>\$ 387</u>	<u>\$ 469</u>
Current and other liabilities	<u>\$ 2,587</u>	<u>\$ 2,033</u>
Deferred inflows of resources	<u>\$ 56</u>	<u>\$ 50</u>
Net position:		
Invested in capital assets, net	\$ 43,036	\$ 43,771
Unrestricted net position	<u>8,487</u>	<u>8,044</u>
Total net position	<u>\$ 51,523</u>	<u>\$ 51,815</u>

Capital Assets, Net of Related Debt

As part of the implementation of GASB Statement No. 34, the District retroactively recognized infrastructure assets not previously required to be recognized. GASB Statement No. 34 requires prospective reporting of infrastructure but allows for retroactive application. The District opted to record infrastructure (predominantly levee improvements) retroactively to 1984, the earliest year in which documentation of historical costs was available.

The 2018-2019 capital purchases and additions were:

- Office improvements and furnishings: \$57,234; sealing and asphalt repair: \$30,650; Caterpillar truck: \$89,842, Dodge truck: \$57,066; SCADA Improvements: \$374,752.

The District depreciates capital assets using the straight-line method over the estimated lives of the assets. During the 2019 fiscal year, \$1,338,628 in depreciation expense was recognized.

There is no associated debt with any capital assets.

Change in Net Position for Governmental Activities

The following table indicates the changes in net position for the governmental activities:

**RECLAMATION DISTRICT NO. 1000, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**
Year Ended June 30, 2019

TABLE 2
Condensed Statement of Activities
Years Ended June 30, 2019 and 2018
(in thousands)

	2019	2018
Program Revenues:		
Charges for services	\$ 29	\$ 20
Capital Contributions	1,788	1,910
General Revenues:		
Assessment revenues	2,279	2,268
Investment earnings	180	94
Miscellaneous income	13	24
Total Revenues	4,289	4,316
Expenses:		
Flood Protection	4,581	4,558
Change in net position	(292)	(242)
Net position, beginning of year	51,815	52,057
Net position, end of year	\$ 51,523	\$ 51,815

The District's net position decreased by \$291,621 during the current fiscal year, as restated.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At fiscal year end, the District's governmental fund reported a combined fund balance of almost \$9.0 million, an increase of \$551 thousand from the previous year's fund balance. This increase is due to current year revenues exceeding current year expenditures. Of the total \$9.0 million fund balances, \$8.9 million has been assigned or committed for specific purposes, and \$65 thousand is considered nonspendable.

Revenues in the District's governmental funds were \$4.4 million. Assessment revenue of \$2.3 million represents 52.3% of revenue for the governmental funds. Expenditures from governmental funds were \$3.8 million, which resulted in a change in fund balance of \$550,655.

Fund Balances

The Board has adopted a policy establishing various types of fund balances: Assignments and balances are determined by board action and General Manager discretion based on the type of fund. These individual fund assignments can be unassigned by the Board of Trustees. The emergency flood fight fund has been established by the General Manager and the committed funds by Resolution 2012-6 of the Board of Trustees.

Fund balances as of June 30, 2019 are classified as follows:

TABLE 3
Fund Balances
June 30, 2019

<u>Fund Type</u>	<u>Fund Balance</u>
Nonspendable fund balance	\$ 64,870
Assigned fund balances:	
Emergency Flood Fight	1,500,000
General capital	3,913,329
Operating reserve	<u>3,492,863</u>
Total assigned fund balances	8,906,192
Unassigned	-
Total fund balances	<u>\$ 8,971,062</u>

GENERAL BUDGETARY HIGHLIGHTS

The following is a summary of current year budget and actual results for the District's General Fund revenues and other financing sources for the year ended June 30, 2019:

TABLE 4
Fund Revenues - Budget to Actual Comparisons
Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:			
Property Assessments	\$ 2,250,000	\$ 2,259,046	\$ 9,046
Rents, easements, and fees for services	42,000	28,986	(13,014)
Interest	50,000	180,506	130,506
Reimbursement from CalOES	-	507,778	507,778
Other	-	18,757	18,757
O&M reimbursement from SAFCA	<u>1,400,000</u>	<u>1,400,000</u>	-
Total	<u>\$ 3,742,000</u>	<u>\$ 4,395,073</u>	<u>\$ 653,073</u>

Changes from the Amount Originally Budgeted

Changes made to the original budget can be found in the Required Supplementary Information.

Actual Revenues/Financing Sources Compared with Final Budgeted Amounts

Actual revenues and other financing sources recognized by the District’s Governmental Fund were \$675,073 more than budget. The variance resulted primarily from the CalOES reimbursement not budgeted for in fiscal 2018.

Actual Expenditures/Other Financing Uses Compared with Final Budgeted Amounts

Following is a summary of current year budget and actual results for the District’s General Fund expenditures (See Table 5). The favorable variance resulted from operations, administration and capital outlay.

TABLE 5
Fund Expenditures – Budget to Actual Comparisons
Year Ended June 30, 2019

	Budget	Actual	Favorable (Unfavorable) Variance
Flood Protection	\$ 4,657	\$ 3,844	\$ 813

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the District has \$64.9 million invested in capital assets including land, buildings, infrastructure, and equipment before depreciation (See Table 6).

Table 6
Changes in Capital Assets

	As of June 30, 2019	As of June 30, 2018	Increase (Decrease)
Lands and rights of way	\$ 2,208,583	\$ 2,208,583	\$ -
Buildings, pump plants and improvements (including construction in progress)	33,278,766	32,856,655	422,111
Infrastructure	26,514,781	26,514,781	-
Equipment and vehicles	2,903,226	2,727,793	175,433
Total capital assets	<u>\$ 64,905,356</u>	<u>\$ 64,307,812</u>	<u>\$ 597,544</u>

Debt Administration

As of June 30, 2019, the District had no long-term debt.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District office at:

Reclamation District No. 1000, California
1633 Garden Highway
Sacramento, CA 95833

Submitted by:
Kevin King, General Manager

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BASIC FINANCIAL STATEMENTS

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RECLAMATION DISTRICT No. 1000, CALIFORNIA

Statements of Net Position

June 30, 2019 and 2018

	Governmental Activities	
	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS:		
Cash	\$ 369,861	\$ 559,853
Pooled cash and investments	9,661,254	6,537,156
Assessments receivable	19,521	36,262
Grant reimbursement receivable	132,915	741,808
Interest receivable	53,673	26,599
Receivable from SAFCA	8,115	1,302,500
Other receivables, net of allowance of \$2,863	215,180	171,377
Prepaid expenses	64,870	63,177
Inventory	174,241	174,241
Net OPEB Asset	43,691	44,998
Capital assets, net	43,036,086	43,770,770
 TOTAL ASSETS	 \$ 53,779,407	 \$ 53,428,741
 DEFERRED OUTFLOWS OF RESOURCES	 \$ 387,222	 \$ 469,413
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
LIABILITIES:		
Accounts payable	\$ 113,920	\$ 106,562
Accrued payroll and related	108,000	125,945
Net pension liability	1,189,937	1,245,857
Due to SAFCA	1,141,650	-
Deferred revenue	-	513,914
Deposits	33,573	40,666
Total liabilities	\$ 2,587,080	\$ 2,032,944
 DEFERRED INFLOWS OF RESOURCES	 \$ 56,476	 \$ 50,516
NET POSITION:		
Invested in capital assets, net of \$-0- related debt	43,036,086	43,770,770
Unrestricted	8,486,987	8,043,924
Total net position	\$ 51,523,073	\$ 51,814,694

See independent auditors' report and notes to the financial statements.

RECLAMATION DISTRICT No. 1000, CALIFORNIA
 Statements of Activities
 Years Ended June 30, 2019 and 2018

	2019				2018			
	Expenses	Program Revenues Charges for Services	Capital Contributions and Grants	Net (Expense) Revenues and Changes in Net Position Governmental Activities	Expenses	Program Revenues Charges for Services	Capital Contributions and Grants	Net (Expense) Revenues and Changes in Net Position Governmental Activities
GOVERNMENTAL ACTIVITIES:								
Flood Protection	\$ 4,580,955	\$ 28,986	\$ 1,788,118	\$ (2,763,851)	\$ 4,557,637	\$ 19,871	\$ 1,910,335	\$ (2,627,431)
GENERAL REVENUES:								
Assessments				2,278,567				2,267,939
Interest				180,506				93,967
Miscellaneous				13,157				23,946
Total general revenues				<u>2,472,230</u>				<u>2,385,852</u>
CHANGE IN NET POSITION				(291,621)				(241,579)
NET POSITION, BEGINNING OF YEAR				<u>51,814,694</u>				<u>52,056,273</u>
NET POSITION, END OF YEAR				<u>\$ 51,523,073</u>				<u>\$ 51,814,694</u>

See independent auditors' report and notes to the financial statements.

RECLAMATION DISTRICT No. 1000, CALIFORNIA

Balance Sheets - Governmental Fund

Years Ended June 30, 2019 and 2018

	<u>General Fund</u>	
	<u>2019</u>	<u>2018</u>
ASSETS		
ASSETS:		
Cash	\$ 369,861	\$ 559,853
Pooled cash and investments	<u>9,661,254</u>	<u>6,537,156</u>
	<u>10,031,115</u>	<u>7,097,009</u>
Receivables:		
Interest receivable	53,673	26,599
Grant reimbursements	110,834	-
Reimbursements receivable from SAFCA	8,115	1,300,000
Other	<u>42,394</u>	<u>123,507</u>
	<u>215,016</u>	<u>1,450,106</u>
Other assets	<u>64,870</u>	<u>63,177</u>
TOTAL ASSETS	<u>\$ 10,311,001</u>	<u>\$ 8,610,292</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ 1,255,570	\$ 106,562
Accrued payroll and related	50,796	42,657
Deposits	<u>33,573</u>	<u>40,666</u>
Total liabilities	<u>1,339,939</u>	<u>189,885</u>
FUND BALANCES:		
Restricted	-	513,914
Nonspendable	64,870	63,177
Unrestricted:		
Board-assigned and committed	<u>8,906,192</u>	<u>7,843,316</u>
Total fund balances	<u>8,971,062</u>	<u>8,420,407</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,311,001</u>	<u>\$ 8,610,292</u>

See independent auditors' report and notes to the financial statements.

RECLAMATION DISTRICT No. 1000, CALIFORNIA
 Reconciliation of the Balance Sheets to Statements of Net Position
 June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
TOTAL GOVERNMENTAL FUND BALANCES	\$ 8,971,062	\$ 8,420,407
Amounts reported for governmental activities but not included in the governmental fund:		
Non-financial resources:		
Capital assets, net	43,036,086	43,770,770
Net pension liability	(1,189,937)	(1,245,857)
Deferred outflows of resources related to pensions	380,281	441,413
Deferred outflows of resources related to OPEB	6,941	28,000
Deferred inflows of resources related to pensions	(56,476)	(50,516)
Deferred revenue and deposits	-	(513,914)
Accrued vacation	(57,205)	(83,288)
Receivables that will not be collected within 90 days	214,389	828,440
Inventory that will not be used within 90 days	174,241	174,241
Net OPEB asset	<u>43,691</u>	<u>44,998</u>
 NET POSITION OF GOVERNMENTAL ACTIVITIES	 <u>\$ 51,523,073</u>	 <u>\$ 51,814,694</u>

See independent auditors' report and notes to the financial statements

RECLAMATION DISTRICT No. 1000, CALIFORNIA

Statements of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund
Years Ended June 30, 2019 and 2018

	General Fund	
	<u>2019</u>	<u>2018</u>
REVENUES:		
Property assessments	\$ 2,259,046	\$ 2,231,678
Rents, easements, and fees for services	28,986	19,871
Interest	180,506	93,967
Other	18,757	23,946
Reimbursements from CalOES	507,778	483,179
O&M reimbursement from SAFCA	1,400,000	1,300,000
Finance charges and penalties	-	-
Total revenues	<u>4,395,073</u>	<u>4,152,641</u>
EXPENDITURES:		
Flood Protection:		
Operations	2,047,877	1,849,041
Administration	1,175,894	1,163,095
Capital outlay	<u>620,647</u>	<u>645,870</u>
Total expenditures	<u>3,844,418</u>	<u>3,658,006</u>
NET CHANGE IN FUND BALANCES	550,655	494,635
FUND BALANCES, BEGINNING OF YEAR	<u>8,420,407</u>	<u>7,925,772</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,971,062</u>	<u>\$ 8,420,407</u>

