



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

**FRIDAY, MAY 8, 2020  
8:00 A.M.**

**WEB & TELEPHONE MEETING ONLY**

**MODIFIED BROWN ACT REQUIREMENTS IN LIGHT OF COVID-19**

In Compliance with CA Executive Orders N-25-20 and N-29-20 members of the Board of Trustees and members of the public will participate in this meeting by teleconference. The call-in information for the Board of Trustees and the public is as follows:

**Join the meeting from your computer, tablet or smartphone.**

<https://global.gotomeeting.com/join/139413693>

**You can also dial in using your phone.**

United States (Toll Free): [1 866 899 4679](tel:18668994679)

United States: [+1 \(571\) 317-3117](tel:+15713173117)

**Access Code:** 139-413-693

If you do not have the gotomeeting application downloaded, please allow yourself additional time prior to the meeting to install the free application on your computer, tablet or smartphone. The application is not required to participate via phone.

Any member of the public on the telephone may speak during Public Comment or may email public comments to [kking@rd1000.org](mailto:kking@rd1000.org) and comments will be read from each member of the public. During this period of modified Brown Act Requirements, the District will use best efforts to swiftly resolve requests for reasonable modifications or accommodations with individuals with disabilities, consistent with the Americans with Disabilities Act, and resolving any doubt whatsoever in favor of accessibility. Requests for reasonable modifications under the ADA may be submitted to the email address noted above, or by phone directly to the District.

All items requiring a vote of the Board of Trustees will be performed as a roll call vote to ensure votes are heard and recorded correctly. In addition, the meeting will be recorded and participation in the meeting via gotomeeting and/or phone will serve as the participants acknowledgment and consent of recordation.

## **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. 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 April 2020 Board Meeting.
- 4.2. [SUPERINTENDENT'S REPORT](#): Update on activities since the April 2020 Board Meeting.
- 4.3. [DISTRICT COUNSEL'S REPORT](#): Update on activities since the April 2020 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 April 17, 2020 Regular Board Meeting.
- 5.2. [TREASURER'S REPORT](#): Approve Treasurer's Report for April 2020.

- 5.3. EXPENDITURE REPORT: Review and Accept Report for April 2020.
- 5.4. BUDGET TO ACTUAL REPORT: Review and Accept Report for April 2020.
- 5.5. PROFESSIONAL SERVICES AGREEMENT: Review and Consider Authorizing the General Manager to Execute a Professional Services Agreement with NBS for Comprehensive Financial Plan and Assessment Rate Study.
- 5.6. PROFESSIONAL SERVICES AGREEMENT: Review and Consider Authorizing the General Manager to Execute a Professional Services Agreement with Richardson and Company, LLP. for Financial Audit Services.

**6. SCHEDULED ITEMS**

- 6.1. FISCAL YEAR 2020/2021 DRAFT BUDGET: Review and Discuss Draft Budget for Fiscal Year 2020/2021.
- 6.2. CHANGE ORDER: Review and Consider Authorizing the General Manager to Execute Contract Change Order with Larsen Wurzel and Associates, INC.

**7. BOARD OF TRUSTEE'S COMMENTS/REPORTS**

7.1. BOARD ACTIVITY UPDATES:

7.1.1. RD 1000 Committee [Meetings Since Last Board Meeting](#)

- Operations Committee (Smith, Christophel & Lee Reeder) April 17, 2020
- Finance Committee (Gilbert, Bains, Smith) April 21, 2020
- Legal Committee (Avdis, Bains & Christophel) April 27, 2020
- Finance Committee (Gilbert, Bains, Smith) April 27, 2020
- Executive Committee (Smith & Burns) April 29, 2020

**8. CLOSED SESSION**

- 8.1. POTENTIAL LITIGATION: Conference with legal counsel, significant exposure to litigation pursuant to Gov. Code Sec. 54956.9(b) (3 cases).
- 8.2. EXISTING LITIGATION: Conference with legal counsel, existing litigation (Gov. Code Sec. 54956) (Meyer v. DWR et Al, Sacramento Superior Case No. 34-2020-34-00276397).

**9. RECONVENE TO OPEN SESSION**

- 9.1. Report from Closed Session

**10. ADJOURN**



## RECLAMATION DISTRICT 1000

DATE: MAY 08, 2020

AGENDA ITEM NO. 4.1

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**TITLE:** General Manager's Report – May 2020

**SUBJECT:** Update on Activities Since the April 2020 Board of Trustees Meeting

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**EXECUTIVE SUMMARY:**

Reclamation District 1000's (RD 1000; District) General Manager, Kevin King, to provide verbal report of work performed during the month of April 2020.

**ATTACHMENTS:**

1. SAFCA Board Meeting – April 16, 2020

**STAFF RESPONSIBLE FOR REPORT:**



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Kevin L. King, General Manager

Date: 05/02/2020



## Board of Directors Agenda

**OF April 16, 2020 - 3:00 pm**

In compliance with directives of the County, State, and Centers for Disease Control and Prevention, this meeting was conducted by tele-conference. Public participation was encouraged by submitting written comments electronically to [SAFCABoardClerk@SacCounty.net](mailto:SAFCABoardClerk@SacCounty.net). Comments that were received up to one hour prior to commencement of the meeting were read into the record during the Board Meeting and included as part of the Final Board Record.

### TELE-CONFERENCE MEETING

**Directors/Alternates Present:** Ashby, Avdis, Burns, Conant, Frost, Harris, Holloway, Jennings, Kennedy, Nottoli, Peters, Serna, and Shah

**Directors Absent:** None

#### ROLL CALL

#### PUBLIC COMMENTS

Written Comment submitted by Katherine Dixon via email April 14, 2020:

*Subject: Reach A*

*Please supply the final 'plan' for the future of the area between Reclamation 1000 and Orchard Way  
This was requested in October and multiple times subsequently USACE was supposed to have this  
finalized in Oct, Dec, January.*

*Thank you*

#### EXECUTIVE DIRECTOR'S REPORT

1. [Executive Director's Report for April 16, 2020](#) – no action

#### CONSENT MATTERS

Motion by Director Harris and seconded by Director Avdis to approve Resolution Nos: 2020-033; 2020-034; 2020-035; 2020-036; 2020-037; 2020-038; 2020-039; 2020-040; and 2020-041 of Consent Matters.

AYES: Ashby, Avdis, Burns, Conant, Frost, Harris, Holloway, Jennings, Kennedy, Nottoli, Peters, Serna and Shah  
NOES: (None)  
ABSTAIN: (None)  
RECUSE: (None)  
ABSENT: (None)

2. [Adopting the Action Summary for March 19, 2020 \(Russell\)](#)
  
3. [Resolution No. 2020-033 - Authorizing the Executive Director to Execute a Consulting Services Contract with Sills Ag Consulting, Inc. for Agricultural Soils Consulting Services \(Sorgen\)](#)
  
4. [Resolutions - Adopting a California Environmental Quality Act Action and Authorizing a Contract Change Order Related to the Bryte Landfill Remediation Project, Yolo County, California](#)
  - A. Resolution No. 2020-034 - Adopting Addendum No. 6 to the Mitigated Negative Declaration for the Project
  
  - B. Resolution No. 2020-035 - Authorizing the Executive Director to Execute Construction Contract Change Order No. 4 to Contract No. 4444 for the Project
  
5. [Resolution No. 2020-036 - Authorizing the Executive Director to Execute Amendment No. 2 to Contract No. 1422 with Gualco Consulting for Local Government Relations, Community Outreach and Right of Way Support Activities Related to the American River Common Features 2016 Project \(Campbell\)](#)
  
6. [Resolution No. 2020-037 - Authorizing the Executive Director to Execute a Contract with Geosyntec Consultants, Inc., for Professional Services Related to the Lower Elkhorn Basin, Reclamation District Consolidation Effort, Yolo County, California \(Tibbitts\)](#)
  
7. [Resolutions - Lower Elkhorn Basin Levee Setback Project \(Jawanda\)](#)
  - A. Resolution No. 2020-038 - Adopting the Final Environmental Impact Report and Addendums No. 1 and No. 2 on the Lower Elkhorn Basin Levee Setback (LEBLS) Project for the LEBLS Interior Drainage and Pump Station Design and Construction Project as a Responsible Agency
  
  - B. Resolution No. 2020-039 - Authorizing the Executive Director to Negotiate and Execute Funding Agreement Amendment No.1 with the State of California, Department of Water Resources for the LEBLS Interior Drainage and Pump Station Project, Yolo County, California

8. [Resolution No. 2020-040 - Authorizing the Executive Director to Execute a Contract with the Rio Linda & Elverta Recreation and Park District for Lower Dry Creek Floodway/Ueda Parkway Refuse and Flood Debris Removal and Fire Hazard Reduction/Weed Abatement Mowing Services \(Sorgen\).](#)
9. [Resolution No. 2020-041 - Ratification of Executive Director's Determination of Essential Critical Infrastructure and Essential Government Functions in Response to the Novel Coronavirus Disease 2019 \(Gilchrist\).](#)

## **RECEIVE AND FILE**

10. [Report of Construction Contract Change Orders Issued Under Delegated Authority for the Third Quarter, Fiscal Year 2019-20 \(Gilchrist\).](#)
11. [Report of Insurance Claims Settled Under Delegated Settlement Authority for the Third Quarter, Fiscal Year 2019-20 \(Gilchrist\).](#)
12. [Report of Professional Services Agreements Issued Under Delegated Authority for the Third Quarter, Fiscal Year 2019-20 \(Gilchrist\).](#)
13. [Status Reports of Environmental Consulting Master Services Agreements for the Third Quarter, Fiscal Year 2019-20 \(Gilchrist\).](#)
14. [Report of Real Property Transaction Where Just Compensation is Less than \\$500,000 Executed Under Delegated Authority for the Third Quarter, Fiscal Year 2019-20 \(Gilchrist\).](#)
15. [Status Reports of Right of Way Consulting Master Services Agreements for the Third Quarter, Fiscal Year 2019-20 \(Gilchrist\).](#)
16. [Report of California Uniform Public Construction Cost Accounting Act \(CUPCCAA\) Contracts Issued Under Delegated Authority for the Third Quarter, Fiscal Year 2019-20 \(Gilchrist\).](#)
17. [Status Reports of Flood Risk Management Planning Master Services Agreements for the Third Quarter, Fiscal Year 2019-20 \(Gilchrist\).](#)
18. [Status Reports of Land Survey and Mapping Master Services Agreements for the Third Quarter, Fiscal Year 2019-20 \(Gilchrist\).](#)

**ADJOURN**

Respectfully submitted,  
Lyndee Russell





## RECLAMATION DISTRICT 1000

DATE: MAY 8, 2020

AGENDA ITEM NO. 4.2

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**TITLE:** Superintendent's Report – May 2020

**SUBJECT:** Update on Activities Since the April 2020 Board of Trustees Meeting

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### 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 April 2020. 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:

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Donald Caldwell, Superintendent

Date: 05/01/2020

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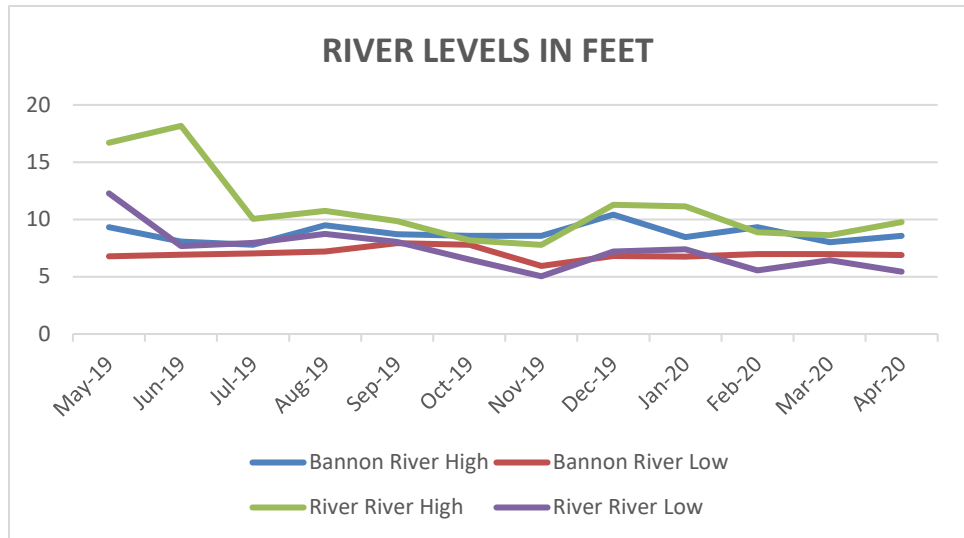
Kevin L. King, General Manager

