

**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
ACTION SUMMARY
SACRAMENTO, CA
August 10, 2018
8:00 A.M.
1633 Garden Highway
Sacramento, CA 95833**

Trustees Present: Smith, Barandas, Harris, Christophel, Avdis, Gilbert

Trustees Absent: Chris Burns

President Smith presided at the meeting.

Public Comments: There were no public comments

1. Approval of the Minutes of the Board of Trustees

Trustee Christophel suggested one minor edit. A motion was made by Trustee Christophel to approve the Minutes, seconded by Trustee Barandas, and carried by a unanimous vote.

2. Administrative Items

A. Treasurer's Report for June 2018

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|-------------------|-----------------|
| Checking: | \$ 91,457.12 |
| Money Market: | \$ 218,377.42 |
| County Treasurer: | \$ 1,945,379.82 |
| LAIF: | \$ 2,648,204.45 |
| City Pool A: | \$ 2,025,027.83 |

Treasurer's reports were included in the board packet. ASM Gutierrez explained that final June 2017 fund balances are being reported to provide a more complete picture in closing out FY 17-18. Trustee Gilbert requested an adjustment to the report where "receipts" are reported noting they have been received and included in the year end fund balances. President Smith acknowledged ending the year under budget. A motion was made by Trustee Harris to approve the report, seconded by Trustee Avdis, and carried by a unanimous vote.

3. Committee Reports

A. SAFCA

Trustee Barandas reported that SAFCA did not have a July Executive Committee meeting. He distributed an informational email from SAFCA's Executive Director, which provided updates to the following: Reach I contract was awarded on July 30 and seepage blanket under I-5 will begin this year; Reach D (Cross Canal) contract has been awarded, construction on the Vestal Drain will begin this year and in 2019 the modifications of Plant 4 will begin. He reports the American River Common Features work being done by SAFCA in North Sacramento is moving along and that some of the work for the Folsom Dam Raise has been awarded.

GM Devereux discussed there are proposed internal changes in the Corps. The current administration is proposing to remove civil works from the Army Corps mission and place civil works in a either Department of Interior or Transportation. This change would require federal legislation. GM sees this change creating uncertainty and delays for project implementation. Trustee Avdis, adds he is confident SAFCA will be able to navigate uncertain times. Trustee Barandas is hopeful Corps changes will lead to a positive outcome.

B. Executive Committee

The Executive Committee met on 8/2/18. In attendance at the meeting were Trustee Jeff Smith, Trustee Tom Barandas and Trustee Fred Harris participated by phone. GM Devereux also attended this meeting. The Committee met to discuss the August board meeting agenda. Quitclaim easements, GM replacement search, and a special meeting with SAFCA's federal lobbyist scheduled at the end of August. Minutes from the meeting were included in the August 10 board packet.

C. Personnel Committee

The Personnel Committee met on 7/20/18. In attendance at the meeting were Trustees Fred Harris, Chris Burns, and GM Devereux. The Committee interviewed and selected the firm of Bob Murray and Associates to conduct the search for a new General Manager. Trustee Avdis asked if the full Board would be involved in the GM selection process. It was affirmed the full Board would be involved including interviews. Separately, Bob asked the Board to consider an employment agreement for the next GM. The full Board would then select the new GM in a Closed Session. This would lay out the terms of employment and separation terms.

4. Board Business

A. General Manager Recruitment Process and Contract

Bob Murray addressed the Board and discussed his timeline for the GM executive search process. A brochure and ads for the GM position will be produced by the end of September. Bob will come back to the Board on October 15 to make recommendations and interviews may begin the week of October 22. The Board would then meet at the next Board meeting (in closed session) to select the new General Manager. It is expected the new GM will start by the beginning of 2019, as GM Devereux transitions out to retirement.

B. CSDA updates by Public Affairs Coordinator Dane Wadle and Legislative Advocate Rylan Gervase

CSDA representatives provided legislative and outreach updates, shared CSDA positions on 2018 Ballot Measures, informed RD 1000 of opportunities to engage with CSDA. Highlights of the presentation were: AB 1912 (Rodriguez), as amended 7/3/18, the bill's passage would require Joint Power Agency (JPA) member agencies apportioned liability of pension obligations which CalPERS is already requiring of new JPA contracts with or without passage of AB 1912. New CEQA legislation could potentially apply to RD 1000 - if the District is initializing a EIR or negative debt ratio under CEQA, districts will have to mail some additional notices if the project is in a disadvantaged community. Mailed notice of project must be in the language of 3,000 speakers or 5% of the community's population (whichever is lower). Another requirement is for a public scoping meeting whenever the project is within one mile from the site. There are concerns of overall costs placed on districts and CSDA will work with the bill's author. Currently this bill is on Suspense file.

C. Item 4C Agreement with Natomas Central Mutual Water – North Drain Canal Project (Information)

This item changed from an action item to an informational item. GM will seek board approval at the September Board meeting to authorize the GM to negotiate the terms of the Encroachment Permit with NWMC and execute said permit in general conformance with the draft. The water company has asked RD1000 to be the CEQA lead agency on their proposed project to put a lift station in one of our drains. The Water Company has agreed to reimburse our costs as the CEQA lead agency. It includes a condition if this project conflicts with future flood control or levee needs, the water company would be required to move this lift station to a different location. A copy of the draft Encroachment Permit was included in the Encroachment Permit for Board review.