See independent auditors' report and notes to the financial statements

RECLAMATION DISTRICT No. 1000, CALIFORNIA

Reconciliation of Statements of Revenues, Expenditures, and Changes in Fund Balances to Statements of Activities
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUND	\$ 550,655	\$ 494,635
Amounts reported for governmental activities in the statement of net assets is different because:		
Governmental funds report capital outlay as expenditures; However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	609,544	512,778
Current year depreciation expense	(1,338,628)	(1,330,333)
Gain (loss) on sale of assets per the government-wide financial statements is not reflected in the fund financial statements	5,600	(6,233)
Governmental funds do not report nonfinancial resources such as long term assets or liabilities.		
Grants and contributions reflected in one set of financial statements but not the other due to timing	(244,576)	127,157
Timing of collection of cost reimbursements reflected in one set of financial statements but not the other	124,918	-
Timing of assessment revenues collected beyond 90 days	19,521	36,261
The increase in accrued vacation is not recognized as an expenditure in the governmental fund as accrued vacation does not represent financial resources	26,083	(748)
Pension payments reported as expense in the fund financial statements are not included in the government-wide financial statements	174,925	150,162
Actuarially determined pension plan expense reported in the government-wide financial statements is not reported in the fund financial statements	(186,097)	(233,469)
Other postemployment benefit payments made to retirees reported as expense in the fund financial statements are not reported in the government-wide financial statements	-	28,000
Difference between expected actuarial experience and actual experience on OPEB trust activity	(6,106)	-
Actuarially determined OPEB expense reported in the government wide financial statements is not reported as expense in the fund financial statements	<u>(27,460)</u>	<u>(19,789)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>(291,621)</u>	\$ <u>(241,579)</u>

See independent auditors' report and notes to the financial statements

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

1. DESCRIPTION OF THE DISTRICT AND SIGNIFICANT ACCOUNTING POLICIES

The District

Reclamation District 1000, California (the “District”) was formed under an Act of the Legislature of the State of California on April 18, 1911. The District is governed by a Board of Trustees and operates and maintains seven pumping stations, 42.61 miles of federal project levees, ten miles of non-project levees in the Pleasant Grove area, and 180 miles of canals and ditches in Sacramento and Sutter Counties.

Reporting Entity

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no other outside entity meets the above criteria, and, therefore, no agency has been included as a component unit in the District’s financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of such entity.

Basis of Presentation and Measurement Focus

The accounting policies of the District conform to generally accepted accounting principles, as applicable to governmental units. The basic financial statements of the District are comprised of the following:

- Government-wide financial statements
- Government fund financial statements
- Notes to the basic financial statements

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus. Such is the same approach used in the preparation of the fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District’s governmental activities. Direct

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements Years Ended June 30, 2019 and 2018

expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function.

Fund financial statements – Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds include a Balance Sheet, which generally includes only current assets and current liabilities, and a Statement of Revenues, Expenditures, and Changes in Fund Balance, which reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. Currently, the District has only one governmental fund, the general fund. The District considers all revenues available if they are collected within 90 days after year-end.

As the District does not operate on a fee-for-service basis, but rather from property tax assessments, the accompanying financial statements are presented as a governmental fund basis, rather than on a proprietary fund basis.

The General Fund is the general operating and maintenance fund of the District. It is used to account for all financial resources.

As of June 30, 2019, the Board of Trustees has assigned and/or committed fund balances of \$8,906,192 of the \$8,971,062 fund balance for various purposes. Such amounts are not legally restricted, and the Board has the authority to unassign and/or uncommit such reserves.

In June 2012, the District adopted Resolution 2012-06, adopting a fund balance policy in accordance with GASB 54 requirements. The following fund balance classifications were adopted:

- **Nonspendable Fund Balance** – for funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact. The District has \$64,870 in nonspendable fund balance as of June 30, 2019 related to prepaid expense.
- **Restricted Fund Balance** – for funds that are mandated for specific purposes by external parties, constitutional provisions, or enabling legislation. At the time of adoption of this resolution, the Board of Trustees established the following restricted fund balance:
 - A legally restricted fund of \$513,914 has been established related to monies received that are to be passed through to SAFCA. The District does not have variance power over these monies. As of June 30, 2019, there are no restricted fund balances.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

- **Committed Fund Balance** – for funds set aside for specific purposes by the District’s highest level of decision-making authority (Board of Trustees) pursuant to formal action taken, such as a majority vote or resolution. These committed funds cannot be used for any other purpose unless the Board of Trustees removes or changes the specific use through the same type of formal action taken to establish the commitment. Board of Trustee action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30th; however, the amount can be determined with the release of the financial statements. As of June 30, 2019, there are no committed fund balances.
- **Assigned Fund Balance** – Funds that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Resolution 2012-06 delegates authority to assign amounts to be used to the District Manager. As of June 30, 2019, District management has assigned \$1,500,000 for the Emergency Food Fight Fund, and \$3,913,329 for the General Capital Fund. In addition, the Board’s Financial Reserve Policy sets the Operation and Maintenance (O&M) Fund Reserve balance at 75% of the annual budget. As such, as of June 30, 2019, a fund of \$3,492,863 has been assigned by management for future operations and maintenance.
- **Unassigned Fund Balance** – The residual positive net resources of the general fund in excess of what can properly be classified in one of the above four categories.

The Board also determined that when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. Similarly, when expenditures are incurred for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded under the accrual basis when the exchange takes place. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon thereafter to be used to pay liabilities of the current fiscal year.

Non-exchange transactions are those in which the District receives value without directly giving equal value in return, such as property taxes. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Revenue – Deferred revenue arises when assets are received before revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been offset with deferred revenue.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

Expenses/Expenditures – Under the accrual basis of accounting, expenses are recognized at the time they are incurred. However, the measurement focus of governmental fund accounting is on decreases in the net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized on governmental fund financial statements.

Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental fund financial statements use the modified accrual basis of accounting. Proprietary funds would use the accrual basis of accounting.

Budgets and Budgetary Accounting

State law does not require the District's governing board to adopt a budget. The District's governing board adopts a budget each year, which is used as a management tool.

Cash Equivalents

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The District pools money in several external investment funds to maximize investment income and considers all pooled investments to be cash and cash equivalents.

Inventory

The District has purchased significant amounts of large rock to keep on hand for emergency levee repair. Estimated remaining balances are recorded at cost on a first-in, first-out basis. During the years ended June 30, 2019 and 2018, inventory was not included in the fund financial statements as these are considered non-financial resources.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are recorded as assets in the government-wide financial statements. For the fund financial statements, capital outlay is recorded as expenditures of the general fund. Capital assets are recorded at historical cost if purchased or constructed. Contributed capital assets are recorded at estimated fair market value at the date of contribution.

The District's capitalization thresholds are \$5,000 for equipment, \$25,000 for buildings and improvements, \$50,000 for pumps and improvements, and \$100,000 for infrastructure assets. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase the values, change capacities, or extend the useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and the related accumulated depreciation, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Asset Class	Years
Vehicles and equipment	5 to 10 years
Buildings and improvements	20 to 40 years
Pumps and improvements	7 to 50 years
Infrastructure	100 years

Current infrastructure projects include construction on the Natomas Levee Improvement Project (NLIP), which began in 2007. The purpose of the NLIP is to provide Natomas with at least 200-year flood protection. The work is being done by the Sacramento Area Flood Control Agency (SAFCA) using local assessment district funds and State bond funds (Proposition 1E). Upon completion, the levee improvements may become assets of the District, who will be responsible for the operation and maintenance of the modified levees. SAFCA will acquire and transfer the necessary rights of way to the District for the future operations and maintenance. At that time, the capital contributions will be recognized in the financial statements.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows of resources related to pensions (see Note 4) and other postemployment benefits (Note 5).

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and, accordingly, will not be recognized as an inflow of resources (revenue) until such time. The District has deferred inflows of resources related to pensions (see Note 4).

Pensions

For purposes of measuring the net pension liability (NPL) and deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position (FNP) of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' FNP have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

Compensated Absences

District employees accrue paid vacation and sick days in varying incremental amounts based upon length of employment. Upon termination of employment, an employee will be paid for unused vacation time not to exceed maximum accrual rate of 360 hours. The liability of \$57,205 and \$83,288 as of June 30, 2019 and 2018, respectively, has been recorded as a liability in the government-wide financial statements but not in the governmental fund financial statements.

Employees are not paid for unused sick days upon termination of employment and, accordingly, no provision has been made in the financial statements. Unused sick leave can be converted to years of service upon retirement. Employees, upon retirement, may receive up to 1/3 of their accrued sick leave, up to a maximum of 400 hours, as compensation; the balance can be converted to years of service upon retirement. No provisions are made for payment of sick leave except at retirement.

Assessments

The District made assessments against properties within the District in accordance with requirements of State law. Assessments are processed through Sacramento and Sutter Counties based on the parcel size and designated land use of the parcels. Assessments are payable with the property owner's property taxes and are due, payable, and delinquent on the same schedule as property taxes. Treatment of delinquencies and foreclosures are the same as for property taxes. However, Sacramento County purchases rights to penalties and interest on all delinquencies on assessments within the District, under the Teeter Plan, by guaranteeing the District 100% of its annual benefit assessment within Sacramento County each year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Reclassifications have been made to certain prior year balances in order to conform to current year presentation.

Subsequent Events

Management has evaluated subsequent events through December 4, 2019, the date on which the financial statements were available to be issued. Based on such evaluation, no additional adjustments to or disclosures in the financial statements were deemed necessary.

2. CASH AND INVESTMENTS AND FAIR VALUE MEASUREMENTS

The District has made investments in three pooled external investment funds, which investments have been recorded at fair value in the accompanying financial statements. There are no

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

limitations of restrictions on withdrawals from the external investment pools (such as redemption notice periods, maximum transaction amounts, or the ability of the pool to impose liquidity fees or redemption gates.)

As of June 30, 2019 and 2018, investments in pooled investment funds consist of the following:

	<u>2019</u>	<u>2018</u>
Sacramento County Pooled Investment Fund	\$ 3,385,198	\$ 2,079,170
City of Sacramento Investment Pool A	2,110,097	2,059,782
State of California Treasury (LAIF)	<u>4,165,959</u>	<u>2,398,204</u>
Total investments	<u>\$ 9,661,254</u>	<u>\$ 6,537,156</u>

As of June 30, 2019 and 2018, the carrying amount of the District's bank deposits was \$369,861 and \$559,853, respectively. Of the bank balances, the Federal Depository Insurance Corporation insures \$250,000 by bank. The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. The remainder was covered by collateral held in the pledging financial institutions' trust departments in the District's name.

The external investment pools are described as follows:

Sacramento County Pooled Investment Fund

The District is a voluntary participant in the Sacramento County Pooled Investment Fund (County Fund) that is regulated by California Government Code Section 27131 under the oversight of the Sacramento County Board of Supervisors and the Treasury Oversight Committee, which consists of ten members. The County Fund is not rated. The County Fund is not registered with the SEC as an investment company. The County issues separate financial statements for the fund, which can be found at <http://www.finance.saccounty.net>.

The District's investment in the County Fund is reported at fair value. The District can withdraw their funds held in the County Fund upon demand.

The fair value of the position in the investment pool is the same as the value of the pooled shares. The District's fund share is accounted for separately. Any interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments.

The County Fund is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County Treasury are either secured by federal depository insurance or are collateralized. The County Treasury is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. Treasury notes and agency obligations, state registered warrants and municipal notes, local agency bonds, the State Treasurer's investment pool, bankers' acceptances,

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

commercial paper, negotiable certificates of deposit and repurchase or reverse repurchase agreements.

City of Sacramento Investment Pool A

The District is a voluntary participant in the City of Sacramento Investment Pool A (Pool A). Pool A is overseen by the City Council and managed by the City Treasurer, pursuant to California Government Code, and must adhere to an annually approved investment policy. Pool A is not registered with the SEC as an investment company. The City issues separate financial statements on the fund, which can be found at <https://www.cityofsacramento.org>.

The fair value of investments within Pool A is determined monthly. Participants' shares sold and redeemed are determined by the daily cash balance deposited in the pool (the value of pool shares). The value of the pool shares is based upon amortized cost in day-to-day operations, but is adjusted to fair value at year-end. The value of the shares is supported by the value of the underlying investments. The District can withdraw their funds held in Pool A upon demand. Pool A is not rated.

Local Area Investment Fund

The District is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. LAIF is not registered with the SEC as an investment company. LAIF issues separate financial statements, which can be found at <https://www.treasurer.ca.gov/pmia-laif>.

The District can withdraw their money held in LAIF upon demand. The fair value of the position in the investment pool is the same as the value of the pooled shares.

The share of each fund in the pooled account is separately accounted for and income earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments.

All securities are purchased under the authority of Government Code Section 16430 and 16480.4 and backed by the State of California. California Government Code Section 16429.4 stipulates that the State cannot borrow or ever withhold LAIF monies.