Date: 05/01/2020



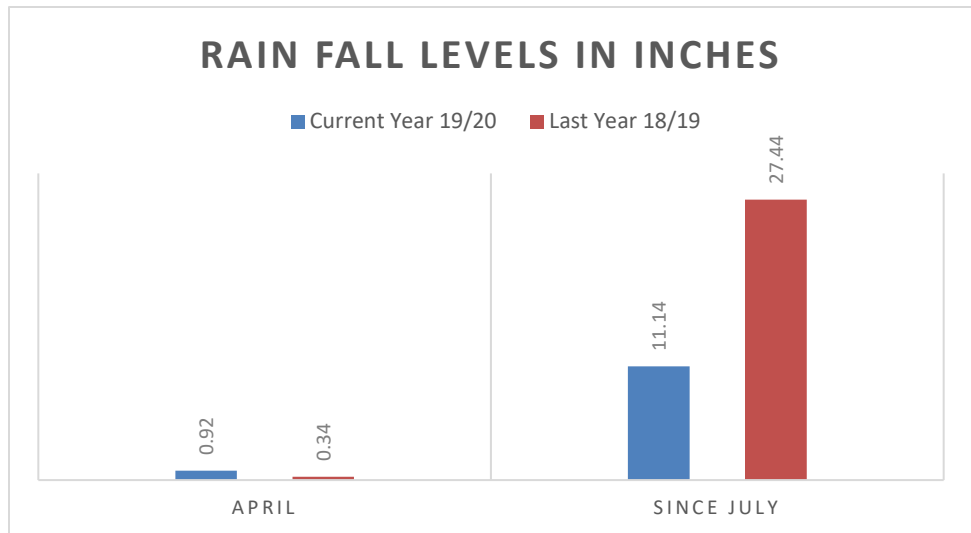
**Superintendent's Report  
April 2020**

**River Levels:**  
**Bannon** H: 8.58'  
 L: 6.9'  
**River** H: 9.76'  
 L: 5.45'



**Rain Fall Totals:**  
 April rain totals were .92"

Rain totals since July 1st were 11.14"



**Safety Topics for the Month of April**

Covid-19: Proper protection while at work – Equipment, hand washing and social distancing rules.

**District Complaints**

There were 5 District complaints during the month of April. Four complaints regarding high weeds were reported to the District, all sites have since been mowed. One unauthorized encampment complaint was made to the District, Superintendent Caldwell is aware of the location and will schedule clean up and weed maintenance once the encampment has been vacated.

*Superintendent's Report*

The chart below represents various activities the field crew spent their time working on during the month of April 2020.

RD 1000 Field Crew	*Field Hours Worked	Activity
	4	Grounds
	67.5	Pump Plant Maintenance
	424	Mowing
	80	Equipment Repair
	862	Misc/Other

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

**Pumping**

The District did some pumping for the month of April due to a small rain event.

Pumping Plant	Pump	Hours and A/F
Plant 1-B	Pump # 2	46.9 hours and 459.62 A/F
Plant 2	Pump # 2	11.5 hours and 33.35 A/F
Plant 3	Pump # 3	48.5 hours and 324.95 A/F

**Unauthorized Encampment Activity** There was no unauthorized encampment activity during the month of April.

**Unauthorized Encampment Activity – Year to Date**

This fiscal year to date the District has spent a total of 686 crew hours on unauthorized encampment activity for a total cost to the district of \$48,700.20. This total includes labor,\* equipment costs, materials and dump fees.

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



**RECLAMATION DISTRICT 1000**

**DATE: MAY 8, 2020**

**AGENDA ITEM NO. 4.3**

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**TITLE: District Counsel's Report – May 2020**

**SUBJECT: Update on Activities Since the April 2020 Board of Trustees Meeting**

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**EXECUTIVE SUMMARY:**

Reclamation District 1000's (RD 1000; District) General Counsel, Rebecca Smith and/or Scott Shapiro to provide verbal report of work performed during the month of April 2020.

**ATTACHMENTS:**

None

**STAFF RESPONSIBLE FOR REPORT:**

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Kevin L. King, General Manager

Date: 05/02/2020



## RECLAMATION DISTRICT 1000

DATE: MAY 8, 2020

AGENDA ITEM NO. 5.1

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**TITLE:** Approval of Minutes

**SUBJECT:** Approval of Minutes from April 17, 2020 Regular Board Meeting

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**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 (Attachment 1) from the April 17, 2020 Regular 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.

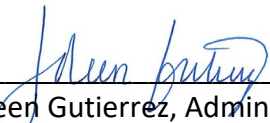
**RECOMMENDATION:**

Staff recommends the Board approve the Minutes from the April 17, 2020 Regular Board Meeting.

**ATTACHMENTS:**

1. April 17, 2020, Board Meeting Minutes

**STAFF RESPONSIBLE FOR REPORT:**

  
\_\_\_\_\_  
Joleen Gutierrez, Administrative Services Manager

Date: 05/01/2020

  
\_\_\_\_\_  
Kevin L. King, General Manager

Date: 05/01/2020



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

**April 17, 2020  
MEETING MINUTES**

In light of COVID-19 and in Compliance with CA Executive Orders N-25-20 and N-29-20 members of the Board of Trustees and members of the public participated in this meeting by teleconference. This meeting was recorded without objection. Present were: Board President Jeff Smith; Vice President Chris Burns; Trustee David Christophel; Trustee Jag Bains, Trustee Elena Lee Reeder; Trustee Nick Avdis; Trustee Thom Gilbert; General Manager Kevin King; Co-General Counsel Rebecca Smith; General Counsel Scott Shapiro; Administrative Services Manager Joleen Gutierrez; District Superintendent Don Caldwell and Administrative Assistant Christina Forehand. District Engineering Consultant Scott Brown from Larsen Wurzel also attended the meeting.

**1. PRELIMINARY**

1.1. Call Meeting to Order

President Smith called the meeting to order.

1.2. Roll Call

ASM Gutierrez called the roll.

1.3. Approval of Agenda

**MOVED/SECONDED:** Trustee Christophel/Trustee Avdis

**AYES:** Trustee Christophel, Trustee Bains, Trustee Lee Reeder, Trustee Smith, Trustee Avdis, Trustee Burns, Trustee Gilbert

**NOES:** None.

**ABSTAIN:** None.

**ACTION:** None.

1.4. Pledge of Allegiance

All recite the Pledge of Allegiance.

1.5. Conflict of Interest

Trustee Avdis identified a conflict with Item 6.3. He recused himself from the discussion and Board action.

**2. PRESENTATIONS**

2.1. No Presentations were scheduled.

**3. PUBLIC COMMENT (NON-AGENDA ITEMS)**

There were no public comments.

**4. INFORMATIONAL ITEMS**

4.1. GENERAL MANAGER'S REPORT: Update on activities since the March 2020 Board Meeting.

General Manager Kevin King provided a verbal overview of his activities during the month of March 2020. A written report was included in the April 17, 2020 Board packet.

4.2. SUPERINTENDENT’S REPORT: Update on activities since the March 2020 Board Meeting.

A copy of the Superintendent’s Report for March 2020 was included in the April 17, 2020 Board Packet. There were no comments or questions.

4.3. DISTRICT COUNSEL’S REPORT: Update on activities since the March 2020 Board Meeting.

Co-Counsel Rebecca Smith gave a verbal report of her District related activities during the month of March 2020. There were no comments or questions.

**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.*

Consent Calendar Items 5.1, 5.2, 5.3, 5.4, 5.5, and 5.6 were approved in one motion.

**MOVED/SECONDED:** Trustee Burns/Trustee Avdis

**AYES:** Trustee Christophel, Trustee Bains, Trustee Lee Reeder, Trustee Smith, Trustee Avdis, Trustee Burns, Trustee Gilbert

**NOES:** None.

**ABSTAIN:** None.

**ACTION:** A motion to approve Consent Calendar Items 5.1, 5.2, 5.3, 5.4, 5.5, and 5.6 is approved.

5.1. APPROVAL OF MINUTES: Approval of Minutes from March 13, 2020 Regular Board Meeting.

**ACTION:** Approved

5.2. TREASURER’S REPORT: Approve Treasurer’s Report for March 2020.

**ACTION:** Approved

5.3. EXPENDITURE REPORT: Review and Accept Report for March 2020.

**ACTION:** Approved

5.4. BUDGET TO ACTUAL REPORT: Review and Accept Report for March 2020.

**ACTION:** Approved

5.5. AUTHORIZATION TO SUBMIT GRANT APPLICATION: Review and Consider Adoption of Resolution No. 2020-04-01 Authorizing General Manager to Submit Application for Grant Funding with State of California Department of Water Resources – Flood Maintenance Assistance Program 2020/2021.

**ACTION: Approved**

5.6. AUTHORIZATION TO EXECUTE FUNDING AGREEMENT: Review and Consider Adoption of Resolution No. 2020-04-02 Authorizing General Manager to Execute Funding Agreement with State of California Department of Water Resources – Flood Maintenance Assistance Program 2020/2021.

5.7. **ACTION: Approved.**

## 6. SCHEDULED ITEMS

6.1. WARRANT FOR FUND TRANSFER: Review and Consider Approval of Warrant for Transferring Funds between Investment Accounts.

**MOVED/SECONDED:** Trustee Burns/Trustee Smith

**AYES:** Trustee Christophel, Trustee Bains, Trustee Lee Reeder, Trustee Smith, Trustee Avdis, Trustee Burns, Trustee Gilbert

**NOES:** None.

**ABSTAIN:** None.

**ACTION:** A motion to approve warrant for transferring Funds between investment accounts is approved.

6.2. DISTRICT ELECTION & MODIFICATION OF TRUSTEES TERMS: Review and Consider Adoption of Resolution No. 2020-04-03 Adopting Election Procedures and Modifying Current Trustee Terms to Consolidate to State General Election Timeline.

Counsel Smith walked through the staff report and discussed the need for Resolution 2020-04-03 and consolidating the District's election with the statewide General Election. Robust Board discussion followed.

Trustee Burns asked if the County denies consolidation, could the District consolidate on their own? Counsel Smith explained that if denied, the District would proceed on an independent path moving up the election one year early.

Trustee Avdis inquired about any communication with CSDA, possible legislative relief, and what constitutes agricultural land use. General Manager King will revisit the Water Code and established County zoning for parcels. Trustee Burns added that the Assessment Roll may help determine parcel use.

There were no public comments.

**MOVED/SECONDED:** Trustee Bains/Trustee Lee Reeder

**AYES:** Trustee Christophel, Trustee Bains, Trustee Lee Reeder, Trustee Smith, Trustee Avdis, Trustee Burns, Trustee Gilbert

**NOES:** None.

**ABSTAIN:** None.

**ACTION:** A motion to adopt Resolution 2020-04-03 Adopting Election Procedures and Modifying Current Trustee Terms to Consolidate to State General Election Timeline is approved.

Counsel Smith advised to select the metric the District will use to identify agricultural use. General Manager King will then research and verify.

Counsel Scott Shapiro advised a Committee could also meet and make a determination on land use.

There were no public comments.

**MOVED/SECONDED:** Trustee Burns/Trustee Avdis

**AYES:** Trustee Christophel, Trustee Bains, Trustee Lee Reeder, Trustee Smith, Trustee Avdis Trustee Burns, Trustee Gilbert



**NOES:** None.

**ABSTAIN:** None.

**ACTION:** Motion to direct the Legal Committee to make the evaluation required by Water Code Section 50780.18 and the Board will adopt the methodology endorsed by the Legal Committee is approved.

**6.3. RATIFICATION OF FUNDING AGREEMENT:** Review and Consider Ratification of Funding Agreement for Upper Westside Development Project Processing Funding Agreement.

Trustee Nick Avdis recused himself from Item 6.3 discussion and vote; his firm represents the property-owning group seeking entitlements with the County. Due to digital format of this meeting, Trustee Avdis turned off his video camera and listened in.

General Manager King provided an overview of the funding agreement. Trustee Smith inquired about rates. General Manager King made know overhead rates are subject to changed and the development group has been advised.