D. Acceptance of Easements from Natomas Central Mutual Water Company vicinity of Sacramento River East Levee south of San Juan (Action)

GM reported that as part of the Natomas Levee Improvement Project constructed by SAFCA, portions of the upper Riverside Canal operated by Natomas Central Mutual Water Company had to be relocated, including new easements for the relocated irrigation drains. Therefore, the existing drain is no longer functional and the easements held by NCMWC are not required. They have agreed to quitclaim their easement rights to RD 1000; eventually these rights will be encumbered by the proposed levee improvements and the District having secured these rights assists in providing rights for construction by the Corps of Engineers. Staff recommends the Board authorize GM Devereux to execute the Quitclaim Deed accepting the easements from the NCMWC. Trustee Christophel made a motion to authorize GM to execute the Agreement, seconded by Trustee Barandas, by unanimous vote, motion carries.

E. District Construction Change Order Policy review (action)

GM explained to the Board his authority related to construction change orders as under the 2006 adopted Board policy for construction change orders as well as 2013 staff reports when the Board considered but did not make any changes to the policy. GM asked the Board if they would like to amend the current policy. After an extended discussion about contingency percentages and extending authority to the GM to approve change orders, the Board agreed that a new construction contract with an added contingency option for change orders within contracts is necessary. The Board asked Legal Counsel Jim Day to prepare a new draft Resolution that would supersede Resolution 2006-17. The draft Resolution will provide for the Board at its option, either as a percentage of contract amount or in a dollar amount for construction contracts and for service contracts, within which amount the GM is authorized to approve change orders (if a construction contract or minor contract (in the case of service contracts with a fixed fee or a not-to-exceed amount) to increase the contract amount. The Board agreed to take action on the draft resolution at the September 2018 meeting.

F. Strategic Plan Implementation Status Review

ASM Gutierrez provided a status update on the 2015 Strategic Plan. She reported that the District is on its way to completing many of the recommendations and objectives set forth in the plan. As the District moves toward an urban landscape, it is necessary for the District to review and update its operations and maintenance activities that relate to standardized procedures, safety standards, and updating its technological capacity to improve levee operations and emergency response. Other topics of this plan include: monitoring fiscal responsibility, examining future funding needs and

opportunities, succession planning, ensuring community leaders understand the role of RD 1000 and understand how it is a transparent, competent and reliable flood protection agency. ASM Gutierrez suggested reviewing this plan again in July of 2019 to ensure that continued progress and remaining provisions will be met by the plan's deadline of 2020. A copy of the Strategic Plan update was included in the board packet.

G. General Manager's Report

A. Regional Flood Control Issues

Nothing new to report.

B. Flood Season Outlook

Flood season outlook in a long-range forecast – El Nino conditions are predicted. This can be wet or dry weather, equal chance.

C. Status of Corps Natomas Levee Project

GM reports Corps Work Plan funding may go away after 2019 due to the recent supplemental appropriations for projects throughout the nation including significant funding for Sacramento flood control projects. There is concern about where the revenue stream will come from to complete projects that were not covered under the federal allocation. Because of this concern, many contracts are being positioned for funding next year. GM Devereux requests that we request someone from SAFCA Board come and speak with our Board about future funding in this uncertain environment.

D. Audit Contract

In June 2018, the Board authorized the GM to execute a base-line contract with Cropper Accountancy to have Mary Ann Cropper provide auditing services to the District for FY 17-18. GM reports the contract includes a contingency that would allow Mary Ann Cropper to bill at time and materials as we discern which duties will be handled by our accountant and by our auditor.

E. Meeting with Mike Strachn-SAFCA Washington Lobbyist

A Special Board Meeting will be held on August 31, at 8:30 am. Mike Strachn, SAFCA's federal lobbyist will provide his annual legislative update.

F. Reimbursement Sacramento Regional Sanitation District-Interceptor Project Sinkholes

Reimbursement from Regional Sanitation District. GM has been working with Counsel Jim Day on a form of an agreement that would allow the County to reimburse the District \$19,000 for costs incurred about four years ago for our consultant to review and monitor remediation work due to sinkholes caused by the sanitation district's tunnel project. We hope to get this receivable resolved through this agreement.

G. Update Plant 2 Reconstruction-FEMA Grant Reimbursement Increase and Project Closeout

As reported throughout the past 6 months, FEMA has approved an increase in costs for the Plant 2 reconstruction grant as part of the project close-out. A new Project Worksheet (PW) will be issued. We still are awaiting signature by a FEMA Region 9 representative to amend the PW. GM Devereux receives assurance by Cal-OES staff there is no risk to the District in waiting for this signature to occur. GM will continue to work with his contact at Cal-OES.

H. Public Outreach Report

No update provided.

I. Superintendent's Report

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

J. Correspondence/News/Information

Information about CSDA's Annual Meeting was provided. In the event Trustee Chris Burns would like to attend, he is authorized. Staff will look into a CSDA offered Scholarships to cover event registration fees.

K. Meeting Adjourned

President

Secretary