LAIF's portfolio consists predominantly of commercial paper, Federal Agency discount notes, time deposits and certificates of deposit. LAIF is not rated.

Investments Authorized by the District's Investment Policy

The District invests in investment types authorized for the entity by the California Government Code 53601.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair values to changes in market interest rates.

As of June 30, 2019, the weighted average maturity of investments is approximately 309 days for pooled investments held in the Sacramento County Pooled Investment Fund, 173 days for funds held in LAIF, and 595 days for funds held within Pool A.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by the nationally recognized statistical rating organization. State law, which governs the pools in which the District invests, limit the pools' respective investments to those issuers with top ratings as issued by nationally recognized statistical rating organizations.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District has no exposure to custodial credit risk because it primarily invests in external investment pools. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state and local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

Derivative Investments

The District did not directly enter into any derivative investments. Current information regarding the amount invested in derivatives by the County Treasury was not available. Any investments in derivative financial products by LAIF are minimal.

Additional disclosure detail required by GASB Statements No. 3, 31, 40, 72, and 79 and GASB Technical Bulletin 94-1 regarding cash deposits and investments are presented in the financial statements of the County of Sacramento for the most recent fiscal year issued.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2019, the District held no individual investments. All investments are held in pooled investments funds.

Within all three external investment funds, deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, the District's proportionate share of investments in such pooled funds are an uncategorized input not defined as Level 1, Level 2, or Level 3 input.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

3. CAPITAL ASSETS

A summary of changes to capital assets for the year ended June 30, 2019, the total of which is recorded in the government-wide statements, is shown as follows:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Transfers/ Disposals</u>	<u>June 30, 2019</u>
Land and rights of way	\$ 2,208,583	\$ -	\$ -	\$ 2,208,583
Infrastructure	26,514,781	-	-	26,514,781
Building and improvements	2,406,914	16,709	-	2,423,623
Pump equipment and improvements	30,306,129	30,650	-	30,336,779
Equipment and vehicles	2,727,793	187,433	(12,000)	2,903,226
	64,164,200	234,792	(12,000)	64,386,992
Accumulated depreciation	(20,537,042)	(1,338,628)	6,400	(21,869,270)
Construction in progress	143,612	374,752	-	518,364
	<u>\$ 43,770,770</u>	<u>\$ (729,084)</u>	<u>\$ (5,600)</u>	<u>\$ 43,036,086</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

A summary of changes to capital assets for the year ended June 30, 2018, the total of which is recorded in the government-wide statements, is shown as follows:

	June 30, 2017	Additions	Transfers/ Disposals	June 30, 2018
Land and rights of way	\$ 2,208,583	\$ -	\$ -	\$ 2,208,583
Infrastructure	26,514,781	-	-	26,514,781
Building and improvements	2,336,740	88,925	(18,751)	2,406,914
Pump equipment and improvements	30,263,778	23,600	18,751	30,306,129
Equipment and vehicles	2,592,963	256,641	(121,811)	2,727,793
	63,916,845	369,166	(121,811)	64,164,200
Accumulated depreciation	(19,322,287)	(1,330,333)	115,578	(20,537,042)
Construction in progress		143,612	-	143,612
	<u>\$ 44,594,558</u>	<u>\$ (817,555)</u>	<u>\$ (6,233)</u>	<u>\$ 43,770,770</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$1,338,628 and \$1,330,333 and was charged to the single function of the District: flood protection.

4. DEFINED BENEFIT PENSION PLAN

General Information About the Plan

Plan Descriptions – The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes (but not accounting purposes), and membership information is listed in the June 30, 2018 Annual Actuarial Valuation Report. This report is a publically available valuation report that can be obtained at CalPERS’ website under Forms and Publications. All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Plan administered by CalPERS. Benefit provisions under the Plans are established by State statute and District resolution.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

The Plan provisions and benefits in effect at June 30, 2019 are summarized as follows (plan descriptions are not made for tiers for which there are no eligible or active employees):

	Miscellaneous Plan		
	After June 30, 2005 through August 30, 2011	After August 30, 2011 through December 31, 2012	After January 1, 2013 through the present
Hire Date			
Benefit formula	2% @ 55	2% @60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	52 - 67	52 - 67	52 - 67
Monthly benefits, as % of eligible compensation	1.0% to 2.5%	1.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7%	7%	6.25%
Required employer contribution rates	9.4%	7.6%	6.8%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The Plan’s actuarially determined rate is based on the estimated amount necessary to pay the costs of benefits earned by employees during the year, with an additional amount to pay any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

The District’s proportionate share of the risk pool collective net pension liability as of the measurement date of June 30, 2018 and 2017 is \$1,189,937 and \$1,245,857, respectively, for the fiscal years ended June 30, 2019 and 2018. Also, the District recognized pension expense of \$186,127 and \$233,469 for the fiscal years ended June 30, 2019 and 2018, respectively.

The District’s net pension liability was on the proportionate shares (in dollars) determined by CalPERS based on actuarial measurement specific to the plan in the Miscellaneous Pool. The net pension liability is measured as of June 30, 2019 and 2018, using annual actuarial valuations as of June 30, 2017 and 2016 rolled forward to June 30, 2018 and 2017, respectively, using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

As of June 30, 2019 and 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 174,925	\$ -	\$ 150,162	\$ -
Net differences between projected and actual earnings on investments	5,883	-	48,187	-
Changes of assumptions	135,656	33,247	213,065	16,246
Differences between expected and actual experience	45,656	15,536	1,717	24,602
Differences between the employer's contributions and the employer's proportionate share of contributions	93	7,693	227	5,742
Change in employer's proportion	<u>18,068</u>	<u>-</u>	<u>28,055</u>	<u>3,926</u>
Total	<u>\$ 380,281</u>	<u>\$ 56,476</u>	<u>\$ 441,413</u>	<u>\$ 50,516</u>

Deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year ended.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Recognition of Deferred Outflows and Inflows of Resources in Future Pension Expense	
Fiscal Year Ending June 30:	Net Deferred Outflows/(Inflows) of Resources
2020	\$ 123,758
2021	72,669
2022	(36,844)
2023	(10,703)
2024	-
Thereafter	-

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement periods ending June 30, 2018 and 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 and 2016 total pension liability (TPL) (valuation date). Both valuation date TPL and measurement date TPL were determined using the following actuarial methods and assumptions:

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

	<u>Miscellaneous Plan</u>
Valuation Dates	June 30, 2017 and 2016
Measurement Dates	June 30, 2018 and 2017
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Investment Rate of return	7.5%*
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds

*Net of pension plan investment and administrative expense; includes inflation

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	50%	4.8%	5.98%
Global Fixed Income	28%	1.0%	2.62%
Inflation Sensitive	-	.77%	1.81%
Private Equity	8%	6.3%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	-	(.92%)
Total	100%		

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability, calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	<u>Miscellaneous</u>
1% Decrease Net Pension Liability	6.15% \$ 1,907,391
Current Discount Rate Net Pension Liability	7.15% \$ 1,189,937
1% Increase Net Pension Liability	8.15% \$ 597,690

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2019, no amounts were payable for the outstanding amount of contributions to the pension plan as required for the year ended June 30, 2019.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

5. OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

The District’s defined benefit postemployment healthcare plan provides medical benefits to employees who have attained age 50 with five years of service, or under PEPRA after 10 years of service, increasing 2% per year up to 100% of the benefit after 20 years of service. The plan also provides for dependent coverage. In fiscal year 2012/13, the District modified its contract with CalPERS Public Employees Healthcare to a 75/25 employer/employee cost share for current employees and retirees. Employees hired after January 1, 2013 cost share under the 100/90 State Vesting Plan as contracted by the District.

The District contracts with CalPERS to administer its retiree health benefits plan (an agent multiple- employer defined benefit plan) and to provide an investment vehicle, the California Employees' Retiree Benefit Trust Fund (CERBT), to prefund future OPEB costs. The District chooses from a menu of benefit provisions and adopts certain benefit provisions by Board resolution. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. By participating in CERBT, the District is also obligated to follow the actuarial assumptions established by the CalPERS Board of Administration. CalPERS issues a Comprehensive Annual Financial Report for the retirement plans. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, CA, 95814.

Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	12
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to, but not yet receiving benefits	0
Total	<u>19</u>

Contributions

The District’s plan and its contribution requirements are established by board resolution and the Employee Handbook. The annual contribution is based on the actuarially determined contribution. For the fiscal year June 30, 2019, the District did not make cash contributions to the trust; however, there were unreimbursed retiree benefit payments made of \$65,512. During the year ended June 30, 2018, the District made a cash contribution to the trust of \$28,000, as well as \$42,393 in benefit payments, for total contributions of \$70,393.

Net OPEB Liability

The District’s Net OPEB Liability was measured on June 30, 2018 and the Total OPEB Liability

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

used to calculate the Net OPEB Liability was determined by an actuarial valuation dated June 30, 2018 that was rolled back to June 30, 2017 to determine the total OPEB liability, based on the following actuarial methods and assumptions

Actuarial Assumptions:

Discount Rate	6.5%
Inflation	2.75% per annum
Salary Increases	2.75% per annum
Investment rate of Return	6.5%
Mortality Rate ¹	Derived using CalPERS' 2014 Active Mortality Table for Miscellaneous Employees
Pre-retirement turnover	Hired before 2013: 2009 CalPERS 2.0% @ 55 Rates for Miscellaneous Employees Hired after 2012: 2009 CalPERS 2.0% @ 60 Rates for Miscellaneous Employees
Vesting Rates	Hired before 2013: 100% at 5 Years of Service Hired after 2012: 50% at 10 Years of Service plus 5% per year to 100% at 20 years (percentages apply to employer contributions not premiums)
Healthcare trend rate	4% per annum

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (CERBT Strategy 2).

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

¹ Pre-retirement mortality information was derived from data collected during 1997 to 2011

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Large Cap	40%	7.7950%
U.S. Small Cap	10%	7.7950%
Long term Corporate Bonds	18%	5.295%
Long term Government Bonds	6%	4.50%
Treasury Inflation Protected Securities (TIPS)	15%	7.7950%
U.S. Real Estate	8%	7.7950%
All Commodities	3%	7.7950%
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5 percent. The cash flows of the OPEB plan were projected to future years, assuming that the District will contribute an amount so that the assets always exceed expected benefits to retirees. Under that projection, the plan assets are projected to be adequate to pay all benefits to retirees in all future years, so the discount rate has been set equal to the long-term expected rate of return on investments, 6.5%.

Changes in the OPEB Asset

	Total OPEB Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net OPEB Obligation (Asset) = (a) - (b)
Balance at June 30, 2017	\$ 930,432	\$ 975,430	\$ (44,998)
Changes recognized for the measurement period			
Service cost	29,220	-	29,220
Interest on TOL	59,499	-	59,499
Employer contributions	-	28,000	(28,000)
Expected investment income	-	62,325	(62,325)
Investment gains and losses	-	(2,001)	(2,001)
Expected benefit payments to retirees	(49,674)	(49,674)	-
Actual minus expected benefit payments	(9,680)	(9,680)	-
Other	-	892	(892)
Administrative expense	-	(1,804)	1,804
Net change	29,365	28,058	1,307
Balance as of June 30, 2018	\$ 959,797	\$ 1,003,488	\$ (43,691)

Sensitivity of the Net OPEB Liability to the Changes in the Discount Rate

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

The following presents the Net OPEB Liability of the District if it were calculated using a discount rate that is one percentage point higher or lower than the current discount rate, for the measurement period ended June 30, 2018:

	<u>1% Decrease (5.5%)</u>	<u>Current Discount Rate</u>	<u>1% Increase (7.5%)</u>
Net OPEB Liability (Asset)	\$ 73,090	\$ (43,691)	\$ (140,899)

Sensitivity of the Net OPEB Liability to the Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point higher or lower than the current rate, for the measurement period ended June 30, 2018:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	\$ (152,950)	\$ (43,691)	\$ 86,245

OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that may be obtained from CalPERS, Prefunding Programs, CERBT (OPEB), P.O. Box 1494, Sacramento, CA 95812-1494.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining Service lifetime (EARSL)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

For the years ended June 30, 2019 and 2018, the District recognized OPEB expense of \$27,460 and \$19,789, respectively. At June 30, 2019 and 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2019</u>	<u>2018</u>
	Deferred Outflows of Resources	Deferred Outflows of Resources
OPEB contributions subsequent to measurement	\$ -	\$ 28,000
Experience gains and losses	(1,600)	
Actual minus expected benefit payments	8,541	-
Total	<u>\$ 6,941</u>	<u>\$ 28,000</u>

The \$28,000 reported as deferred outflows of resources as of June 30, 2018 related to contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability in the year ended June 30, 2019.