There were no public comments.

**MOVED/SECONDED:** Trustee Burns/Trustee Gilbert

**AYES:** Trustee Christophel, Trustee Bains, Trustee Lee Reeder, Trustee Smith, Trustee Burns, Trustee Gilbert

**NOES:** None.

**ABSTAIN:** None.

**RECUSED:** Trustee Avdis

**ACTION:** A motion to approve ratification of Funding Agreement for the Upper Westside Development Project Processing Funding Agreement.

**6.4. FISCAL YEAR 2019/2020 BUDGET ADJUSTMENT:** Review and Consider Budget Adjustment for Fiscal Year 2019/2020 for Purchase of Replacement Vehicles.

General Manager King made known the District has an opportunity to procure three additional trucks at 2019 fleet pricing. Generally, trucks are offered at \$500 over invoice.

Trustee Gilbert inquired about pricing and whether a consideration was made for a previous year model. Trustee Avdis stated the pricing seemed pretty good for the trucks. Trustee Smith added for maintenance and consistency he would support the purchase.

There were no public comments.

**MOVED/SECONDED:** Trustee Gilbert/Trustee Smith

**AYES:** Trustee Christophel, Trustee Bains, Trustee Lee Reeder, Trustee Smith, Trustee Avdis, Trustee Gilbert

**NOES:** None.

**ABSTAIN:** Trustee Burns

**ACTION:** A motion to approve a budget amendment for FY 2019/2020 to purchase three replacement vehicles is approved.

**7. BOARD OF TRUSTEE'S COMMENTS/REPORTS**

7.1. BOARD ACTIVITY UPDATES:

7.1.1. RD 1000 Committee Meetings Since Last Board Meeting

- Operations Committee (Smith, Christophel & Lee Reeder) March 13, 2020
- Executive Committee (Smith & Burns) April 1, 2020
- Personnel Committee (Avdis, Burns & Christophel) April 10, 2020

**8. CLOSED SESSION**

No Closed Sessions Items.

**9. ADJOURN**

Meeting adjourned.



## RECLAMATION DISTRICT 1000

DATE: MAY 8, 2020

AGENDA ITEM NO. 5.2

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TITLE: Treasurer's Report

SUBJECT: Approve Treasurer's Report for April 2020

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### 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 during the month of April 2020 are featured in the attached Treasurer's Report.

### BACKGROUND:

#### Income and Cash

The District maintains 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.

Annually, the Board of Trustees approves a Resolution designating officers and signatories to the Operations and Maintenance Fund held by the Sacramento County Treasurer. The District's Financial Reserve Policy guides current, future and unexpected funding requirements. The District's Investment Policy guides investments made by the District of any surplus or reserve funds it may have.

### RECOMMENDATION:

Staff recommends the Board approve the information in the April 2020 Treasurer's Report.

### FINANCIAL IMPACT:

None.

### ATTACHMENTS:

**TITLE: Treasurer's Report – April 2020**

1. Treasurer's Report April 2020

**STAFF RESPONSIBLE FOR REPORT:**

  
\_\_\_\_\_  
Joleen Gutierrez, Administrative Services Manager

Date: 05/01/2020

  
\_\_\_\_\_  
Kevin L. King, General Manager

Date: 05/01/2020

Reclamation District 1000  
Treasurer's Report  
April 2020

Treasurer's Report for April 2020

<b>April 2020</b>	
Total Funds	7,912,036.61
Bank of the West - Checking	160,350.04
Bank of the West - Money Market	100,745.15
Bank of the West - FMAP	196.62
Sacramento County Treasurer	4,731,612.64
State Treasurer - Local Agency Investment Fund	809,035.29
City of Sacramento - Pool A	2,110,096.87

<b>April 2020 - Operations and Maintenance Cash Flow</b>			
<b>Beginning Balance</b>			4,917,854.46
	Income	Expense	
Current months receipts	48,187.12		48,187.12
Transfer from money market account	350,000.00		350,000.00
Accounts Payable*		(335,621.31)	(335,621.31)
Payroll		(88,457.59)	(88,457.59)
<b>Ending Balance</b>			4,891,962.68

\*See Attached Check Register

Current months receipts are made up of the following:

Refund of bank fee	20.00
Sacramento City Fire Department	5,325.86
The Notomas Basin Conservancy	5,000.00
Occupational Health Centers	213.50
Sacramento County DWR	37,627.76
	<u>48,187.12</u>

The district also received \$5,976.16 into the County Treasury during March 2020 for the Sutter County tax collections. Because of the timing of receipt of the County Treasury statements, these amounts were not previously reported.



## RECLAMATION DISTRICT 1000

DATE: MAY 8, 2020

AGENDA ITEM NO. 5.3

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TITLE: Expenditure Report

SUBJECT: Review and Accept Report for April 2020

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### 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 April 2020.

#### 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. Items of note were the District's purchase of three new field trucks from Folsom Chevrolet (a Budget amendment item), payment to SMUD for increased power from continued dewatering, and payment to Kjeldsen Sinnock & Neudeck Inc. for capital improvement project assessment work; a budgeted expense.

### RECOMMENDATION:

Staff recommends the Board review and accept the Expenditure Report for April 2020.

### FINANCIAL IMPACT:

None.

### ATTACHMENTS:

1. April 2020 Expenditure Report
2. Financial Expense Comparison Summary

### STAFF RESPONSIBLE FOR REPORT:

  
\_\_\_\_\_  
Joleen Gutierrez, Administrative Services Manager

Date: 05/01/2020

  
\_\_\_\_\_  
Kevin L. King, General Manager

Date: 05/01/2020

## April 2020 Expenditure Report

Type	Date	Num	Name	Memo	Amount	Balance
<b>Cash and Investments</b>						<b>186,241.82</b>
<b>1010.00 - Bank of the West Checking Acct</b>						<b>186,241.82</b>
General Journal	04/01/2020		Bank of the West	Refund of bank service charge	20.00	186,261.82
Check Bill Pmt	04/01/2020	EFT	Bank of the West		-20.00	186,241.82
-Check Bill Pmt	04/02/2020	1001536687	Cal Pers		-893.26	185,348.56
-Check Bill Pmt	04/03/2020	4032020	Alhambra & Sierra Springs		-64.07	185,284.49
-Check Bill Pmt	04/03/2020	384385386	Cal Pers		-12,638.33	172,646.16
-Check Bill Pmt	04/03/2020	9454578885	City of Sacramento		-4.51	172,641.65
-Check Bill Pmt	04/03/2020	7843562031	Comcast	8155600381146169	-160.01	172,481.64
-Check Bill Pmt	04/03/2020	09413997381	PG&E		-147.92	172,333.72
-Check Bill Pmt	04/03/2020	40955	Airgas NCN		-379.58	171,954.14
-Check Bill Pmt	04/03/2020	40956	Aramark		-189.18	171,764.96
-Check Bill Pmt	04/03/2020	40957	AT&T		-283.46	171,481.50
-Check Bill Pmt	04/03/2020	40958	Chavez Accountancy Corporation		-1,530.00	169,951.50
-Check Bill Pmt	04/03/2020	40959	County of Sacramento	AR0071982	-407.00	169,544.50
-Check Bill Pmt	04/03/2020	40960	Kleinfelder, Inc.		-168.00	169,376.50
-Check Bill Pmt	04/03/2020	40961	Security & Asset Management, LP		-2,037.72	167,338.78
-Check Bill Pmt	04/03/2020	40962	Smile Business Products		-299.51	167,039.27
-Check Bill Pmt	04/03/2020	40963	SMUD	Account 7000000317	-37,590.49	129,448.78
-Check Bill Pmt	04/03/2020	40964	Steve Yaeger Consulting		-3,170.00	126,278.78
-Check Bill Pmt	04/03/2020	40965	Terrapin Technology Group		-193.49	126,085.29
-Check Bill Pmt	04/03/2020	40966	Yolo County Public Works	000051	-17.50	126,067.79
General Journal	04/05/2020			4/5/20 payroll	-15,072.95	110,994.84
General Journal	04/05/2020			4/5/20 payroll	-32,627.26	78,367.58
Payment	04/07/2020		City of Sac - Fire		5,325.86	83,693.44
General Journal	04/07/2020		The Natomas Basin Conservancy	Amounts received from The Natomas Basin Conservancy for Q1 2020 security	5,000.00	88,693.44
-Check Bill Pmt	04/08/2020	245785	Berkshire Hathaway Homestate Companies	REWC018750 Workers Comp	-1,830.52	86,862.92
-Check Bill Pmt	04/08/2020	80011967203	Waste Management of Sacramento		-507.73	86,355.19
-Check Bill Pmt	04/08/2020	40967	A T.E.E.M. Electrical Engineering, Inc.	Inv 1809a-15	-3,570.00	82,785.19
-Check Bill Pmt	04/08/2020	40968	Aramark	Uniforms	-223.30	82,561.89
-Check Bill Pmt	04/08/2020	40969	Great America Financial Services	Inv 26777443	-332.29	82,229.60
-Check Bill Pmt	04/08/2020	40970	US Bank Corp	account 4246044555654049	-467.41	81,762.19
-Check Bill Pmt	04/08/2020	40971	Valley Tire Center, Inc.	tire repair equip #8	-42.35	81,719.84
-Check Bill Pmt	04/09/2020	40972	Brookman Protection Services, Inc.		-17,400.00	64,319.84
-Check Bill Pmt	04/09/2020	40973	Green Light Termite and Pest	inv 009556913	-75.00	64,244.84
Transfer	04/09/2020			Funds Transfer	100,000.00	164,244.84

## April 2020 Expenditure Report

Check General Journal Bill Pmt	04/10/2020	EFT	ADP		-97.22	164,147.62
-Check Bill Pmt	04/13/2020		Occupational Health Centers of CA	Refund from OHC of Ca.	213.50	164,361.12
-Check Bill Pmt	04/17/2020	1001546088	Cal Pers	Health	-18,937.97	145,423.15
-Check Bill Pmt	04/17/2020	10838110701	PG&E		-327.59	145,095.56
-Check Bill Pmt	04/17/2020	AO4NBJIB	Streamline		-200.00	144,895.56
-Check Bill Pmt	04/17/2020	40974	Boutin Jones, Inc.	Inv 128731	-772.50	144,123.06
-Check Bill Pmt	04/17/2020	40975	Carson Landscape Industries		-730.00	143,393.06
-Check Bill Pmt	04/17/2020	40976	Crystal Blue Plumbing Heating & Air	Est 13751645	-824.80	142,568.26
-Check	04/17/2020	40977	Terrapin Technology Group		-1,186.89	141,381.37
Payment General Journal Bill Pmt	04/17/2020		Sacramento County DWR		37,627.76	179,009.13
-Check Bill Pmt	04/17/2020			4/20/20 payroll activity	-27,791.85	151,217.28
-Check Bill Pmt	04/17/2020			4/20/20 payroll activity	-12,965.53	138,251.75
-Check Bill Pmt	04/20/2020	40978	Folsom Chevrolet	Fleet 973546 Inv 200526	-136,579.91	1,671.84
-Check Bill Pmt	04/20/2020	40979	Trademark Creative Co.		-450.00	1,221.84
-Check Bill Pmt	04/22/2020	40980	Chavez Accountancy Corporation		-1,147.50	74.34
-Check Bill Pmt	04/22/2020	40981	City of Sacramento - Revenue Division		-1,388.00	-1,313.66
-Check Bill Pmt	04/22/2020	40982	Downey Brand LLP		-10,147.14	-11,460.80
-Check Bill Pmt	04/22/2020	40983	Mead & Hunt		-8,276.68	-19,737.48
-Check Bill Pmt	04/22/2020	11347823490	City of Sacramento	Acct 5450844000	-48.70	-19,786.18
-Check Bill Pmt	04/22/2020	953948893	Verizon		-497.35	-20,283.53
-Check	04/22/2020	11347840771	City of Sacramento	Acct 2007944000	-174.00	-20,457.53
Transfer Bill Pmt	04/22/2020			Funds Transfer	100,000.00	79,542.47
-Check	04/24/2020	40984	Bartel Associates,LLC	GASB 68 2020	-1,400.00	78,142.47
Check Bill Pmt	04/24/2020	EFT	ADP		-471.47	77,671.00
-Check Bill Pmt	04/28/2020	1001552202	Cal Pers		-300.00	77,371.00
-Check Bill Pmt	04/29/2020	1001553032	Cal Pers		-300.00	77,071.00
-Check Bill Pmt	04/30/2020	40985	Kjeldsen, Sinnock & Neudeck, Inc.	Inv 27611	-24,861.65	52,209.35
-Check Bill Pmt	04/30/2020	40986	MBK Engineers		-5,798.00	46,411.35
-Check Bill Pmt	04/30/2020	40987	Replicon		-2,160.00	44,251.35
-Check Bill Pmt	04/30/2020	40988	Smile Business Products		-244.36	44,006.99
-Check Bill Pmt	04/30/2020	40989	SMUD	Acct 7000000317	-31,926.61	12,080.38
-Check Bill Pmt	04/30/2020	4302020	Alhambra & Sierra Springs		-30.34	12,050.04
-Check	04/30/2020	40990	Bryce Consulting, Inc.	Inv 3424	-1,700.00	10,350.04
Transfer	04/30/2020			Funds Transfer	150,000.00	160,350.04
Total 1010.00 · Bank of the West Checking Acct					-25,891.78	160,350.04
Total Cash and Investments					-25,891.78	160,350.04
					<b>-25,891.78</b>	<b>160,350.04</b>



# April 2020 Expenditure Report

Total receipts	48,187.12
Transfers from Money Market	350,000.00
Payroll disbursements	-88,457.59
Accounts payable disbursements	-335,621.31



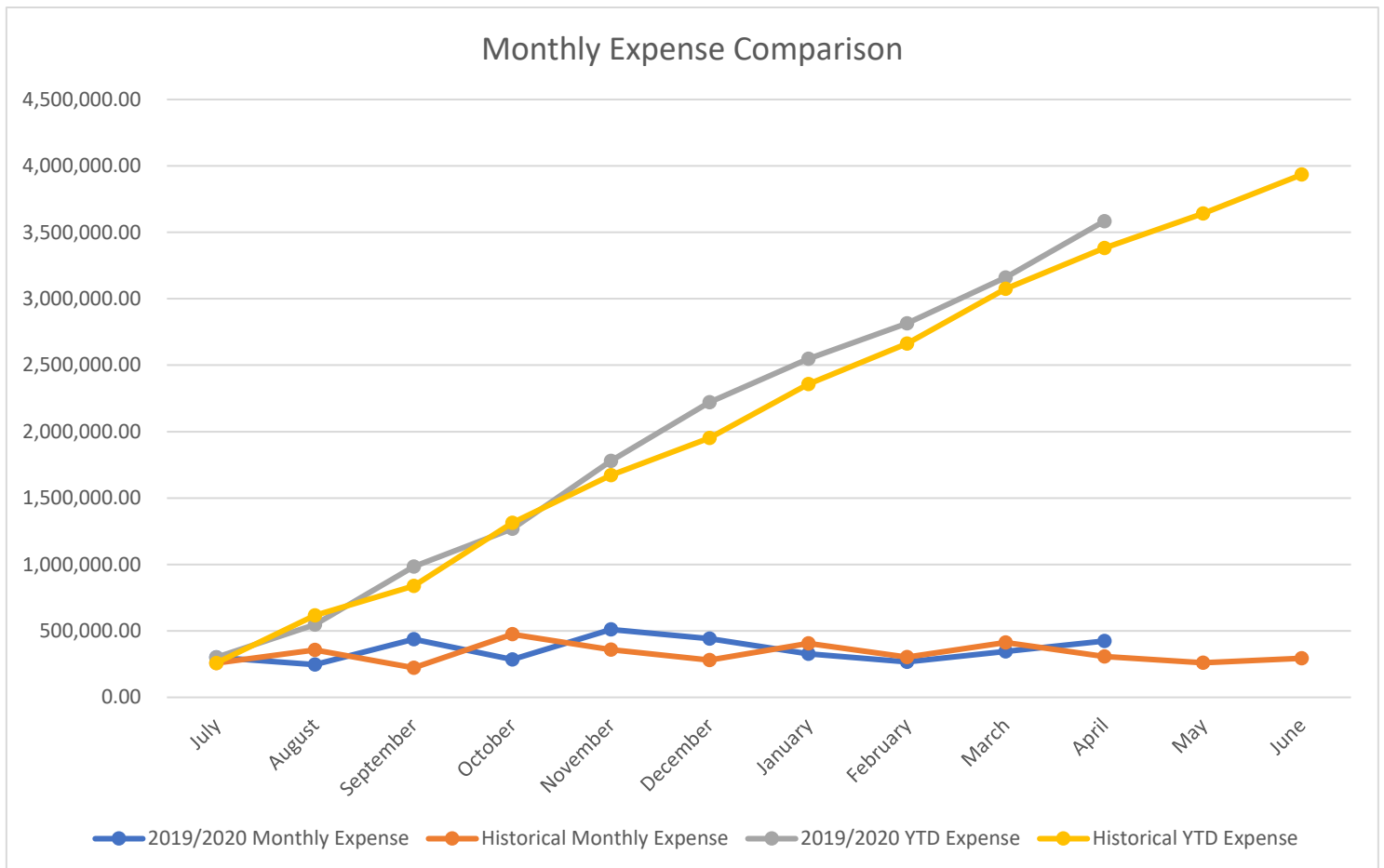
### Monthly Historical Expense Comparison

The graph below compares current fiscal year monthly expenses to historical monthly expense trends for the last three fiscal years. [See: Blue line/Orange line]

The graph also compares the cumulative year to date costs as well as historical year to date expense trends for fiscal year 2016/2017 through fiscal year 2018/2019. [See: Gray line/Gold line].

Variations in the month to month expense compared to the historical month to month expense are due to single expense budgeted items including large equipment purchases and the District's annual insurance liability renewal in which remittance of payment can vary each year slightly.

When comparing year to date expenses to historical expenses, the District is trending higher in the past year due to incurred costs related to the FMAP grant. While these expenses have been reimbursed to the District, initial charges were not excluded from the graph below. The District is also set to continue an annual upward trend in the future due to anticipated increases in personnel costs for current and retired employees as well as replacement of District equipment to meet required environmental standards.





## RECLAMATION DISTRICT 1000

DATE: MAY 8, 2020

AGENDA ITEM NO. 5.4

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**TITLE:** Budget to Actual Report

**SUBJECT:** Review and Accept Report for April 2020

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### **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 April 30, 2020.

The attached report shows an administrative cost variance for Payroll Services, Group Insurance, and Annuitant Health Care. These line items reveal very minor variances due to service fees, insurance and health care premium increases.

Field equipment expenses currently exceed the budget by 200%, this is due to Board authorization of purchasing three additional trucks at the April 17, 2020 Board Meeting that had not been previously budgeted. Equipment purchases are typically one-time annual expenses.

FMAP expenses exceeding the budgeted amounts reflect recent expenses that will be reimbursed by the 2020 FMAP Grant.

Security Patrol expenses have exceeded the budget due to the unforeseen COVID-19 pandemic. The District authorized additional 24-hr patrolling while District crews were sheltering in place. A portion of this additional expense may be reimbursed by the Natomas Central Mutual Water Company (N.C.M.W.C.) to offset some of the expenses the District incurred.

### **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 Board 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.

**TITLE: Budget to Actual Report**


**RECOMMENDATION:**

Staff recommends the Board review and accept the Budget to Actual Report for April 2020.

**ATTACHMENTS:**

1. Budget to Actual Report April 2020

**STAFF RESPONSIBLE FOR REPORT:**

  
\_\_\_\_\_  
Joleen Gutierrez, Administrative Services Manager

Date: 05/01/2020

  
\_\_\_\_\_  
Kevin L. King, General Manager

Date: 05/01/2020

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

	Year to Date July 1, 2019 to April 30, 2020	Budget	Percent of Budget
<b>Operation &amp; Maintenance Income</b>			
Property Assessments	1,279,379	2,250,000	56.86%
Rents	21,303	20,000	106.52%
Interest Income	92,182	65,000	141.82%
SAFCA - O/M Assessment	1,400,000	1,400,000	100.00%
Misc Income	2,474	-	Not Budgeted
FMAP Grant	570,145	574,000	99.33%
Annuitant Trust Reimbursement	-	70,000	0.00%
Security Patrol Reimbursement	33,900	31,000	109.35%
SCADA Reimbursement	133,012	-	Not Budgeted
<b>Total</b>	<b>3,532,395</b>	<b>4,410,000</b>	80.10%
<b>Restricted Fund</b>			
Metro Airpark Groundwater Pumping	37,628	22,000	171.04%
<b>Total Combined Income</b>	<b>3,570,023</b>	<b>4,432,000</b>	<b>80.55%</b>
<b>Administration, Operations and Maintenance - Expenses</b>			
<b>Administration</b>			
Government Fees/Permits	6,287	12,500	50.30%
Legal	50,933	97,000	52.51%
Liability/Auto Insurance	118,017	150,000	78.68%
Office Supplies	3,330	5,500	60.55%
Computer Costs	15,024	24,000	62.60%
Accounting/Audit	33,545	46,050	72.84%
Admin. Services	8,292	17,000	48.78%
Utilities (Phone/Water/Sewer)	14,878	23,700	62.78%
Mit. Land Expenses	2,592	3,000	86.40%
Administrative Consultants	21,063	130,000	16.20%
Assessment/Property Taxes (SAFCA - CAD)	7,928	8,000	99.10%
Admin - Misc./Other Expenses	2,463	8,250	29.85%
Memberships	32,327	40,500	79.82%
Office Maintenance & Repair	11,339	27,000	42.00%
Payroll Service	3,550	3,500	101.43%
Public Relations	4,876	45,000	10.84%
Small Office & Computer Equipment	4,839	12,000	40.33%
Election	34,531	55,000	62.78%
Conference/Travel/Professional Development	800	20,500	3.90%
<b>Sub Total</b>	<b>376,614</b>	<b>728,500</b>	<b>51.70%</b>
<b>Personnel/Labor</b>			
Wages	826,468	1,058,262	78.10%
Group Insurance	97,945	97,440	100.52%
Worker's Compensation Insurance	19,927	39,544	50.39%
OPEB - ARC	-	30,000	0.00%
Dental/Vision/Life	17,380	22,328	77.84%
Payroll Taxes	64,573	71,000	90.95%
Pension	142,828	178,264	80.12%
Continuing Education	2,962	5,000	59.24%
Trustee Fees	26,100	40,000	65.25%
Annuitant Health Care	72,696	70,000	103.85%
<b>Sub Total</b>	<b>1,270,879</b>	<b>1,611,838</b>	<b>78.85%</b>

**Operations**

Power	382,404	500,000	76.48%
Supplies/Materials	20,439	22,000	92.90%
Herbicide	87,052	105,000	82.91%
Fuel	30,587	55,000	55.61%
Field Services	40,622	100,000	40.62%
Field Operations Consultants	9,185	20,000	45.93%
Equipment Rental	605	5,000	12.10%
Refuse Collection	12,290	25,000	49.16%
Equipment Repair/Service	2,675	16,000	16.72%
Equipment Parts/Supplies	28,028	60,000	46.71%
Facility Repairs	50,304	366,000	13.74%
Shop Equipment (not vehicles)	1,035	3,000	34.50%
Field Equipment	-	10,100	0.00%
Misc/Other 2	24	500	4.80%
Utilities - Field	6,855	8,000	85.69%
Government Fees/Permits - Field	8,372	12,000	69.77%
FEMA Permits	-	4,000	0.00%

<b>Sub Total</b>	<b>680,477</b>	<b>1,311,600</b>	<b>51.88%</b>
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**Equipment**

Equipment	273,160	132,000	206.94%
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<b>Sub Total</b>	<b>273,160</b>	<b>132,000</b>	<b>206.94%</b>
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**Consulting/Contracts/Memberships**

Engineering/Technical Consultants	74,559	180,000	41.42%
Security Patrol	79,500	65,000	122.31%
Temporary Admin	14,000	15,000	93.33%

<b>Sub Total</b>	<b>168,059</b>	<b>260,000</b>	<b>64.64%</b>
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**FMAP Expenditures**

LOI/SWIF (Consultants)	20,836	20,000	104.18%
Equipment	296,580	305,100	97.21%
Operations & Maintenance (Field)	253,881	236,500	107.35%
Administrative	-	12,400	0.00%

<b>Sub Total</b>	<b>571,297</b>	<b>574,000</b>	<b>99.53%</b>
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**Total A, O & M Expenses**

<b>3,340,486</b>	<b>4,617,938</b>	<b>72.34%</b>
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**Capital Expenses**

Capital Office Upgrades	14,435	30,000	48.12%
Capital RE Acquisition	2,750	50,000	5.50%
Capital Office Facility Repair	-	30,000	0.00%
Capital - District Server	8,945	10,000	89.45%
Capital Facilities	50,313	180,000	27.95%

<b>Sub Total</b>	<b>76,443</b>	<b>300,000</b>	<b>25.48%</b>
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**Total All Expenditures**

<b>3,416,929</b>	<b>4,917,938</b>	<b>69.48%</b>
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## RECLAMATION DISTRICT 1000

DATE: MAY 08, 2020

AGENDA ITEM NO. 5.5

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**TITLE:** Professional Services Agreement

**SUBJECT:** Review and Consider Authorizing the General Manager to Execute Professional Services Agreement with NBS for Comprehensive Financial Plan and Assessment Rate Study.