There are no other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB expense over the next five years:

5. CONTINGENCIES

The District has programs for public liability and property damage. There have been no settlements related to these programs that exceed insurance coverage during the 2018-19 fiscal year. The District retains the risk for all loss exposure in excess of insurance coverage. Claims, expenditures, and liabilities are reported when it is probable that a loss has been incurred and the amount of that loss, including those incurred but not reported, can be reasonably estimated.

The District receives Federal, State, and local funds for specific purposes and is subject to compliance requirements. Such funding is subject to review and audit by the awarding agencies at their discretion. If such audits were to disallow any expenditure, the District could potentially be liable to return funds. Management believes that such amounts, if any, would not have a significant effect on the financial position of the District. This is not considered a probable contingency and no liability has been reported on these financial statements.

6. NEW GASB ACCOUNTING PRONOUNCEMENTS

Implemented New GASB Pronouncements

GASB Statement No. 83, *Certain Asset Retirement Obligations* - This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

The implementation of this pronouncement did not have a significant impact on the District's financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* – The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

The implementation of this pronouncement did not have a significant impact on the District's financial statements.

Upcoming New GASB Pronouncements

GASB Statement No. 84, *Fiduciary Activities* – The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post employment benefit arrangements that are fiduciary activities. The requirements of the Statement are effective for the financial statements for periods beginning after December 15, 2018 (fiscal 2020). Earlier application is encouraged. The District doesn't believe this Statement will have a significant impact on the District's financial statements.

GASB Statement No. 87, *Leases* – The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (fiscal 2021). Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* – The objectives of this Statement (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information will also enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (fiscal 2021). Earlier application is encouraged. The requirements of this Statement should apply prospectively.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* – The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (fiscal 2020). Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit, and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

GASB Statement No. 91, *Conduit Debt Obligations* – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements with conduit debt obligations, and (3) related note disclosures.

RECLAMATION DISTRICT 1000, CALIFORNIA

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (fiscal 2022). Earlier application is encouraged. The District doesn't believe this Statement will have a significant impact on the District's financial statements.

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

RECLAMATION DISTRICT No. 1000, CALIFORNIA
Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Years Ended June 30, 2019 and 2018

	2019		
	Original and Final Budget	Actual	Favorable/ (unfavorable)
REVENUES:			
Property assessments	\$ 2,250,000	\$ 2,259,046	\$ 9,046
Rents, easements, and fees for services	42,000	28,986	(13,014)
Interest	50,000	180,506	130,506
Other	-	18,757	18,757
CERBT Reimbursement	-	-	-
Reimbursement from CalOES	-	507,778	507,778
O&M reimbursement revenue from SAFCA	1,400,000	1,400,000	-
Finance charges and penalties	-	-	-
Total revenues	<u>3,742,000</u>	<u>4,395,073</u>	<u>653,073</u>
EXPENDITURES:			
Flood Protection:			
Operations	2,351,000	2,047,877	303,123
Administration	1,261,000	1,175,894	85,106
Capital outlay	1,045,150	620,647	424,503
Total expenditures	<u>4,657,150</u>	<u>3,844,418</u>	<u>812,732</u>
NET CHANGE IN FUND BALANCES	(915,150)	550,655	1,465,805
FUND BALANCES, BEGINNING OF YEAR	<u>8,420,407</u>	<u>8,420,407</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,505,257</u>	<u>\$ 8,971,062</u>	<u>\$ 1,465,805</u>

See accompanying note to this schedule

RECLAMATION DISTRICT No. 1000, CALIFORNIA
Schedules of Expenditures - Budget and Actual - Governmental Fund
Years Ended June 30, 2019 and 2018

	2019			2018		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
OPERATIONS:						
Power	\$ 500,000	\$ 581,436	\$ (81,436)	\$ 500,000	\$ 394,069	\$ 105,931
Herbicides	115,000	79,287	35,713	135,000	67,309	67,691
Field services	142,000	45,490	96,510	96,500	169,188	(72,688)
Field operations consultants	20,000	21,211	(1,211)	20,000	26,132	(6,132)
Materials and supplies	22,000	22,729	(729)	22,000	17,570	4,430
Refuse collection	25,000	11,387	13,613	10,000	12,888	(2,888)
Compensation	1,000,000	1,106,391	(106,391)	987,688	962,221	25,467
Fuel	65,000	47,123	17,877	55,000	49,095	5,905
Equipment repairs and service	82,000	45,261	36,739	77,000	77,026	(26)
Shop equipment (not vehicles)	9,000	11,594	(2,594)	13,000	194	12,806
Contingency - Levee patrols	-	-	-	5,000	-	5,000
Facility repairs	273,000	37,491	235,509	250,500	29,315	221,185
Equipment rental and other	10,000	227	9,773	10,000	5,932	4,068
Field equipment	8,000	377	7,623	11,000	-	11,000
Security patrol	80,000	37,873	42,127	83,000	38,102	44,898
	<u>\$ 2,351,000</u>	<u>\$ 2,047,877</u>	<u>\$ 303,123</u>	<u>\$ 2,275,688</u>	<u>\$ 1,849,041</u>	<u>\$ 426,647</u>
ADMINISTRATION:						
Assessment	\$ -	\$ 24,310	\$ (24,310)	\$ 30,000	\$ 23,157	\$ 6,843
Office supplies	5,500	4,913	587	15,500	30,837	(15,337)
Computer	17,000	18,902	(1,902)	-	-	-
Liability and auto insurance	110,000	107,637	2,363	110,000	106,984	3,016
Uninsured losses	-	-	-	1,000	0	1,000
Group insurance, including retirees	130,000	155,465	(25,465)	118,305	107,737	10,568
Annuitant healthcare, excluding retiree benefit payments	28,000	-	28,000	38,785	28,000	10,785
Dental/vision insurance	26,000	20,591	5,409	26,000	19,057	6,943
Workers' compensation insurance	40,000	37,287	2,713	46,000	27,152	18,848
Memberships	30,000	31,014	(1,014)	35,000	21,487	13,513
Legal	100,000	87,369	12,631	85,000	100,608	(15,608)
Engineering/Administrative consultants	302,000	217,314	84,686	150,000	244,556	(94,556)
Public relations, legislative analyst	40,000	18,676	21,324	35,000	25,830	9,170
Accounting and audit services	45,000	40,759	4,241	36,000	42,094	(6,094)
Administrative services	17,000	11,482	5,518	26,000	30,231	(4,231)
Payroll taxes	77,500	84,982	(7,482)	76,580	75,391	1,189
Pension - defined benefit and 457 plans	165,000	193,687	(28,687)	156,044	150,162	5,882
Trustees fees	39,000	36,000	3,000	39,000	37,800	1,200
City and county fees	12,000	13,899	(1,899)	10,000	13,295	(3,295)
Mitigation land taxes	3,000	2,592	408	3,000	106	2,894
Election Costs	-	-	-	50,000	45,763	4,237
Utilities	22,000	24,896	(2,896)	23,500	19,598	3,902
Office maintenance and repair	24,000	17,318	6,682	-	0	-
Continuing education	15,000	9,216	5,784	-	0	-
Payroll service	3,000	2,415	585	-	0	-
Small office and computer equipment	5,000	4,089	911	-	-	-
Government fees and permits	-	1,800	(1,800)	-	-	-
Other	5,000	9,281	(4,281)	10,000	13,250	(3,250)
	<u>\$ 1,261,000</u>	<u>\$ 1,175,894</u>	<u>\$ 85,106</u>	<u>\$ 1,120,714</u>	<u>\$ 1,163,095</u>	<u>\$ (42,381)</u>
CAPITAL OUTLAY:						
CAD maps	\$ 6,350	\$ 6,864	\$ (514)	\$ 3,600	\$ 6,359	\$ (2,759)
Office upgrades and improvements	45,000	52,598	(7,598)	-	-	-
Real estate acquisition	120,000	-	120,000	-	-	-
Document management system	8,800	8,875	(75)	-	-	-
Pump and other improvements	-	30,650	(30,650)	-	126,733	(126,733)
Vehicles/Equipment	150,000	146,908	3,092	12,500	230,428	(217,928)
Capital - facilities	715,000	374,752	340,248	300,000	256,137	43,863
Capital - large equipment	-	-	-	209,000	26,213	182,787
	<u>\$ 1,045,150</u>	<u>\$ 620,647</u>	<u>\$ 424,503</u>	<u>\$ 525,100</u>	<u>\$ 645,870</u>	<u>\$ (120,770)</u>

See accompanying note to this schedule

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

Note to Schedules 1 and 2 – Budgetary Data

Years Ended June 30, 2019 and 2018

BUDGETARY DATA

The District adopts an annual budget for the General Fund (consisting of operations, maintenance, and designated modernization projects) for each fiscal year. Budgets are adopted on a basis consistent with generally accepted government accounting principles. The final approved budget for 2018-19 is presented in these financial statements. Minor line item adjustments were made to the original budget. As such, the original and revised budgets are presented in these financial statements.

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RECLAMATION DISTRICT NO. 1000, CALIFORNIA
 Schedule 3 – Schedule of the District’s Proportionate Share of the Net Pension Liability
 Years Ended June 30, 2019 and 2018

As described in Note 4, net pension liability and fiduciary net position are allocated to the plan based on its proportion of the Miscellaneous Risk Pool. However, GASB No. 68 requires that employers report certain proportions as a percentage of the total plan.²

	Measurement Date				
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
District’s proportion of the net pension liability (asset)	0.01235%	0.01256%	0.01256%	0.0124%	0.01360%
District’s proportionate share of the net pension liability (asset)	\$1,189,937	\$1,245,857	\$ 1,086,420	\$ 848,318	\$ 846,161
District’s covered-employee payroll (for the year ending on the measurement date)	\$889,262	\$826,547	\$ 858,126	\$ 852,087	\$ 630,170
District’s proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.81%	150.73%	126.6%	99.56%	134.27%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%	79.21%

² The schedule of the District’s proportionate share of the net pension liability is intended to present historical information for measurement periods for which GASB 68 is applicable. Additional years will be presented as they become available.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA
 Schedule 4 – Schedule of the District’s Pension Contributions
 Years Ended June 30, 2019 and 2018

	Measurement Date				
	6/30/2018 ³	6/30/2017	6/30/2016	6/30/2015	6/30/14
Actuarially determined contribution	\$174,925	\$150,162	\$ 139,989	\$ 130,747	\$ 100,907
Contributions in relation to the actuarially determined contribution	<u>174,925</u>	<u>150,162</u>	<u>139,989</u>	<u>130,747</u>	<u>100,907</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll (for the fiscal year ending on the date shown)	\$926,881	\$889,262	\$ 826,547	\$ 858,126	\$ 630,170
Contributions as a percentage of covered-employee payroll	18.87%	16.89%	16.94%	15.24%	16.01%

³ The schedule of the District’s plan contributions is intended to present historical information for measurement periods for which GASB 68 is applicable. Additional years will be presented as they become available.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA
 Schedule 5 – Schedule of Changes in the Net OPEB Asset and Related Ratios
 Measurement Period Ended June 30

Measurement Period	<u>6/30/2018⁴</u>	<u>6/30/2017</u>
Total OPEB Asset:		
Service cost	\$ 29,220	\$ 28,438
Interest on the total OPEB liability	59,499	57,189
Benefit payments	<u>(59,354)</u>	<u>(42,393)</u>
Net change in total OPEB asset	29,365	43,234
Total OPEB asset - beginning	<u>930,432</u>	<u>887,198</u>
Total OPEB asset – ending (a)	<u>959,797</u>	<u>930,432</u>
Plan Fiduciary Net Position:		
Contribution - employer	28,000	38,795
Net investment income	60,324	66,639
Benefit payments	<u>(59,354)</u>	<u>(42,393)</u>
Administrative expense and other	<u>(912)</u>	<u>(801)</u>
Net change in plan fiduciary net position	28,058	62,240
Plan fiduciary net position - beginning	<u>975,430</u>	<u>913,190</u>
Plan fiduciary net position – ending (b)	<u>1,003,488</u>	<u>975,430</u>
Net OPEB asset – ending (a) –(b)	<u>\$ (43,691)</u>	<u>\$ (44,998)</u>
Plan fiduciary net position as a percentage of the total OPEB asset	1.05%	1.05%
Covered-employee payroll	\$ 826,547	\$ 861,202
Net OPEB asset as a percentage of covered-employee payroll	1.16%	1.08%

⁴ Changes in Assumptions. The discount rate was changed from 7.28 percent (net of administrative expense) to 7.00 percent for the measurement period ended June 30, 2017.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA
 Schedule 6 – Schedule of the District’s OPEB Contributions
 Last Ten Fiscal Years

Fiscal Year Ended June 30	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially Determined Contribution (ADC)	\$ -	\$ -
Contribution in relation to the ADC	-	<u>28,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$(28,000)</u>
 Covered-employee payroll	 \$ 826,547	 \$ 861,202
 Contribution as a percentage of covered-employee payroll	 0%	 3.3%

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2019 and 2018 were from the June 30, 2018 and 2017 actuarial valuation, respectively.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market value
Inflation Rate	2.75%
Payroll Growth Rate	2.75% per annum
Investment Rate of Return	6.5% per annum
Healthcare Cost Trend Rate	4% per annum
Retirement Age	Tier 1 employees – 2.0% @55 Tier 2 employees – 2.0% @60
Mortality	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011 Pre-retirement mortality probability based on 2014 CalPERS Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering participants in CalPERS

Historical information is required only for measurement periods for which GASB 75 is applicable.

Future years’ information will be displayed up to ten years as information becomes available.

OTHER REPORTS

DRAFT

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
Reclamation District 1000, California
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Reclamation District 1000, California (the District), which comprise District's basic financial statements as listed in the Table of Contents, as of June 30, 2019 and 2018, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CROPPER ACCOUNTANCY CORPORATION
Walnut Creek, California
December 4, 2019



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 6.3

TITLE: Peabody Lease Agreement 3rd Amendment

SUBJECT: Review and Consider Authorizing the General Manager to Execute 3rd Amendment to Lease Agreement of District Property with Ross E. Peabody.

EXECUTIVE SUMMARY:

Item Pulled from Agenda

RECOMMENDATION:

Staff recommends the Board of Trustees review and consider authorizing the General Manager to execute 3rd Amendment to Lease Agreement of District property with Ross E. Peabody.

ATTACHMENTS:

1. 3rd Amendment to Lease Agreement of District Property with Ross E. Peabody.

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/05/2019

3rd Amendment to Lease

December 1, 2019

Reference is made to that certain lease dated October 25, 1999 and 1st Amendment to lease dated August 15, 2005 and 2nd Amendment to lease dated September 1, 2011(attached hereto) by and between Reclamation District 1000 and Reclamation District 900 (hereinafter individually and collectively referred to as "Lessor") and Ross E. Peabody (hereinafter individually and collectively referred to as "Lessee"). The following changes are proposed below:

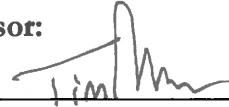
1. That changes hereafter become an amendment to that certain lease noted above shall resume and become effective December1, 2019.
2. **Paragraph 3 Term:** The term of this Lease shall be for ten (10) years (ten (10) hunting seasons), specifically the hunting season in **2019-2020 through 2029-2030**.
3. **Paragraph 4 Rent:** Lessee **agrees** to pay the sum of one thousand dollars (\$1000.00) per year as rent and be responsible for all pumping costs and water service costs per Mitigation Land Maintenance Manual obligations. Rent shall due and payable to Lessor upon execution of this amendment hereof and thereafter on or before September 1st of each year.
4. **Paragraph 6 Pumps:** Lessee shall bear all expenses, specifically including, but not limited to, costs of water and water delivery, water district costs if district water is used. Lessor will be responsible standby charges, all utility charges for light and power and the care and maintenance and operation of any pumps on the premises. Lessee will not use Lessor's pumps to maintain water level suitable water levels for hunting.
5. **Paragraph 8 & 17:** In addition to Lessee's obligations under paragraphs 8 & 17, Lessee will be responsible for repairs to low area of roadway along access road near Old River Road entrance that floods periodically from farm irrigation practices. Lessor acknowledges that Lessee incurred a \$5000 cost to Sierra Railroad to install a safety rated crossing for the front entrance off Old River Road during the term of lease.
6. Except as specifically amended herein, all the terms, covenants and conditions of the lease dated October 25, 1999, 1st amendment dated August 15, 2005 and 2nd amendment dated September 1st, 2011 by and between RD 900 and RD1000, Lessor and Ross Peabody, Lessee, shall resume in full force and effect.

IN WITNESS THEREOF, Lessor and Lessee have executed this 3rd Amendment to Lease

Effective:

December 1st, 2019

Lessor:

By: 

Tim Mallen

Reclamation District 900

Its: General Manager

Dated: 11/14/19

Reclamation District 1000

By: _____

Kevin L. King

Its: General Manager

Dated: _____

Lessee: 

Ross E. Peabody

Dated: 11/12/19

2nd Amendment to Lease

September 1, 2011

Reference is made to that certain lease dated October 25, 1999 and 1st Amendment to lease dated August 15, 2005 (attached hereto) by and between Reclamation District 900 and Reclamation District 1000 (hereinafter individually and collectively referred to as "Lessor") and Ross E. Peabody (hereinafter individually and collectively referred to as "Lessee"). The following changes are proposed below:

1. That changes hereafter become an amendment to that certain lease noted above shall resume and become effective September 1, 2011.
2. **Paragraph 3 Term:** The term of this Lease shall be for five (5) years (five (5) hunting seasons), specifically the hunting season in 2011-2012 through 2016-2017.
3. Except as specifically amended herein, all the terms, covenants and conditions of the lease dated October 25, 1999 and 1st amendment dated August 15, 2005 by and between RD 900 and RD1000, Lessor and Ross Peabody, Lessee, shall resume in full force and effect.

IN WITNESS THEREOF, Lessor and Lessee have executed this 2nd Amendment to Lease

Effective:

9/1/11

Lessor:

By: [Signature]

Reclamation District 900

Its: _____

Dated: _____

Reclamation District 1000

By: _____

Its: _____

Lessee:

By: [Signature]

Ross E. Peabody

Dated: 8/30/2011

1st Amendment to Lease

August 15, 2005

Reference is made to that certain lease dated October 25, 1999 by and between Reclamation District 900 and Reclamation District 1000 (hereinafter individually and collectively referred to as "Lessor") and Daniel F. Ramos and Ross E. Peabody (hereinafter individually and collectively referred to as "Lessee"). The following changes are proposed below:

1. That changes hereafter become an amendment to that certain lease noted above shall resume and become effective September 1, 2005.
2. **Lessee:** Daniel F. Ramos is no longer party to said Lease.
3. **Paragraph 3 Term:** The term of this Lease shall be for five (5) years (five (5) hunting seasons), specifically the hunting season in 2005-2006 through 2010-2011.
4. **Paragraph 3 Rent:** The Consumer Price Index rent escalation is deleted.
5. **Security:** Lessee, Ross Peabody, shall provide security and surveillance services for the premises, which shall include the posting of "no trespassing" signs and cooperation with all local law enforcement and fish and game officials in regards to said duty.
6. Except as specifically amended herein, all the terms, covenants and conditions of the lease dated October 25, 1999 by and between RD 900 and RD1000, Lessor and Ross Peabody, Lessee, shall resume in full force and effect.

IN WITNESS THEREOF, Lessor and Lessee have executed this 1st Amendment to Lease Effective 11/2/05.

Lessor

By: [Signature]
Reclamation District 900

Its: Secretary/Manager

By: [Signature]
Reclamation District 1000

Its: District Engineer

Dated: 9/16/05

Lessee

By: [Signature]
Ross E. Peabody

Dated: 11/2/05

HUNTING LEASE

THIS HUNTING LEASE is made and entered into this 25th day of October 1999 by and between RECLAMATION DISTRICT 900 AND RECLAMATION DISTRICT 1000 (hereinafter individually and collectively referred to as "LESSOR"), and DANIEL F. RAMOS and ROSS E. PEABODY (hereinafter individually and collectively referred to as "LESSEE").

WHEREAS, LESSOR is an owner of that certain real property located in YOLO COUNTY, CALIFORNIA consisting of 123 gross acres, more or less, including a lake, commonly known as the "Sacramento Urban Mitigation Area" or "Amen's Pond" and more particularly depicted in Exhibit "A", attached hereto (hereinafter the "Premises"), incorporated herein by reference; and

WHEREAS, the LESSEE is desirous of acquiring the exclusive hunting rights for the 1999-2000 hunting season through the 2004-2005 hunting season; and

WHEREAS, the property is presently being managed for habitat mitigation by LESSOR and hunting presents a compatible use to habitat mitigation, maintenance and management; and

WHEREAS, LESSEE is willing to assist LESSOR with certain grounds maintenance, water pumping costs, posting and patrol activities to discourage trespass to assist LESSOR.

NOW THEREFORE, for and in consideration of the mutual obligations contained herein, LESSOR and LESSEE hereby agree as follows:

1. Each of the recitals set forth above is incorporated herein by reference.
2. Description of Premises: LESSOR leases to LESSEE and LESSEE leases from LESSOR the exclusive hunting rights for the purpose of hunting all bird species which are specified as legally huntable by the California Department of Fish and Game, on approximately 123 gross acres, which is more particularly depicted in Exhibit "A", attached hereto and by this reference made a part hereof.
3. Term: The term of this Lease shall be for five (5) years (five (5) hunting seasons), specifically the hunting seasons in 1999-2000 through 2004-2005. The term "hunting season" is defined as that continuous period from September 1 through May 15 each year. This Lease and any and all rights hereunder shall expire on May 15, 2005.
4. Rent: LESSEE agrees to pay the sum of two thousand five hundred dollars (\$2,500.00) per year in two installments as rent, unless a portion of that amount is reduced by LESSEE's pumping costs as described in Paragraph 6 herein. The rent payable hereby shall be increased each year by the percentage of increase, if any, in the U. S. Department of Labor Consumer Price Index for the Oakland/San Francisco Urban Area, All Goods/All Consumers. One thousand

five hundred dollars (\$1,500.00) of this sum (the first installment) shall be due and payable to LESSOR upon execution hereof and thereafter on or before September 1 of each year. The remaining one thousand dollars (\$1,000.00) of this sum (the second installment) shall be due and payable by the following February 1, unless LESSEE incurs pumping costs between October 1 and February 1. In the event LESSEE incurs pumping costs from October 1 through February 1, LESSEE shall be entitled to credit LESSEE's costs of pumping, and deduct those actual costs, up to a maximum total of one thousand dollars (\$1,000.00) per year, from the second installment before making payment to LESSOR. In the event that the State of California ceases to establish a waterfowl hunting season during the term of this Lease, LESSEE may elect by written notice to LESSOR given on or before October 1 of that hunting year, not to pay rent for that season. If LESSEE elects not to pay rent as above provided, LESSEE shall have no hunting rights on the Premises until October 1 of the following year.

5. Blinds: It is agreed that LESSEE may install up to three (3) hunting blinds on the Premises. Upon termination of this Lease, the LESSEE shall retain ownership of said hunting blinds and may elect to (a) leave the blinds in place with LESSOR's written consent to do so, or (b) LESSEE may remove all blinds from the Premises.

6. Pumps: LESSOR shall bear all expenses, specifically including, but not limited to, costs of water and water delivery, water district costs incurred if district water is used, standby charges, all utility charges for light and power and the care, and maintenance and operation of any pumps on the Premises. In the event that pumping of water is necessary in order to maintain water at levels suitable for hunting from October 1 through February 1, LESSEE shall operate LESSOR's pumps. LESSEE shall pay the electrical power costs of operating these pumps during that period, but LESSEE shall be entitled to credit and deduct these pumping costs from rent as described in Paragraph 4 above. LESSEE agrees to be responsible for the costs of repairs necessitated or caused by the acts of negligence of LESSEE, or LESSEE's failure to maintain and service the pumps during the period of LESSEE's operation of the pumps. LESSOR makes no guarantee whatsoever as to the availability of water within the water district or from wells on or off of the Premises.

7. Non-Interference with Mitigation Land Operations: The hunting rights granted by this Lease are not expected to interfere in any way with the operation of the Premises as habitat mitigation lands. LESSEE agrees not to interfere with said operation of the Premises, and that wildlife mitigation uses of the Premises shall be superior to and take precedence over any hunting uses which might be made by LESSEE.

LESSEE acknowledges that there are trees, shrubs and other wetland and upland vegetation planted upon portions of the leased Premises for the purpose of providing mitigation habitat for wildlife. LESSEE agrees not to interfere with the ability of LESSOR to operate the Premises as habitat mitigation lands. LESSEE may manipulate vegetation in the manner described in Paragraph 8.

8. Vegetation and Road Maintenance, Posting and Patrol to Discourage Trespass: In consideration for the benefits accruing to LESSEE under this Lease, LESSEE agrees to assist

LESSOR with the maintenance of vegetation on the Premises. LESSEE agrees to trim brush, tree limbs, cattails and tules as needed in order to comply with LESSOR's Mitigation Land Maintenance Manual and to keep perimeter gravel roads and waterways passable during the hunting season. LESSEE also agrees to repair ruts and potholes in gravel roads as needed which are caused by LESSEE's use of the Premises during the hunting season. LESSEE agrees to patrol the Premises on a regular basis during hunting season and post "No Trespassing" signs in order to discourage trespassing on the Premises.