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### EXECUTIVE SUMMARY:

Reclamation District No. 1000 (RD 1000; District) solicited requests for qualifications for the Comprehensive Financial Plan and Assessment Rate Study on March 2, 2020. The District received Statements of Qualifications from three (3) firms including NBS on April 3, 2020 in accordance with the Request for Qualifications. The District's Finance Committee reviewed the submittals on April 21, 2020. NBS was recommended by the Finance Committee for award of a Professional Services Agreement for the project.

### RECOMMENDATION:

Staff recommends the Board review and consider authorizing the General Manager to execute a Professional Services Agreement (Attachment No. 1) with NBS for Comprehensive Financial Plan and Assessment Rate Study.

### FINANCIAL IMPACT:

\$54,750 in FY 2020/2021 Expenditures.

### ATTACHMENTS:

1. Professional Services Agreement – NBS.

### STAFF RESPONSIBLE FOR REPORT:

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Kevin L. King, General Manager

Date: 05/01/2020

## RECLAMATION DISTRICT NO. 1000

### PROFESSIONAL SERVICES AGREEMENT

#### Comprehensive Financial Plan and Assessment Rate Study

THIS AGREEMENT is made and entered into in the City of Sacramento on \_\_\_\_\_ by and between RECLAMATION DISTRICT NO. 1000, a public entity of the State of California, hereinafter referred to as District, and NBS, hereinafter referred to as Consultant.

#### WITNESSETH

WHEREAS, on March 2, 2020, the District requested qualification proposals for Comprehensive Financial Plan and Assessment Rate Study.

WHEREAS, pursuant to said request, Consultant submitted a proposal that was accepted by District for said services.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

- 1. Term.** The term of this Agreement shall be from the date this Agreement is made and entered, as first written above until March 1, 2023.
- 2. Compensation.** Compensation for the Services shall be as follows: Lump-sum fixed price of \$54,750 which includes labor, materials, equipment and supervision necessary to perform the work as described in Exhibit A. Additional services requested at the discretion of District for work not contemplated by this Agreement shall be billed on a time and materials basis per the rate schedule provided in Exhibit A.
- 3. Termination.** If, during the term of the contract, the District determines that the Consultant is not faithfully abiding by any term or condition contained herein, the District may notify the Consultant in writing of such defect or failure to perform. This notice must give the Consultant a 10 (ten) calendar day notice of time thereafter in which to perform said work or cure the deficiency.

If the Consultant has not performed the work or cured the deficiency within the ten days specified in the notice, such shall constitute a breach of the contract and



the District may terminate the contract immediately by written notice to the Consultant to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under the contract except, however, any and all obligations of the Consultant's surety shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the termination thereof.

In said event, the Consultant shall be entitled to the reasonable value of its services performed from the beginning date in which the breach occurs up to the day it received the District's Notice of Termination, minus any offset from such payment representing the District's damages from such breach. "Reasonable value" includes fees or charges for goods or services as of the last milestone or task satisfactorily delivered or completed by the Consultant as may be set forth in the Agreement payment schedule; compensation for any other work, services or goods performed or provided by the Consultant shall be based solely on the District's assessment of the value of the work-in-progress in completing the overall work scope.

The District reserves the right to delay any such payment until completion or confirmed abandonment of the project, as may be determined in the District's sole discretion, so as to permit a full and complete accounting of costs. In no event, however, shall the Consultant be entitled to receive in excess of the compensation quoted in its proposal.

The District also reserves the right to terminate the contract for convenience, providing a 30 (thirty) calendar day notice, at any time upon a determination by the General Manager that termination of the contract is in the best interest of the District. In this case the Consultant will be paid compensation due and payable to the date of termination.

4. **Ability to Perform.** The Consultant warrants that it possesses, or has arranged through subcontracts, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all applicable federal, state, county, city, and special district laws, ordinances, and regulations.
5. **Sub-contract Provisions.** No portion of the work pertinent to this contract shall be subcontracted without written authorization by the District, except that which is expressly identified in the Consultant's qualification proposal. Any substitution of

sub-consultants must be approved in writing by the District. For any sub-contract for services in excess of \$25,000, the subcontract shall contain all provisions of this agreement.

6. **Contract Assignment.** The Consultant shall not assign, transfer, convey or otherwise dispose of the contract, or its right, title or interest, or its power to execute such a contract to any individual or business entity of any kind without the previous written consent of the District.
7. **Inspection.** The Consultant shall furnish District with every reasonable opportunity for District to ascertain that the services of the Consultant are being performed in accordance with the requirements and intentions of this contract. All work done and all materials furnished, if any, shall be subject to the District's inspection and approval. The inspection of such work shall not relieve Consultant of any of its obligations to fulfill its contract requirements.
8. **Record Retention and Audit.** For the purpose of determining compliance with various laws and regulations as well as performance of the contract, the Consultant and sub-consultants shall maintain all books, documents, papers, accounting records and other evidence pertaining to the performance of the contract, including but not limited to the cost of administering the contract. Materials shall be made available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under the contract. Authorized representatives of the District shall have the option of inspecting and/or auditing all records.
9. **Conflict of Interest.** The Consultant shall disclose any financial, business, or other relationship with the District that may have an impact upon the outcome of this contract, or any ensuing District project. The Consultant shall also list current clients who may have a financial interest in the outcome of this contract, or any ensuing District project which will follow. The Consultant staff shall provide a Conflict of Interest Statement where determined necessary by the District.

The Consultant covenants that it presently has no interest, and shall not acquire any interest— direct, indirect or otherwise—that would conflict in any manner or degree with the performance of the work hereunder. The Consultant further covenants that, in the performance of this work, no sub-consultant or person having such an interest shall be employed. The Consultant certifies that no one

who has or will have any financial interest in performing this work is an officer or employee of the District.

- 10. Rebates, Kickbacks or Other Unlawful Consideration.** The Consultant warrants that this contract was not obtained or secured through rebates, kickbacks or other unlawful consideration, either promised or paid to any District employee. For breach or violation of the warranty, the District shall have the right in its discretion; to terminate the contract without liability; to pay only for the value of the work actually performed; to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.
- 11. Covenant Against Contingent Fees.** The Consultant warrants by execution of this contract that no person or selling agency has been employed, or retained, to solicit or secure this contract upon an agreement or understanding, for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Consultant for the purpose of securing business. For breach or violation of this warranty, the District has the right to annul this contract without liability; pay only for the value of the work actually performed, or in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.
- 12. Compliance with Laws and Wage Rates.** The Consultant shall keep itself fully informed of and shall observe and comply with all applicable state and federal laws and county and City of Sacramento ordinances, regulations and adopted codes during its performance of the work.
- 13. Payment of Taxes.** The contract prices shall include full compensation for all taxes that the Consultant is required to pay.
- 14. Immigration Act of 1986.** The Consultant warrants on behalf of itself and all sub-consultants engaged for the performance of this work that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.
- 15. Consultant Non-Discrimination.** In the award of subcontracts or in performance of this work, the Consultant agrees that it will not engage in, nor permit such sub-

consultants as it may employ, to engage in discrimination in employment of persons on any basis prohibited by State or Federal law.

**16. Indemnification for Professional Liability.** To the fullest extent permitted by law, the Consultant shall indemnify, protect, defend and hold harmless the District and any and all of its officials, employees and agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and cost which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

**17. Non-Exclusive Contract.** The District reserves the right to contract for the services listed in this RFQ from other consultants during the contract term.

**18. Release of Reports and Information.** Any reports, information, data, or other material given to, prepared by or assembled by the Consultant as part of the work or services under these specifications shall be the property of District and shall not be made available to any individual or organization by the Consultant without the prior written approval of the District.

The Consultant shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this contract without prior review of the contents thereof by the District and receipt of the District’s written permission.

**19. Consultant Invoices.** The Consultant shall deliver a monthly invoice to the District, itemized by task. Invoice must include a breakdown of hours billed and miscellaneous charges and any sub-consultant invoices, similarly, broken down, as supporting detail.

**20. Payment.** For providing services as specified in this Agreement, Consultant shall be reimbursed for hours worked at the hourly rates attached to this agreement. Hourly rates include direct salary costs, employee benefits, overhead and fee. In addition, the Consultant shall be reimbursed for direct costs other than salary and vehicle cost that have been identified and are attached to this agreement. The Consultant’s personnel shall be reimbursed for per diem expenses at a rate not to exceed that currently authorized for State employees under State Department of Personnel Administration rules.

**21. Payment Terms.** The District’s payment terms are 30 days from the receipt and approval by the District of an original invoice and acceptance by the District of the services provided by the Consultant (Net 30).

**22. Resolution of Disputes.** Any dispute, other than audit, concerning a question of fact arising under this contract that is not disposed of by agreement shall be decided by a committee consisting of the District’s General Manager and the District’s Administrative Services Manager, who may consider written or verbal information submitted by the Consultant. Not later than thirty (30) days after completion of all deliverables necessary to complete the project, the Consultant may request review by the District Board of Trustees of unresolved claims or disputes.

Any dispute concerning a question of fact arising under an audit of this contract that is not disposed of by agreement, shall be reviewed by the District’s Administrative Services Manager. Not later than thirty (30) days after issuance of the final audit report, the Consultant may request a review by the District’s Administrative Services Manager of unresolved audit issues. The request for review must be submitted in writing.

Neither the pendency of a dispute, nor its consideration by the District will excuse the Consultant from full and timely performance in accordance with the terms of this contract.

**23. Agreement Parties.**

**District:** Kevin L. King  
General Manager  
Reclamation District No. 1000  
1633 Garden Highway  
Sacramento, CA 95833

**Consultant:** Michael Rentner  
President  
NBS  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592

All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered or certified mail addressed as shown above.

- 24. Incorporation by Reference.** District Request for Qualifications – Comprehensive Financial Plan and Assessment Rate Study and Consultant's qualification proposal, are hereby incorporated in and made a part of this Agreement.
- 25. Amendments.** Any amendment, modification or variation from the terms of this Agreement shall be in writing and shall be effective only upon approval by the District General Manager.
- 26. Working Out of Scope.** If, at any time during the project, the Consultant is directed to do work by persons other than the District General Manager and the firm believes that the work is outside of the scope of the original contract, the Consultant shall inform the General Manager immediately. If the General Manager and Consultant both agree that the work is outside of the project scope and is necessary to the successful completion of the task, then a fee will be established for such work based on Consultant's hourly billing rates or a lump sum price agreed upon between the District and the Consultant. Any extra work performed by Consultant without prior written approval from the District General Manager shall be at Consultant's own expense.
- 27. Complete Agreement.** This written agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding or representation be binding upon the parties hereto. For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by District, Consultant agrees with District to do everything required by this Agreement.
- 28. Authority to Execute Agreement.** Both District and Consultant do covenant that each individual executing this agreement on behalf of each party is a person duly authorized and empowered to execute Agreements for such party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

RECLAMATION DISTRICT NO. 1000:

NBS:

\_\_\_\_\_

Kevin L. King, General Manager

\_\_\_\_\_

Mark Rentner, President

APPROVED AS TO FORM:

\_\_\_\_\_

Rebecca Smith, District Counsel

## SCOPE OF SERVICES

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NBS will work cooperatively with District staff and the Board of Trustees to develop a comprehensive financial plan and assessment rate recommendations that are well suited to the District's needs, are practical and implementable, and can be confidently defended from both a technical and legal perspective.

The scope of services NBS offers for completing the District's study is presented in this section. We will also be prepared to adjust during the course of the study to better reflect the direction of District staff and the Board as the study progresses. NBS will provide the leadership necessary to guide you through the various options, key concerns, and explaining the issues involved. These tasks serve as the basis for the proposed budget for this study.

### Phase 1 – Project Kickoff and Financial Plan

#### KICKOFF MEETING AND DATA COLLECTION

NBS will hold a kick-off meeting with District staff at the beginning of the study. The kick-off meeting will be used to review and discuss the data requirements in general and review study objectives, tasks, and schedule. The data that the District will need to provide includes:

- Customer billing information such as assessor's parcel number, property type, acreage, assessment rate and total amount billed, for each customer.
- Annual budget and financial information typically reported in financial statements.
- Capital Improvement and/or Master Plans.

#### FINANCIAL PLAN

NBS will prepare a comprehensive financial plan for the District that details all revenue sources, expenditures, reserves, capital improvement costs, repair and replacement costs and net revenue requirements. Task deliverables will include:

- 20-year financial projection model that will serve as a financial "roadmap" for the District.
- Summary of current and projected net revenue requirements.
- Update reserve fund policies and targets, potentially including reserves for operations, rate stabilization, repair and replacement, debt service and capital projects.
- Projected year-end reserve fund levels.

This financial plan will lay the groundwork for the later phases of this project. The following subtasks are anticipated:

1. **Projected Revenues and Expenditures** – Using a cash-basis reflecting the District's system of accounts, NBS will prepare a 20-year projection of revenues, expenses, and increases in rate revenue needed to meet all obligations. This will provide the District with a financial planning tool to plan for revenue increases to address operating and maintenance costs, infrastructure improvements, asset replacement and maintaining appropriate reserve fund levels. The District's projected customer growth rates from capital improvement plan documents and planned cost inflation factors will be incorporated in this analysis.
2. **Evaluate Reserve Fund Sufficiency** – NBS will evaluate the sufficiency of existing reserve funds, target reserves, reserve fund policies, and related issues such as meeting debt service coverage



ratios and other rate covenants. We will provide recommendations for reserve fund targets that are tailored to the District’s specific needs such as operating, capital improvement, capital rehabilitation/replacement, rate stabilization and emergencies, etc. We will develop a phased-in approach to funding reserves to minimize the impact to property owners.

- 3. Review Capital Improvement Program Funding** – NBS will incorporate the District’s plans for new facilities, infrastructure improvements, and asset replacement plans into the financial plan. We will evaluate the timing, costs, and available reserves used to fund various projects. We will work with District staff to develop a well-conceived approach to funding these capital needs, which may include an appropriate balance between debt-funded and cash-funded projects.

Figures 1, 2, and 3 are examples of the types of charts and tables we use to summarize these results (the District’s chart of accounts will serve as the basis for the actual analysis and tables).

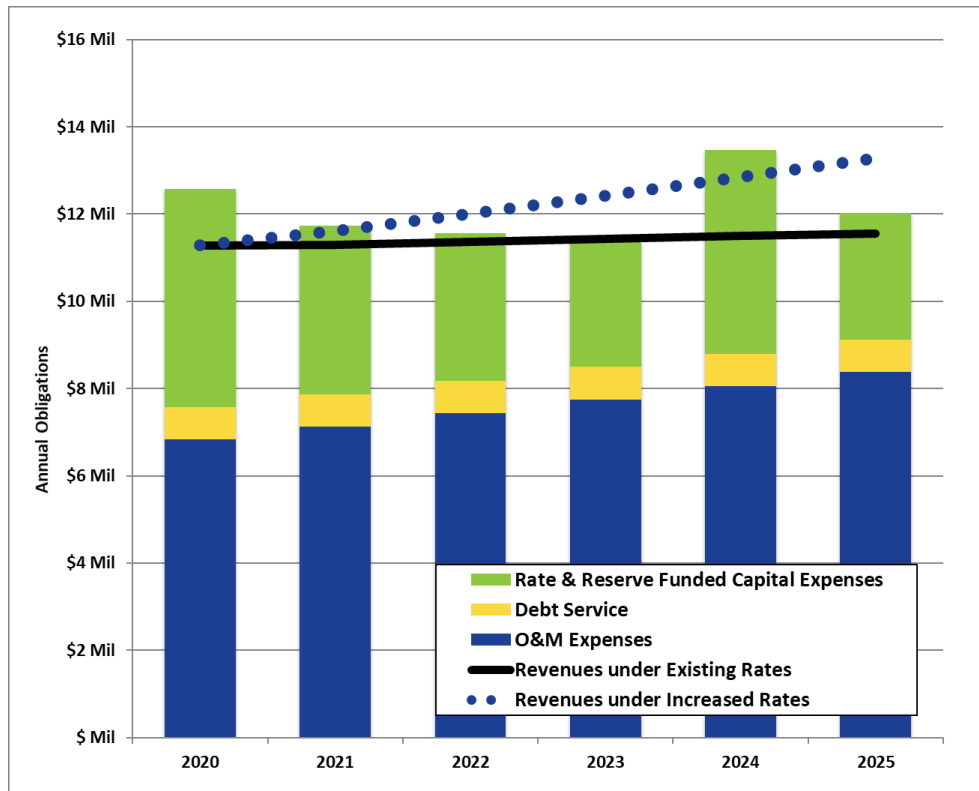
**Figure 1. Summary of Five-Year Financial Plan**

Financial Plan Summary	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
<b>Sources of Funds</b>						
Revenue from Current Rates	\$ 15,203,655	\$ 15,315,705	\$ 15,429,586	\$ 15,546,465	\$ 15,685,153	\$ 15,828,338
Non-Rate Revenues	599,330	635,770	600,769	575,976	571,953	571,970
Interest Earnings	79,944	82,487	83,200	86,337	93,302	97,163
<b>Total Sources of Funds</b>	<b>\$ 15,882,929</b>	<b>\$ 16,033,962</b>	<b>\$ 16,113,555</b>	<b>\$ 16,208,778</b>	<b>\$ 16,350,408</b>	<b>\$ 16,497,470</b>
<b>Uses of Funds</b>						
Operating Expenses:						
Administration	\$ 1,407,014	\$ 1,451,776	\$ 1,464,320	\$ 1,519,527	\$ 1,642,113	\$ 1,710,060
Engineering	191,865	197,969	199,680	207,208	223,924	233,190
Collection System	3,197,758	3,299,490	3,328,000	3,453,470	3,732,074	3,886,500
Pumping	959,327	989,847	998,400	1,036,041	1,119,622	1,165,950
Treatment	7,035,068	7,258,878	7,321,600	7,597,634	8,210,563	8,550,300
<b>Subtotal: Operating Expenses</b>	<b>\$ 12,791,032</b>	<b>\$ 13,197,960</b>	<b>\$ 13,312,000</b>	<b>\$ 13,813,880</b>	<b>\$ 14,928,296</b>	<b>\$ 15,546,000</b>
Debt Service	747,912	733,706	732,978	735,163	738,230	695,782
Cash-Funded Capital Expenses	-	3,515,232	7,310,656	5,620,544	5,217,171	4,346,899
<b>Total Use of Funds</b>	<b>\$ 13,538,944</b>	<b>\$ 17,446,898</b>	<b>\$ 21,355,634</b>	<b>\$ 20,169,587</b>	<b>\$ 20,883,697</b>	<b>\$ 20,588,681</b>
Additional Revenue from Rate Increases		765,785	1,581,533	2,450,511	3,561,824	4,565,472
<b>Surplus / (Deficiency) after Rate Increase</b>	<b>\$ (2,343,986)</b>	<b>\$ 647,151</b>	<b>\$ 3,660,546</b>	<b>\$ 1,510,298</b>	<b>\$ 971,465</b>	<b>\$ (474,261)</b>
<b>Overall Revenue Increase Needed</b>	<b>0.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>6.00%</b>	<b>5.00%</b>
<b>Debt Coverage After Rate Increase</b>	<b>1.18</b>	<b>1.22</b>	<b>1.27</b>	<b>1.30</b>	<b>1.28</b>	<b>1.31</b>
<b>Net Revenue Requirement</b>	<b>\$ 12,859,670</b>	<b>\$ 16,728,641</b>	<b>\$ 20,671,665</b>	<b>\$ 19,507,274</b>	<b>\$ 20,218,442</b>	<b>\$ 19,919,548</b>

**Figure 2. Summary of 5-Year Reserve Fund Balances**

Reserve Fund Balances and Recommended Reserve Targets	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
<b>Operating Reserve</b>						
Ending Balance	\$ 4,634,000	\$ 4,346,000	\$ 2,681,721	\$ 3,398,909	\$ 4,829,000	\$ 4,904,000
<i>Recommended Minimum Target</i>	<i>4,634,000</i>	<i>4,346,000</i>	<i>4,579,000</i>	<i>4,650,000</i>	<i>4,829,000</i>	<i>4,904,000</i>
<b>Capital Rehabilitation &amp; Replacement Reserve</b>						
Ending Balance	\$ 2,280,237	\$ 359,963	\$ -	\$ -	\$ 1,911,560	\$ 2,986,407
<i>Recommended Minimum Target</i>	<i>1,360,400</i>	<i>1,474,100</i>	<i>1,593,700</i>	<i>1,671,500</i>	<i>1,704,400</i>	<i>1,793,600</i>
<b>Debt Reserve</b>						
Ending Balance	\$ 1,200,000	\$ 1,259,054	\$ 1,235,616	\$ 1,234,414	\$ 1,238,018	\$ 1,243,080
<i>Recommended Minimum Target</i>	<i>1,234,054</i>	<i>1,210,616</i>	<i>1,209,414</i>	<i>1,213,018</i>	<i>1,218,080</i>	<i>1,148,040</i>
<b>Total Ending Balance</b>	<b>\$ 8,114,237</b>	<b>\$ 5,965,017</b>	<b>\$ 3,917,336</b>	<b>\$ 4,633,323</b>	<b>\$ 7,978,579</b>	<b>\$ 9,133,486</b>
<b>Total Recommended Minimum Target</b>	<b>7,228,454</b>	<b>7,030,716</b>	<b>7,382,114</b>	<b>7,534,518</b>	<b>7,751,480</b>	<b>7,845,640</b>

**Figure 3. Summary of Revenue Requirements and Existing vs. Proposed Revenues**



### MEETINGS AND BOARD WORKSHOP

The following meetings are anticipated for Phase 1 of this project:

**Meetings with District Staff** – NBS proposes to hold progress meetings with District staff via conference call or web meeting format. These meetings will be used to review initial work products and gain input from Staff on development of the comprehensive financial plan.

**Board Workshop** – NBS will provide one (1) workshop with the Board of Trustees to review the comprehensive financial plan. In this workshop, NBS will present study results, recommendations, receive input and guidance on the direction of the plan, and answer questions. We will prepare a PowerPoint presentation for this meeting, which will include visual aids, graphics, charts and tables.

*Please note: The number of meetings and presentations that NBS provides can be adjusted as necessary by District staff. We plan to discuss the number of meetings and plans for presentation at the kick-off meeting and will be prepared to adjust as needed throughout the study, to best meet the District’s needs.*

### TECHNICAL MEMORANDUM

We will prepare a technical memorandum (memo) that provides a summary and explanation of the comprehensive financial plan. An executive summary and introduction will present the purpose of the memo and financial plan outcomes. Tables, graphs, and charts will be used as appropriate, but the emphasis will be on providing a clear, concise and understandable report that will provide the District with a thorough administrative record that addresses:

- Findings and recommendations.
- Overall study methodology, with reference to industry standards as needed.

- Summary of the 5-year financial plan, including a revenue and expense projection (although the financial model will cover a 20-year period).
- Description of the capital improvement program, as provided by the District .
- Appropriate figures and tables summarizing key aspects and results.

We will provide an electronic file in Microsoft Word format of the draft memo for the District’s review and comment. Once we have received the District’s comments<sup>1</sup>, we will incorporate those comments into a final memo.

## **Phase 2 – Existing Assessment Rate Structure Evaluation**

NBS will meet with District staff and other interested parties to:

- Establish lines of communication.
- Clarify the specific project goals and criteria that will meet the District’s preference.
- Identify and resolve any special circumstances.
- Develop a project schedule to meet legal requirements and provide for effective interaction of all involved parties.