9. Waste: The LESSEE shall not commit or suffer to be committed any waste upon the Premises or any nuisance.

10. Compliance with Law: LESSEE shall comply with all requirements of local, state or federal law which may affect the uses of the Premises for hunting.

11. Save Harmless and Use of General Release and Indemnity Agreement: With respect to the hunting uses of the property by LESSEE it is agreed that LESSEE shall save LESSOR, its present and former agents, invitees, employees and representatives free from any and all liability and claims for damages by reason of any injury or death to any person or persons, including LESSEE or LESSEE's present and former agents, invitees, employees and representatives, or property damage of any kind whatsoever and to whomsoever, including LESSEE, its present and former agents, invitees, employees and representatives from any cause whatsoever arising out of the use or operation of the leased Premises by the LESSEE.

It is agreed by LESSEE, with respect to all persons utilizing the leased Premises for hunting or maintenance activities that all persons, including LESSEE, shall execute a General Release and Indemnity Agreement in the exact form as to that which is attached hereto as Exhibit "B" and by this reference made a part hereof.

LESSEE hereby waives, releases and forever discharges LESSOR, its present and former agents, invitees, employees and representatives from any and all claims, agreements, contracts, covenants, representations, obligations, losses, liabilities, costs, interest, attorney's fees and expenses of whatever kind or nature which arise out of LESSEE's use of the Premises, whether the claims be made by LESSEE, its present and former agents, invitees, employees and representatives or by third persons concerning any claims, whether of a business or personal nature.

LESSEE expressly agrees to indemnify and hold harmless LESSOR, its present and former agents, invitees, employees and representatives, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, actual damages, attorneys' fees (including such fees and expenses incurred enforcing this Lease) resulting from or in any way connected with injury or death of any person or damage to property and from any cause arising on the leased Premises by LESSEE or any person on the Premises at the request of LESSEE.

12. Liability Insurance: That in this connection LESSEE agrees to take out and keep in force during the term of this Lease, at LESSEE's expense, public liability insurance in companies and through brokers approved by LESSOR to protect against any and all liability to property or persons incident to the use of or resulting from any accident occurring in or about the Premises, the subject of this hunting Lease and liability under such insurance shall not be less than a single limit of One Million Dollars (\$1,000,000.00) for any accident for injury or death to any person and for any property damages.

This policy or policies shall name LESSOR as additional insureds. LESSEE must provide LESSOR a certificate of insurance with a signed additional insured endorsement attached which verifies the described coverage is in full force with a clause that states the LESSOR will receive a written thirty (30) day notice in advance of any cancellation or change in the policy(ies).

13. Exclusive Nature of Lease: LESSOR agrees not to lease hunting rights of any kind to anyone other than LESSEE during the term of this Lease. The Premises are leased only for the purpose of hunting and LESSEE shall not use or permit said Premises, or any part thereof, to be used for any other purpose other than the purpose for which this Lease is made.

14. Personal Nature of Lease: This Lease is personal to LESSEE for LESSEE's and LESSEE's guest recreational hunting use and shall not be assigned, sublet, transferred or sold without LESSOR's previous written consent. LESSOR shall have no obligation to consent to the same unless completely satisfied therewith. LESSEE shall not sell hunting rights on the Premises to any third parties.

It is agreed, however, that LESSEE may from time to time bring guests upon the Premises for the purpose of hunting. All guests of LESSEE shall be required to read and sign a copy of the General Release and Indemnity Agreement attached hereto as Exhibit "B".

15. Right of Possession: LESSEE shall have the right to enter upon the Premises for the purpose of hunting at any time during the hunting season. LESSEE shall have the right to enter upon the Premises at any time for the purpose of preparation for, or clean-up after, the hunting season, so long as LESSEE's activities do not interfere with the management practices of LESSOR thereon. LESSOR agrees to provide LESSEE with keys or combinations to all locks on gates to the Premises in order to allow LESSEE access to the Premises. LESSEE shall keep gates locked and closed to the public, in the manner requested by LESSOR.

16. Right to Install and Obligation to Remove Temporary Improvements: LESSEE shall have the right to install the following temporary improvements upon the Premises during the term of this Lease: (a) an improved gravel vehicle parking area adjacent to the current location of the pump on the north side of the lake, (b) shelter to protect persons and equipment from the elements consisting of either up to two (2) portable house trailers or up to two (2) small enclosed structures to be constructed in the gravel parking area described in (a) above, (c) hunting blinds as described

in Paragraph 5, and (d) such other structures as LESSOR approves in writing. Such trailers or structures shall be removed by June 15 of each years.

17. Damages to Leased Premises: It is agreed that there exists upon the Premises certain roads and LESSEE agrees to exercise care not to damage said roads if the roads are wet. Any damage (i.e., rutting, major holes or depressions) resulting to said roads by virtue of LESSEE's use, shall be repaired by LESSEE. In the event LESSEE does not repair the same, LESSOR shall have the option to repair the same and to charge LESSEE therefore. LESSEE agrees to avoid damage to the leased Premises when conducting vegetation and road maintenance activities as described in Paragraph 8 and when installing or removing the improvements identified in Paragraph 16.

18. Attorneys' Fees and Costs: In the event it is necessary for either party to employ an attorney to enforce any of the terms, covenants or conditions of this Lease then the prevailing party shall be entitled to be reimbursed by the other party for all reasonable fees and costs so incurred.

19. Conditions Precedent: The payment of rent, together with the proof of insurance as required hereinabove, are conditions precedent.

20. Remedies: The parties shall be accorded any and all remedies provided by law or equity in the event there is any breach of any covenant, term or condition herein.

21. Notices: For the purpose of notification, payment of rent, or submission of bills, etc., all correspondence may be sent to:

Lessor: Reclamation District 900
Attn: General Manager
P. O. Box 673
West Sacramento, CA 95691

Reclamation District 1000
Attn: General Manager
1633 Garden Highway
Sacramento, CA 95833

Lessee: Daniel F. Ramos
1450-B Harbor Boulevard
West Sacramento, CA 95691

Ross E. Peabody
20040 Old River Road
West Sacramento, CA 95691

IN WITNESS WHEREOF, the parties hereby agree to the terms described herein on the day above.

LESSOR

By: [Signature]
Reclamation District 900

Its: Manager

By: [Signature]
Reclamation District 1000

Its: District Engineer

Dated: 11/5/99

LESSEE

By: [Signature]
Daniel F. Ramos

By: [Signature]
Ross E. Peabody

Dated: October 25, 1999

EXHIBIT "B"

General Release and Indemnity Agreement

**SINCE SHOOTING/HUNTING IS DANGEROUS,
RD 900 AND RD 1000 REQUIRE ALL
VISITORS TO ASSUME ALL RISKS BY SIGNING
THIS GENERAL RELEASE OF ALL LIABILITY**

In consideration of being permitted to enter upon the property operated and owned by RD 900 and RD 1000 and leased by Daniel F. Ramos and Ross E. Peabody for the purpose of shooting/hunting, the undersigned, for himself, and all of his personal representatives, assigns, heirs, and next of kin, or either of them:

1. Hereby voluntarily releases, waives, discharges, relinquishes, and covenants not to sue, with respect to any and all actions or causes of actions for personal injury, property damage or wrongful death occurring to the undersigned as a result of or during the shooting and/or hunting activities, or any activities incidental thereto wherever or however the same may occur, while on the premises utilized by RD 900 and RD 1000, and the undersigned does for him/herself, his/her heirs, executors, administrators and assigns, hereby release, waive, discharge, relinquish, and covenants not to sue, with respect to any action or causes of actions aforesaid, which may hereafter arise for him/herself and for his/her estate, and agrees that under no circumstances will he/she or his/her heirs, executors, administrators, and assigns prosecute, present any claim for personal injury, property damage or wrongful death against the following: RD 900 and RD 1000, Daniel F. Ramos and Ross E. Peabody, and any of their agents, managers, servants or employees for any of said causes of action, whether the same shall arise by the negligence of any of said persons, or otherwise.

2. IT IS THE INTENTION OF THE UNDERSIGNED BY THIS INSTRUMENT TO EXEMPT AND RELIEVE RD 900 AND RD 1000, DANIEL F. RAMOS AND ROSS E. PEABODY, OR ANY OF THEIR OFFICERS, AGENTS, SERVANTS, EMPLOYEES, LANDOWNERS, MANAGERS AND REPRESENTATIVES THEREOF FROM LIABILITY FOR PERSONAL INJURY, PROPERTY DAMAGE OR WRONGFUL DEATH CAUSED BY NEGLIGENCE.

3. FURTHER UNDERSTAND THAT SERIOUS ACCIDENTS OCCASIONALLY OCCUR DURING SHOOTING/HUNTING AND RELATED ACTIVITIES AND THAT PARTICIPANTS IN SUCH ACTIVITIES OCCASIONALLY SUSTAIN MORTAL OR SERIOUS PERSONAL INJURIES AND/OR PROPERTY DAMAGE, AS A CONSEQUENCE THEREOF. KNOWING THE RISKS OF SHOOTING/HUNTING AND RELATED ACTIVITIES, NEVERTHELESS, I HEREBY EXPRESSLY AGREE TO PERSONALLY ASSUME ALL OF THOSE RISKS.

4. The undersigned for him/herself, his/her heirs, executors, administrators or assigns, agrees that in the event any claim for personal injury, property damage or wrongful death shall be prosecuted against RD 900 and RD 1000, Daniel F. Ramos and Ross E. Peabody, or any of their officers, agents, managers, servants, employees, or the landowner, he/she shall indemnify, save and hold harmless RD 900 and RD 1000, Daniel F. Ramos and Ross E. Peabody, and their agents, servants, employees and the landowner from any and all claims or causes of action by whomever or wherever made or presented for any and all personal injuries, property damage or wrongful death, to include reasonable attorneys' fees and costs.

5. The undersigned further expressly agrees that the herein agreement is intended to be as broad and inclusive as is permitted by the laws of the State of California and that if any portion thereof is held invalid, it is further expressly agreed that the balance shall, notwithstanding, continue in full legal force and effect.

6. The undersigned warrants that the following statements are true and understands that RD 900 and RD 1000, Daniel F. Ramos and Ross E. Peabody, their officers, agents, employees, and the landowner and manager of the premises upon which the hunting is conducted, have relied upon the undersigned entering into this agreement when giving the undersigned permission to enter upon the premises for the purpose of shooting/hunting.

(a) No oral representations, statements or inducements apart from the foregoing written agreement have been made or relied upon. The undersigned expressly agrees to conform and comply with all rules and regulations set forth by RD 900 and RD 1000, Daniel F. Ramos and Ross E. Peabody.

(b) THE UNDERSIGNED HAS READ AND UNDERSTOOD AND VOLUNTARILY SIGNS THIS AGREEMENT BEING FULLY AWARE OF THE LEGAL CONSEQUENCES OF SIGNING THIS INSTRUMENT.