## **DATA COLLECTION AND REVIEW**

NBS will gather and review data relevant to the District’s existing assessment and the District’s allocation of the SAFA assessment. NBS will review the most recent assessment roll, County Assessor’s secured roll data, assessment boundaries from GIS data, original formation engineer’s report, and subsequent annexations engineer’s reports, if applicable. Data will be obtained from various sources, including District and other public agency records, Assessor’s parcel maps, and County Assessor information.

## **PARCEL DATABASE**

NBS will establish a parcel database for assessor parcels as currently shown on the County assessor's parcel maps or development maps. The database will include land divisions, ownership and mailing information, and parcel information relevant to the spread of the assessments. NBS will review the most recent assessment roll, County Assessor’s secured roll data, assessment boundaries from GIS data, original formation engineer’s report, and subsequent annexations engineer’s reports, if applicable, to identify any parcels levied outside the boundaries and any parcels not levied within the boundaries.

## **ASSESSMENT REVIEW**

NBS will review documents relevant to the existing assessment for the purposes of performing the analysis. Assessment documents may include, but are not limited to, the original formation Engineer’s Report, formation resolutions, and administrative policies related to the administration of the assessment. NBS will analyze the list of improvements and services provided, current cost estimate, and approved assessment methodology for the assessment. NBS will make recommendations based upon current statutory requirements, as well as revenue and service levels desired by the District.

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<sup>1</sup> We assume District staff’s comments will be in an electronic Microsoft Word file using track-changes mode.

## **ASSESSMENT FUND BALANCE AND BUDGET REVIEW**

NBS will review historical fund balances and estimated costs of improvements and services to confirm fund balances, propose next steps to address deficits and surplus funds, and formulate a potential new budget.

## **SPECIAL VS. GENERAL BENEFIT ANALYSIS**

NBS will review the proposed improvements, maintenance, services, budget, location and type of improvements, special benefit, general benefit, and recent case law with legal counsel. Meet with District staff and legal counsel to discuss appropriate and/or alternative approaches to the proposed assessment. Provide staff with related support for the duration of the project.

## **SEPARATION AND QUANTIFICATION OF SPECIAL AND GENERAL BENEFIT**

NBS will analyze improvements, maintenance, services, proposed boundaries, parcel characteristics, special and general benefits conferred, and assessment engineering industry standards and sources to separate and quantify special vs. general benefit in compliance with the special benefit requirements of Proposition 218 for review by all stakeholders.

## **METHOD OF ASSESSMENT (RATES)**

NBS will prepare a Method of Assessment, including assessment rates, in compliance with the proportionality requirements of Proposition 218 for review by the District. A comparison of the proposed assessment to the existing assessment will be included in the Findings and Recommendations Report.

## **FINDINGS AND RECOMMENDATIONS REPORT**

NBS will prepare a report summarizing the findings and recommendations. The main goal of the report is to identify issues with priority status, possible solutions and corresponding timeline for next steps. The report will provide the special and general benefit evaluation, as well as proposed assessment rates that are developed in accordance with the special benefit and proportionality requirements of Proposition 218 and recent case law. In addition to using this report for discussion by District staff and Board of Trustees, the District may use the report for community outreach efforts where all stakeholders may provide input and participate.

## **FINDINGS AND RECOMMENDATIONS REPORT REVIEW**

NBS will be available via conference call or web meeting format to present the findings and recommendations identified in the report. Additionally, NBS may attend in-person meetings as requested by the District, subject to additional expenses for time and travel.

***Phase 3 and Phase 4 are optional and will only be performed if approved by the Board of Trustees and authorized by District Staff.***

## **OPTIONAL Phase 3 – Assessment Formation Services**

### **GOALS**

NBS will communicate with the District throughout the duration of the project in an effort to clarify the District's goals, identify any special circumstances, and develop a realistic project schedule.

## **DATA COLLECTION**

NBS will rely on information included in the Finding and Recommendations Report completed during Phase 2. In addition, NBS will also gather and review additional data relevant to the formation of the assessment. Data will be obtained from various sources, including District records, Assessor's parcel maps, and County Assessor information.

## **COST ESTIMATE**

Obtain an updated cost estimate. Cost categories may include, but not be limited to, all operating, maintenance and servicing costs, operating reserves, capital improvement reserves, equipment/material replacement reserves, and incidental costs (engineering, legal, District staff, and consultants).

## **ENGINEER'S REPORT**

Based on the results of the aforementioned reviews, discussions, and modifications we will prepare a detailed written report (Engineer's Report) regarding the assessment. The Engineer's Report will include a description of the improvements to be funded, a total cost estimate, a diagram of the boundaries, a list of parcels along with their proposed assessment amounts, the separation and quantification of special and general benefits, and the assessment methodology.

## **LEGAL NOTICES AND BALLOTS**

NBS will prepare legal notices and assessment ballots to be mailed to all property owners subject to the proposed assessment. The printing, mailing and tabulation of the assessment ballot packages will be handled by a subcontractor and are not included as part of NBS' cost estimate.

## **MEETING ATTENDANCE**

NBS will be available via conference call or web meeting format to present the findings and recommendations identified in the report. Additionally, NBS may attend in-person meetings as requested by the District, subject to additional expenses for time and travel.

## **OPTIONAL Phase 4 – Assessment Administration Services**

### **KICK-OFF MEETING, PROJECT SCHEDULE**

NBS will meet with District staff, legal counsel and other interested parties to:

- Establish lines of communication.
- Clarify the specific project goals, components and criteria that will meet the District's preference.
- Identify and resolve any special circumstances that may be involved in the administration of the assessment.
- Develop project schedules to meet legal requirements and provide for effective interfacing of all involved parties.
- Establish meeting points consistent with schedule to achieve project milestones.
- Establish and coordinate with District staff a schedule to assure completion of necessary actions and compliance with statutes.

## **DATABASE DEVELOPMENT**

NBS will update the database with current County Assessor's information including property owner names and addresses, and any other available data that will augment the existing database.

## **BUDGET PREPARATION**

NBS will meet with District staff to review the budget for the coming fiscal year. This budget will be based on historical costs and actual and/or projected changes in costs and/or improvements to be maintained. Cost categories may include, but are not limited to capital improvements and maintenance costs, incidental costs (engineering, legal, administration) and reserve funds.

## **ASSESSMENT COMPUTATION AND RATE ANALYSIS**

NBS will compute the assessment for each parcel according to the Method of Assessment. NBS will provide an assessment summary which will include the maximum assessments and current year assessments, separated by zone and method of assessment categories, if applicable.

## **ENGINEER'S REPORT PREPARATION**

NBS will prepare the annual Engineer's Report and provide to District staff. The annual Engineer's Report does not require a Registered Professional Engineer (PE) signature and stamp unless an assessment increase, as defined by Proposition 218, occurs. The annual Engineer's Report will consist of:

- Background information.
- A detailed and technically supported Method of Assessment.
- A description of the improvements and services that are being funded by the assessment.
- A cost estimate for the improvements and services being funded.
- Copy or reference to the original assessment diagram.
- A table showing assessment levies by zone and method of assessment categories.
- An Assessment Roll listing assessments by parcel or reference a complete roll on file with the District.

## **REPORT REVIEW AND APPROVAL**

NBS will meet via conference call with District staff to review the annual Engineer's Report for modifications and approval.

## **NOTICING AND RESOLUTION COORDINATION**

NBS will coordinate activities to ensure that required tasks are completed within the scheduled time frame. NBS will assist the District (or the District's legal counsel) with preparation of any notice of public hearing or other meetings requiring publication. NBS will assist the District (or the District's legal counsel) with preparation of the staff report, all legal notices and the associated resolutions described below:

- Resolution describing improvements, initiating proceedings, and ordering the engineer to prepare and file an annual report.
- Resolution preliminarily approving the Engineer's Report.
- Resolution of Intention declaring the intention of the Board of Trustees to levy and collect assessments and setting a date for the public hearing.

- Resolution authorizing the placement of assessments on the secured property tax bills.

## **PUBLIC HEARING ATTENDANCE**

NBS will attend the public hearing as requested by the District.

## **LEVY SUBMITTAL**

NBS will submit the levy to the County Auditor-Controller in the required format. Assessments rejected by the County Auditor-Controller will be researched and resubmitted for collection on the County Tax Roll. Any parcels that are not accepted by the County for collection will be invoiced with payment to be directed to the District.

## **MAINTAIN DISTRICT DATA**

NBS will annually track all parcel changes to ensure that all changes are documented. Historical parcel change data will be maintained by NBS.

## **FINAL ENGINEER'S REPORT**

NBS will update the annual Engineer's Report and deliver to District staff.

## **CONSULTING SUPPORT**

NBS shall provide a toll-free phone number for use by the District, other interested parties and all property owners. NBS will be available to answer questions regarding the assessment and the ongoing collection of assessments. Bilingual staff is available to assist Spanish-speaking property owners.

## **PROPOSITION 218 COMPLIANCE**

NBS has worked with many public agencies to comply with the requirements of Proposition 218. Each agency has different requirements and resources to complete the necessary tasks of assessment balloting procedures. Therefore, NBS recommends an individually tailored approach to Proposition 218 compliance. Fees for such services will be negotiated at the appropriate time.

## **ASSESSMENT DIAGRAM**

NBS will obtain the existing assessment diagram and will make reference to any annexations or parcel changes, as necessary, for an additional fee.

## **ENGINEER SIGNATURE AND STAMP OF ANNUAL ENGINEER'S REPORT**

NBS will have a Registered Professional Engineer (PE) review the Engineer's Report for signature and stamp as requested by the District for an additional fee.

## **District Responsibilities**

The District shall furnish NBS with any pertinent information that is available to the District and applicable to the project. The District shall designate a person to act with authority on its behalf with respect to the project. The District shall promptly respond to NBS' requests for reviews and approvals of its work, and to its

requests for decisions related to the project. The District understands and agrees that NBS is entitled to rely on all information and documents supplied to NBS by the District or any of its agents or contractors and other government sources or proxies thereof as being accurate and correct and NBS will have no obligation to confirm that such information and documentation is correct and that NBS will have no liability to the District or any third party if such information is not correct.



The following is an overview of our proposed project schedule. NBS is prepared to proceed with work on or about May 15, 2020. We will discuss a detailed schedule with District Staff at the kick-off meeting, along with the expected timing for individual tasks and revise as needed.

**PROJECT SCHEDULE FOR THE RECLAMATION DISTRICT NO. 1000**

RECLAMATION DISTRICT 1000 Preliminary Project Schedule	Month 1			Month 2				Month 3				Month 4				Month 5				Month 6				Month 7				Month 8				Month 9				
	Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
Phase 1 - Project Kickoff and Financial Plan			■				■			■	■					■	■																			
Phase 2 - Existing Assessment Rate Evaluation			■					■			■	■				■	■																			
<b>Optional Tasks:</b>																																				
Phase 3 - Assessment Formation Services																■																				
Phase 4 - Annual Administration	<i>This is an annual process, if initiated by the District</i>																																			

■	Active task work
■	Draft and Final Reports
■	Meeting with District Staff (estimated, to be scheduled as needed)
■	Public Workshop/Presentation (estimated, to be scheduled as needed)

*Note: This page intentionally formatted differently to improve legibility of content.*

# FEE SCHEDULE

Our professional fees are based on our understanding of District’s needs and the effort we believe is necessary to complete the scope of services described in our proposal. Work will be performed on a time and materials basis, at the hourly labor rates show in the budget table below, with not-to-exceed fees as shown in the table below for each phase of the project. **Additional services requested**, such as additional public meetings or additional financial plan or assessment alternatives, can be provided based on the hourly labor rates shown below. All tasks would be mutually agreed upon by NBS and District prior to proceeding.