SHOOTING/HUNTING IS DANGEROUS

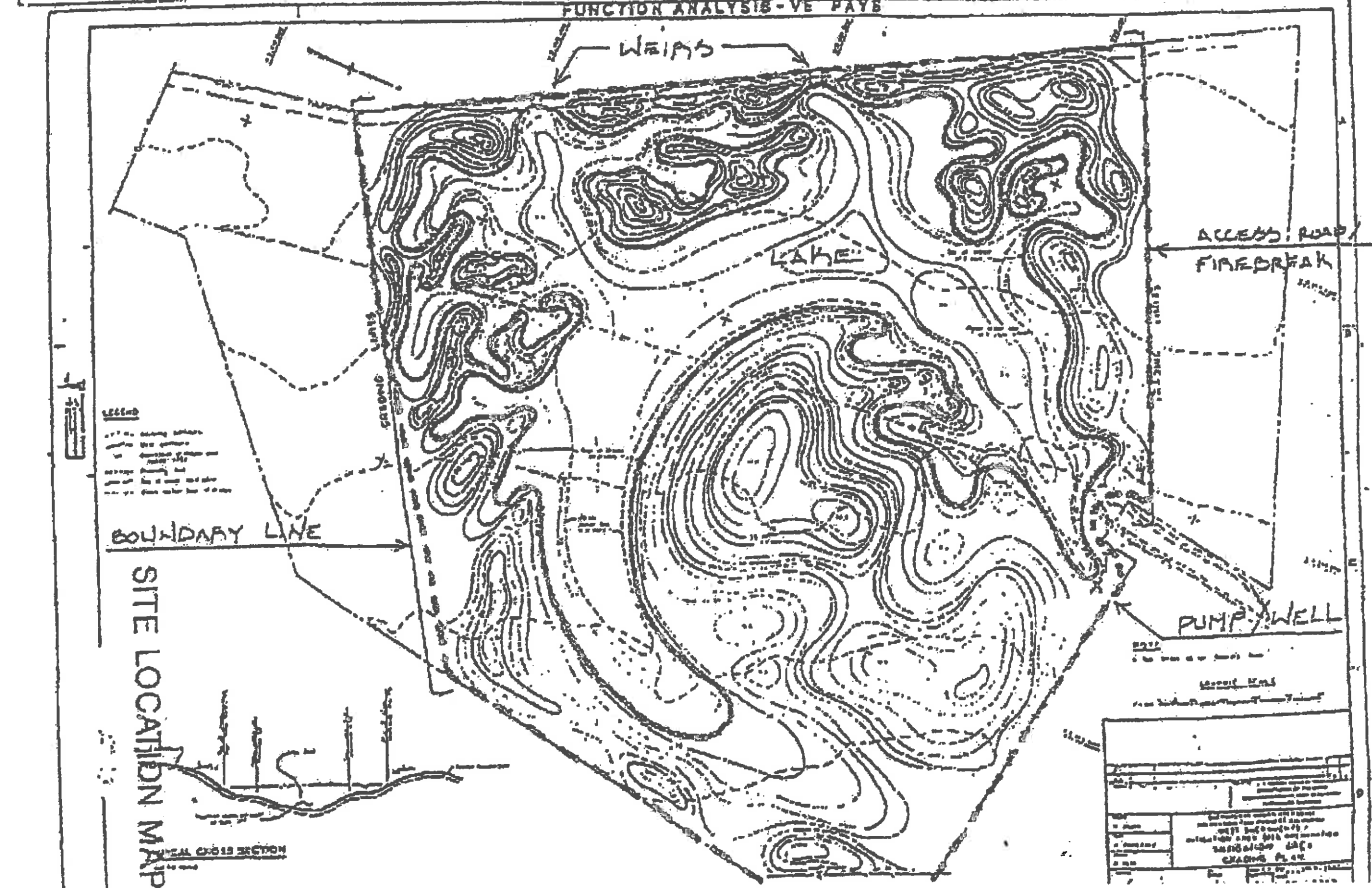
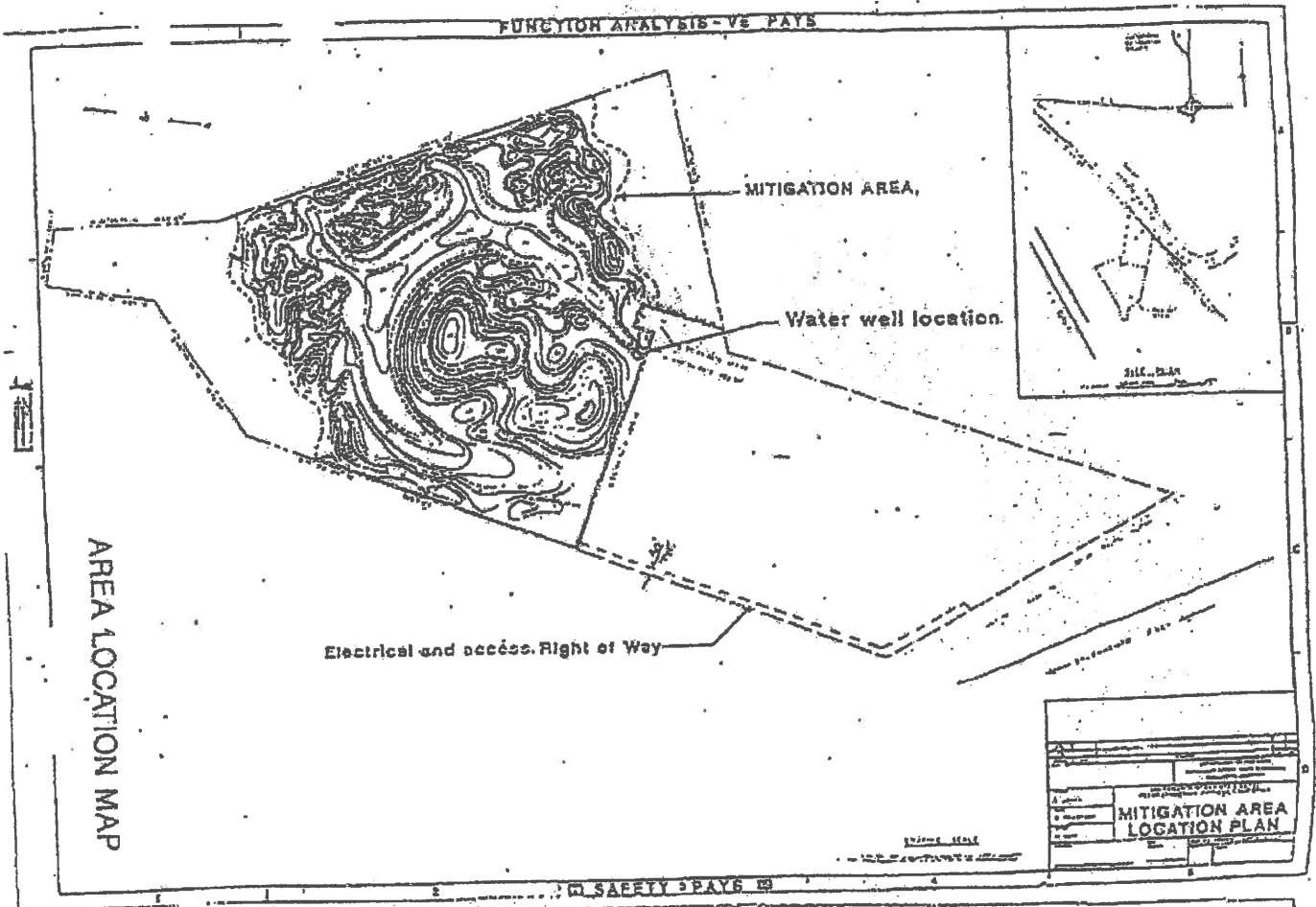
WITNESS

SIGNATURE OF VISITOR

DATE

SIGNATURE OF PARENT OR GUARDIAN
(WHERE APPLICABLE)

EXHIBIT A





RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 6.4

TITLE: 2020 Creek Week Sponsorship

SUBJECT: Review and Consider Approval of Financial Sponsorship for Support of Creek Week 2020.

EXECUTIVE SUMMARY:

The 2020 Creek Week event is scheduled for April 9-18. For a number of years, the Reclamation District No. 1000 (RD 1000; District) has supported and sponsored of this event offering a financial sponsorship of \$1,000 plus in-kind services to remove and dump trash/debris collected by community and regional volunteers.

BACKGROUND:

Creek Week is an annual event organized by the Sacramento Creeks Council (SCC) which Alta Tura is the President. The event culminates in a creek clean-up day (April 18) where hundreds of volunteers across the region gather and remove trash and debris from area creeks and streams. Within Natomas, the event has included portions of the Natomas East Main Drain Canal, Main Drain (between Garden Highway and W. El Camino Ave), and Fisherman's Lake area along our West Drain.

For a number of years, the District has been a sponsor of this event providing a cash contribution and the services of our field crew. Our field crew has participated on the day of the event using our equipment to assist with the removal and loading of trash and debris from our area canals and streams. Being a sponsor and participating in Creek Week is consistent with our goal to improve community relations and recognition of the District within Natomas. Also, we are beneficiaries of the work done by volunteers in removing trash and debris from our canals.

In addition to sponsorship, the District has issued a Temporary Use Permit to the SCC to allow boats with volunteers within our Main Drain to assist in the debris removal. The permit requires insurance by the SCC with the District named as an additional insured.

The request from the Sacramento Creek Council suggests a donation of \$2,000 plus our staff time consistent with our past participation. Staff suggests a financial sponsorship of \$1,000 plus in-kind services during the event (estimated at \$1,000). While this amount does not allow for the District to continue their Platinum Sponsorship, Staff believes it is consistent with the District's prior contributions and will not negatively impact the District's recognition as a sponsor of Creek Week or the success of the event.

TITLE: 2020 Creek Week Sponsorship

RECOMMENDATION:

Staff recommends the Board review and consider approval of financial sponsorship for support of Creek Week 2020, including financial support of \$1,000 plus in-kind services during the event (Estimated at \$1,000).

FINANCIAL IMPACT:

\$1,000 Sponsorship and \$1,000 of In-kind Support.

ATTACHMENTS:

1. 2020 Creek Week Brochure

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Services Manager

Date: 12/02/2019



Kevin L. King, General Manager

Date: 12/05/2019

Sponsorship Opportunities



Creek Week 2020 • April 9-18

AGENDA ITEM 6.4
ATTACHMENT NO. 1



30th Annual Sacramento County Creek Week

We need your help NOW to make Creek Week 2020 successful!

Your sponsorship **engages tens of thousands of citizens** throughout the Sacramento region in our week-long event.

- We improve our community through creek stewardship and trash cleanup; and
- We learn about creek ecosystems.

We can meet and exceed the 2019 Creek Week accomplishments, but it will **only be possible with the generous contributions** of our sponsors.

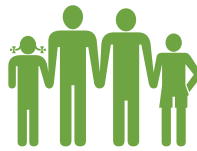
Your support is appreciated and provides opportunities for young and old to demonstrate environmental stewardship. Stand out as a leader and enjoy direct contact with customers!

For sponsorship information contact:

Alta Tura
(916) 454-4544 or
saccreekweek@gmail.com



2019 Creek Week Results



1,600+ volunteers,
35 miles of waterways,
90+ different locations



Over 22 tons of garbage
including tires and shopping
carts



For the 11th year, water
quality testing was conducted
at selected sites



Creek Week takes pride in its tradition

Creek Week is a regional institution mobilizing **volunteers from Folsom to the Sacramento Delta**. Over 30 years, Creek Week has provided public education and stewardship opportunities

for families, youth groups, and do-gooders in the community. The extraordinary efforts of Creek Week volunteers have removed hundreds of tons of trash from creeks and increased flood safety by improving storm water conveyance.

Become a Corporate Sponsor of Creek Week 2020



Splash Off 2017, State Assemblymember Kevin McCarty presented the Creek Steward Award to Friends of the River Banks



Activities during Creek Week include a "Birds & Bloom Tour" of the Bufferlands



Volunteers gather at the celebration to create sculptures for the "Junk & Gunk Contest"

For sponsorship information

contact:

Alta Tura

(916) 454-4544 or

saccreekweek@gmail.com

Volunteers are priceless, but the financial support from you and others like you make it possible for Creek Week to grow and improve year after year.

Sponsorship Levels & Benefits	Platinum \$2,000 or more	Gold \$750 to \$1,999	Silver \$500 to \$749	Bronze \$250 to \$499
Sponsor name on Creek Week brochures, posters, newsletters and web site	✓	✓	✓	✓
Event recognition at the Splash Off and Celebration Day	✓	✓	✓	✓
Your logo on the Creek Week T-shirt	✓	✓		
Prominent placement of your company/ organization's name on the Creek Week brochure	✓	✓		
Recognition in the full color ad in The Sacramento Bee celebrating Creek Week	✓			

Benefits for ALL Sponsors

Association with a popular, well-organized, beneficial service event that traditionally receives media coverage from television, radio, The Sacramento Bee and special interest publications

The knowledge that your sponsorship supports Sacramento Area Creeks Council's efforts to protect, preserve and enhance our valuable creek resources while helping to reduce the threat of flooding

Creek Week 2020 Overview

Splash Off Friday, April 9

2020 Keynote speaker address and presentation of the Creek Steward Award. Public **recognition of all sponsors** for their contributions.

Creek Week Activities April 9-18

Activities the week before the clean-up showcase the value and ecology of creeks. Learn about plants and animals inhabiting our creeks and their important roles in the ecosystem. Learn how creeks can best be managed and cared for benefitting wildlife and humans alike.



Creek Clean-up Day and Celebration Saturday, April 18

Creek Week will culminate on Saturday, April 18, 2020, with volunteers joining to **clear trash from more than 80 different creek sites in Sacramento County**. Volunteers also remove invasive nonnative plants that choke local waterways. Others collect meaningful data as Citizen Scientists. Clean-up activities help improve the riparian habitat along many stream and creek corridors, provide opportunities to connect people to their natural environment, increase awareness for water conservation, and reduce flood risk. The clean-up is followed by a **celebration** at Carmichael Park – complete with food, entertainment, interactive exhibits & contests.

Sacramento Area Creeks Council

PO Box 162774 • Sacramento, CA 95816

www.saccreeks.org • www.creekweek.net

(916) 454-4544



Creek Week 2020 Sponsorship Form

Please email this form to saccreekweek@gmail.com or fax to **(916) 454-4544** and/or mail with your check to **PO Box 162774, Sacramento, CA 95816**.

Amount of your tax deductible contribution \$ _____

Please make check payable to **Sacramento Area Creeks Council**, a 501 (c)(3) nonprofit organization. **Contributions are tax deductible: Fed. ID # 26-3676166**

- Check enclosed** **Check to follow**

To pay by credit card use our PayPal account at www.creekweek.net.
Click on the “Donate” button.

We will provide in-kind services valued at \$ _____ Services include:

Sponsor Information:

Company/Group Name: _____

Website: _____

Contact Name and Title: _____

Sponsorship Levels & Benefits	Platinum \$2,000 or more	Gold \$750 to \$1,999	Silver \$500 to \$749	Bronze \$250 to \$499
Sponsor name on Creek Week brochures, posters, newsletters and web site	✓	✓	✓	✓
Event recognition at the Splash Off and Celebration Day	✓	✓	✓	✓
Your logo on the Creek Week T-shirt	✓	✓		
Prominent placement of your company/organization's name on the Creek Week brochure	✓	✓		
Recognition in the full color ad in The Sacramento Bee celebrating Creek Week	✓			

To ensure visibility in Creek Week promotional materials, please return this Sponsorship form by **January 10**.



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 6.5

TITLE: Recognition of Service

SUBJECT: Review and Consider Adoption of Resolution No. 2019-12-01 Recognizing
Trustee Tom Barandas for Service to the Community

EXECUTIVE SUMMARY:

The Board of Trustees of Reclamation District 1000 (RD 1000; District) wishes to recognize Trustee, Tom Barandas, for his service to the community. Staff recommends the Board review and consider adoption of Resolution No. 2019-12-01 (Attachment 1), recognizing Trustee Tom Barandas for Service to the Community.

RECOMMENDATION:

Staff recommends the Board review and consider adoption of Resolution No. 2019-12-01, Recognizing Trustee Tom Barandas for Service to the Community.

ATTACHMENTS:

1. RD 1000 Resolution No. 2019-12-01

STAFF RESPONSIBLE FOR REPORT:

Kevin L. King, General Manager

Date: 12/05/2019



Resolution

No. 2019-12-01

In Recognition of Thomas A. Barandas' Service as a Member of the
Reclamation District No. 1000 Board of Trustees

WHEREAS, Thomas A. Barandas (Tom) served as a member of the Reclamation District No. 1000 Board of Trustees from his appointment in December 2003 until December 2019 including District representation on the Sacramento Area Flood Control Agency and Sacramento Local Agency Formation Commission; and

WHEREAS, Tom was born and raised in the District working the family farm along with his father Manual (who also served as a long time District Trustee) helping create a Barandas legacy in the rich history of Natomas and RD 1000; and,

WHEREAS, with his roots as a farmer and experience in water management (including Natomas Central Mutual Water Company and Reclamation District No. 108); Tom ensured the interests of the agricultural community were represented on the Board who looked to his knowledge of agricultural practices as well as the historical perspective he often and eloquently described at Board meetings as they related to the flood control issues which came before the Board; and,

WHEREAS, during his tenure as Trustee, the District completed a series of projects including the Pumping Plant 1B Emergency Generator; the 2006 emergency flood fight at Pumping Plant 2, subsequent repairs and plant reconstruction; initiation of the Natomas Levee Improvement Project by SAFCA and the United States Army Corps of Engineers to provide 200-year flood protection to Natomas; and the continued evolution of the District from its agricultural roots to an urban flood control district protecting over 100,000 residents including adoption of the District's first Capital Improvement Plan, Strategic Plan and Security Risk Assessment

NOW, THEREFORE BE IT RESOLVED ON THIS DAY, DECEMBER 13, 2019, On behalf of the District's residents, businesses, farmers and property owners, the Board of Trustees of Reclamation District No. 1000 hereby gratefully acknowledge the service, leadership and contributions Thomas A. Barandas made to the District as a member of the Board improving flood safety for the Natomas community; and furthermore wishes him well as he spends much deserved time with his family and friends while continuing the Barandas legacy in Natomas.

Jeff Smith, Board President
Reclamation District No. 1000



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 6.6

TITLE: Recognition of Service

SUBJECT: Review and Consider Adoption of Resolution No. 2019-12-02 Recognizing Trustee Frederick Harris for Service to the Community

EXECUTIVE SUMMARY:

The Board of Trustees of Reclamation District 1000 (RD 1000; District) wishes to recognize Trustee, Frederick Harris, for his service to the community. Staff recommends the Board review and consider adoption of Resolution No. 2019-12-02 (Attachment 1), recognizing Trustee Frederick Harris for Service to the Community.

RECOMMENDATION:

Staff recommends the Board review and consider adoption of Resolution No. 2019-12-02, Recognizing Trustee Frederick Harris for Service to the Community.

ATTACHMENTS:

1. RD 1000 Resolution No. 2019-12-02

STAFF RESPONSIBLE FOR REPORT:

Kevin L. King, General Manager

Date: 12/05/2019



Resolution

No. 2019-12-02

In Recognition of Frederick E. Harris' Service as a Member of the
Reclamation District No. 1000 Board of Trustees

WHEREAS, Frederick E. Harris (Fred) served as a member of the Reclamation District No. 1000 Board of Trustees from his appointment in May 1998 until December 2019 making him one of the longest serving Trustees; and

WHEREAS, Fred also served as the Board President from 2000 until 2006 providing his leadership and management skills to the District and particularly at Board meetings; and

WHEREAS, while serving as District Trustee, Fred's career also included serving in the California State Legislature, California Community Colleges Chancellor's Office and finally as Vice President in the Gavilan Community College District from which he retired in 2019; and

WHEREAS, during his tenure on the Board, Fred often served as the "conscience" of the Board asking the difficult questions of Staff and the Board as flood control policy was debated insuring issues were fully vetted and questions answered before the Board took actions, all the while bringing his smile and subtle humor to Board meetings; and

WHEREAS, during his tenure as Trustee, the District completed a series of projects including the North Area Local Project; Pumping Plant 1B and Emergency Generator; the 2006 emergency flood fight at Pumping Plant 2, subsequent repairs and plant reconstruction; initiation of the Natomas Levee Improvement Project by Sacramento Area Flood Control Agency and the United States Army Corps of Engineers to provide 200-year flood protection to Natomas; and the continued evolution of the District from its agricultural roots to an urban flood control district protecting over 100,000 residents including adoption of the District's first Capital Improvement Plan, Strategic Plan and Security Risk Assessment.

NOW THEREFORE BE IT RESOLVED ON THIS DAY, DECEMBER 13, 2019, On behalf of the District's residents, businesses, farmers and property owners, the Board of Trustees of Reclamation District No. 1000 hereby gratefully acknowledge the service, leadership and contributions Frederick E. Harris made to the District as a member of the Board improving flood safety for the Natomas community; and furthermore wishes him well in his retirement as he spends much deserved time with his family and friends.

Jeff Smith, Board President
Reclamation District No. 1000



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 6.7

TITLE: Recognition of Service

SUBJECT: Review and Consider Adoption of Resolution No. 2019-12-03 Recognizing General Counsel Jim Day for Service to the Community

EXECUTIVE SUMMARY:

The Board of Trustees of Reclamation District 1000 (RD 1000; District) wishes to recognize General Counsel, Jim Day, for his service to the community. Staff recommends the Board review and consider adoption of Resolution No. 2019-12-03 (Attachment 1), recognizing General Counsel Jim Day for Service to the Community.

RECOMMENDATION:

Staff recommends the Board review and consider adoption of Resolution No. 2019-12-03, Recognizing General Counsel Jim Day for Service to the Community.

ATTACHMENTS:

1. RD 1000 Resolution No. 2019-12-03

STAFF RESPONSIBLE FOR REPORT:

Kevin L. King, General Manager

Date: 12/05/2019



Resolution

No. 2019-12-03

In Recognition of James M. Day's Service as District Counsel to
Reclamation District No. 1000

WHEREAS, James M. Day (Jim) served as the District Counsel for Reclamation District No. 1000 from December 1977 until December 2019, spanning 42 years, making him the longest serving Counsel in the District's history succeeding Stephen Downey; and

WHEREAS, in addition to Reclamation District law, Jim is a recognized national expert in the field of oil, gas and mining law; and

WHEREAS, the Board and staff relied on Jim's wisdom, professionalism, and guidance as he took complex technical, legal and policy issues and calmly presented them both orally as well as in writing in easily understandable terms drafting hundreds of agreements, policies, legal opinions, and right of way documents during his career; and furthermore appreciated his ability to think "outside the box" and find creative solutions to seemingly unresolvable conflicts or problems; and

WHEREAS, Jim's career will best be known for his assistance in arduous negotiations with developers and land use agencies, drafting agreements to protect the District's interests and its ability to effectively and efficiently carry out its flood control and drainage mission as the Natomas basin experienced rapid growth, transitioning RD 1000 from its agricultural roots to an urban flood control district; and

WHEREAS, the District will miss Jim's institutional knowledge and professionalism as he will forever be associated with Natomas and be an integral part of the RD 1000 history.

NOW, THEREFORE BE IT RESOLVED ON THIS DAY, DECEMBER 13, 2019, On behalf of the District's residents, businesses, farmers and property owners, the Board of Trustees of Reclamation District No. 1000 hereby gratefully acknowledges the professional legal services James M. Day provided to the District improving flood safety for the Natomas community; and furthermore wishes him happiness as he spends more time with his other passions; family, boating and his love of the sea.

Jeff Smith, Board President
Reclamation District No. 1000



RECLAMATION DISTRICT 1000

DATE: December 13, 2019

AGENDA ITEM NO. 7.1.1

TITLE: Committee Meeting Minutes

SUBJECT: Meeting Minutes from Committee Meetings Since the November Board Meeting

EXECUTIVE SUMMARY:

Executive Committee Meeting – December 4, 2019

A meeting of the Reclamation District No. 1000 Executive Committee was held on Wednesday, December 4, 2019 at 8:00 a.m. at the District office. In attendance were Trustees Smith, Barandas and Burns. Staff in attendance was General Manager King. No members of the public were present and therefore no public comments were made.

General Manager King presented the proposed agenda for the December 13, 2019 Board of Trustees meeting. The committee reviewed the agenda and items of particular discussion are provided below:

- Agenda Item 6.1 – ENGAGEMENT AGREEMENT: Review and Consider Authorizing the General Manager to Execute Engagement Agreement with Downey Brand, LLP. for General Counsel Legal Services.
 - GM King discussed the ongoing negotiations with Downey Brand, LLP. and would be prepared to seek Board approval of the Engagement Agreement at the December 13, 2019 Board of Trustees Meeting.
- Agenda Item 6.2 – AUDITED FINANCIAL STATEMENTS YEAR END JUNE 30, 2019: Review and Receive the Audited Financial Statements for Year End June 30, 2019.
 - GM King discussed the audit and believed the audit would be ready for the December 13, 2019 Board of Trustees Meeting, pending review by the Financial Committee.
- Agenda Item 6.3 – PEABODY LEASE AGREEMENT 3rd AMENDMENT: Review and Consider Authorizing the General Manager to Execute 3rd Amendment to Lease Agreement of District Property with Ross E. Peabody.
 - GM King discussed the proposed 3rd Amendment to the Peabody Lease Agreement of District owned property. Trustees Burns and Smith asked for some detailed information regarding the agreement which GM King will research and if not available prior to the Board meeting the item will be discussed and tabled.

With no further business on the Executive Committee Agenda, meeting adjourned at 9:00 a.m.

TITLE: Committee Meeting Minutes

Finance Committee Meeting – December 4, 2019

A meeting of the Reclamation District No. 1000 Finance Committee was held on Wednesday, December 4, 2019 at 2:00 p.m. at the District office. In attendance were Trustees Gilbert and Smith. Staff in attendance were General Manager King and Administrative Services Manager Gutierrez. Also in attendance were the District's Auditor, Mary Ann Cropper and District Accountant Rob Merritt. No members of the public were present and therefore no public comments were made.

Maryann Cropper presented the draft auditors report to the Finance Committee. Trustees Gilbert and Smith felt comfortable with the report however some editing needed to be performed prior to the December 13, 2019 Board of Trustees Meeting. Maryann Cropper committed to making the necessary adjustments and will have a Final Report on Thursday, December 12, 2019. The Final Report will be handed out at the Board Meeting. A draft of the audited financial report is available in Agenda Item 6.2 of this Board Packet.

With no further business on the Finance Committee Agenda, meeting adjourned at 3:30 p.m.

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/05/2019