RECLAMATION DISTRICT 1000 Comprehensive Financial Plan and Assessment Rate Study - Project Budget	Consultant Labor (Hours)			Grand Totals	
	Project Managers	Senior Consultants	Consultants	Consultant Labor (Hrs.)	Consultant Costs (\$)
<i>Hourly Rate</i>	<b>\$215</b>	<b>\$190</b>	<b>\$160</b>		
Phase 1 - Project Kickoff and Financial Plan	32.0	18.0	50.0	100.0	\$ 18,300
Phase 2 - Existing Assessment Rate Evaluation	60.0	115.0	-	175.0	\$ 34,750
Estimated Reimbursable Expenses <sup>1</sup>					\$ 1,700
<b>Subtotal: Phase 1 and 2</b>					<b>\$ 54,750</b>
<b>Optional Tasks<sup>2</sup>:</b>					
Phase 3 - Assessment Formation Services	17.0	46.0	-	63.0	\$ 12,395
Estimated Reimbursable Expenses <sup>1,3</sup>					\$ 1,500
<b>Subtotal: Phase 3</b>					<b>\$ 13,895</b>
Phase 4 - Annual Administration	26.0	48.0	24.0	98.0	\$ 18,550
Estimated Reimbursable Expenses <sup>1</sup>					\$ 500
<b>Subtotal: Phase 4</b>					<b>\$ 19,050</b>

1. Reimbursable expenses will be billed to the District at actual cost to NBS.

2. Phase 3 and 4 tasks will only be performed if approved and authorized by District staff.

3. Does not includes the costs for printing, mailing and tabulating the assessment ballots. Costs will be provided by a third party service.

## ESTIMATED REIMBURSEABLE EXPENSES

Customary out-of-pocket expenses will be billed to the District at actual cost to NBS. These expenses may include, but not be limited to, boundary map and assessment diagram preparation (time, materials, plotting and all related costs), mailing fulfillment, postage, supplies, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

## ADDITIONAL SERVICES

The following table shows our current hourly rates. Additional services authorized by the District, but not included in the scope of services will be billed at this rate or the then applicable hourly rate.

Title	Hourly Rate
Project Managers/Directors	\$215
Senior Consultants	\$190
Consultants	\$160

## TERMS

Consulting services will be invoiced monthly. Expenses will be itemized and included in the next regular invoice. Fees for all other services will be invoiced upon completion of the task. If the project is prematurely terminated by either party, NBS shall receive payment for work completed. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days, simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel consulting contract with 30 days' written notice.



## RECLAMATION DISTRICT 1000

DATE: MAY 08, 2020

AGENDA ITEM NO. 5.6

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**TITLE:** Professional Services Agreement

**SUBJECT:** Review and Consider Authorizing the General Manager to Execute Professional Services Agreement with Richardson and Company, LLP. for Financial Audit Services.

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### EXECUTIVE SUMMARY:

Reclamation District No. 1000 (RD 1000; District) solicited requests for qualifications for the Financial Audit Services on March 2, 2020. The District received Statements of Qualifications from four (4) firms including Richardson and Company, LLP. on April 3, 2020 in accordance with the Request for Qualifications. The District's Finance Committee reviewed the submittals on April 21, 2020 and interviewed two (2) firms on April 27, 2020. Richardson and Company, LLP. was recommended by the Finance Committee for award of a Professional Services Agreement for the project.

### RECOMMENDATION:

Staff recommends the Board review and consider authorizing the General Manager to execute a Professional Services Agreement (Attachment No. 1) with Richardson and Company, LLP. for Financial Audit Services.

### FINANCIAL IMPACT:

\$15,800 in FY 2020/2021 Expenditures.

### ATTACHMENTS:

1. Professional Services Agreement – Richardson and Company, LLP.

### STAFF RESPONSIBLE FOR REPORT:



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Kevin L. King, General Manager

Date: 05/01/2020

**RECLAMATION DISTRICT NO. 1000**  
**PROFESSIONAL SERVICES AGREEMENT**  
Financial Audit Services

THIS AGREEMENT is made and entered into in the City of Sacramento on \_\_\_\_\_ by and between RECLAMATION DISTRICT NO. 1000, a public entity of the State of California, hereinafter referred to as District, and RICHARDSON & COMPANY, a Limited Liability Partnership, hereinafter referred to as Consultant.

**WITNESSETH**

WHEREAS, on March 2, 2020, the District requested qualification proposals for Financial Audit Services.

WHEREAS, pursuant to said request, Consultant submitted a proposal that was accepted by District for said services.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

- 1. Term.** The term of this Agreement shall be from the date this Agreement is made and entered, as first written above until March 1, 2023.
- 2. Compensation.** Compensation for the Services shall be as follows: Lump-sum fixed price of \$46,505 which includes labor, materials, equipment and supervision necessary to perform the work as described in Exhibit A. Additional services requested at the discretion of District for work not contemplated by this Agreement shall be billed on a time and materials basis per the rate schedule provided in Exhibit A.
- 3. Termination.** If, during the term of the contract, the District determines that the Consultant is not faithfully abiding by any term or condition contained herein, the District may notify the Consultant in writing of such defect or failure to perform. This notice must give the Consultant a 10 (ten) calendar day notice of time thereafter in which to perform said work or cure the deficiency.

If the Consultant has not performed the work or cured the deficiency within the ten days specified in the notice, such shall constitute a breach of the contract and

the District may terminate the contract immediately by written notice to the Consultant to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under the contract except, however, any and all obligations of the Consultant's surety shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the termination thereof.

In said event, the Consultant shall be entitled to the reasonable value of its services performed from the beginning date in which the breach occurs up to the day it received the District's Notice of Termination, minus any offset from such payment representing the District's damages from such breach. "Reasonable value" includes fees or charges for goods or services as of the last milestone or task satisfactorily delivered or completed by the Consultant as may be set forth in the Agreement payment schedule; compensation for any other work, services or goods performed or provided by the Consultant shall be based solely on the District's assessment of the value of the work-in-progress in completing the overall work scope.

The District reserves the right to delay any such payment until completion or confirmed abandonment of the project, as may be determined in the District's sole discretion, so as to permit a full and complete accounting of costs. In no event, however, shall the Consultant be entitled to receive in excess of the compensation quoted in its proposal.

The District also reserves the right to terminate the contract for convenience, providing a 30 (thirty) calendar day notice, at any time upon a determination by the General Manager that termination of the contract is in the best interest of the District. In this case the Consultant will be paid compensation due and payable to the date of termination.

4. **Ability to Perform.** The Consultant warrants that it possesses, or has arranged through subcontracts, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all applicable federal, state, county, city, and special district laws, ordinances, and regulations.
5. **Sub-contract Provisions.** No portion of the work pertinent to this contract shall be subcontracted without written authorization by the District, except that which is expressly identified in the Consultant's qualification proposal. Any substitution of

sub-consultants must be approved in writing by the District. For any sub-contract for services in excess of \$25,000, the subcontract shall contain all provisions of this agreement.

6. **Contract Assignment.** The Consultant shall not assign, transfer, convey or otherwise dispose of the contract, or its right, title or interest, or its power to execute such a contract to any individual or business entity of any kind without the previous written consent of the District.
7. **Inspection.** The Consultant shall furnish District with every reasonable opportunity for District to ascertain that the services of the Consultant are being performed in accordance with the requirements and intentions of this contract. All work done and all materials furnished, if any, shall be subject to the District's inspection and approval. The inspection of such work shall not relieve Consultant of any of its obligations to fulfill its contract requirements.
8. **Record Retention and Audit.** For the purpose of determining compliance with various laws and regulations as well as performance of the contract, the Consultant and sub-consultants shall maintain all books, documents, papers, accounting records and other evidence pertaining to the performance of the contract, including but not limited to the cost of administering the contract. Materials shall be made available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under the contract. Authorized representatives of the District shall have the option of inspecting and/or auditing all records.
9. **Conflict of Interest.** The Consultant shall disclose any financial, business, or other relationship with the District that may have an impact upon the outcome of this contract, or any ensuing District project. The Consultant shall also list current clients who may have a financial interest in the outcome of this contract, or any ensuing District project which will follow. The Consultant staff shall provide a Conflict of Interest Statement where determined necessary by the District.

The Consultant covenants that it presently has no interest, and shall not acquire any interest— direct, indirect or otherwise—that would conflict in any manner or degree with the performance of the work hereunder. The Consultant further covenants that, in the performance of this work, no sub-consultant or person having such an interest shall be employed. The Consultant certifies that no one

who has or will have any financial interest in performing this work is an officer or employee of the District.

- 10. Rebates, Kickbacks or Other Unlawful Consideration.** The Consultant warrants that this contract was not obtained or secured through rebates, kickbacks or other unlawful consideration, either promised or paid to any District employee. For breach or violation of the warranty, the District shall have the right in its discretion; to terminate the contract without liability; to pay only for the value of the work actually performed; to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.
- 11. Covenant Against Contingent Fees.** The Consultant warrants by execution of this contract that no person or selling agency has been employed, or retained, to solicit or secure this contract upon an agreement or understanding, for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Consultant for the purpose of securing business. For breach or violation of this warranty, the District has the right to annul this contract without liability; pay only for the value of the work actually performed, or in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.
- 12. Compliance with Laws and Wage Rates.** The Consultant shall keep itself fully informed of and shall observe and comply with all applicable state and federal laws and county and City of Sacramento ordinances, regulations and adopted codes during its performance of the work.
- 13. Payment of Taxes.** The contract prices shall include full compensation for all taxes that the Consultant is required to pay.
- 14. Immigration Act of 1986.** The Consultant warrants on behalf of itself and all sub-consultants engaged for the performance of this work that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.
- 15. Consultant Non-Discrimination.** In the award of subcontracts or in performance of this work, the Consultant agrees that it will not engage in, nor permit such sub-



consultants as it may employ, to engage in discrimination in employment of persons on any basis prohibited by State or Federal law.

**16. Indemnification for Professional Liability.** To the fullest extent permitted by law, the Consultant shall indemnify, protect, defend and hold harmless the District and any and all of its officials, employees and agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and cost which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

**17. Non-Exclusive Contract.** The District reserves the right to contract for the services listed in this RFQ from other consultants during the contract term.

**18. Release of Reports and Information.** Any reports, information, data, or other material given to, prepared by or assembled by the Consultant as part of the work or services under these specifications shall be the property of District and shall not be made available to any individual or organization by the Consultant without the prior written approval of the District.

The Consultant shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this contract without prior review of the contents thereof by the District and receipt of the District’s written permission.

**19. Consultant Invoices.** The Consultant shall deliver a monthly invoice to the District, itemized by task. Invoice must include a breakdown of hours billed and miscellaneous charges and any sub-consultant invoices, similarly, broken down, as supporting detail.

**20. Payment.** For providing services as specified in this Agreement, Consultant shall be reimbursed for hours worked at the hourly rates attached to this agreement. Hourly rates include direct salary costs, employee benefits, overhead and fee. In addition, the Consultant shall be reimbursed for direct costs other than salary and vehicle cost that have been identified and are attached to this agreement. The Consultant’s personnel shall be reimbursed for per diem expenses at a rate not to exceed that currently authorized for State employees under State Department of Personnel Administration rules.

**21. Payment Terms.** The District’s payment terms are 30 days from the receipt and approval by the District of an original invoice and acceptance by the District of the services provided by the Consultant (Net 30).

**22. Resolution of Disputes.** Any dispute, other than audit, concerning a question of fact arising under this contract that is not disposed of by agreement shall be decided by a committee consisting of the District’s General Manager and the District’s Administrative Services Manager, who may consider written or verbal information submitted by the Consultant. Not later than thirty (30) days after completion of all deliverables necessary to complete the project, the Consultant may request review by the District Board of Trustees of unresolved claims or disputes.

Any dispute concerning a question of fact arising under an audit of this contract that is not disposed of by agreement, shall be reviewed by the District’s Administrative Services Manager. Not later than thirty (30) days after issuance of the final audit report, the Consultant may request a review by the District’s Administrative Services Manager of unresolved audit issues. The request for review must be submitted in writing.

Neither the pendency of a dispute, nor its consideration by the District will excuse the Consultant from full and timely performance in accordance with the terms of this contract.

**23. Agreement Parties.**

**District:** Kevin L. King  
General Manager  
Reclamation District No. 1000  
1633 Garden Highway  
Sacramento, CA 95833

**Consultant:** Ingrid Sheipline  
Managing Partner  
Richardson and Company, LLP.  
550 Howe Avenue, Suite 210  
Sacramento, CA 95825

All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered or certified mail addressed as shown above.

- 24. Incorporation by Reference.** District Request for Qualifications – Financial Audit Services and Consultant's qualification proposal, are hereby incorporated in and made a part of this Agreement.
- 25. Amendments.** Any amendment, modification or variation from the terms of this Agreement shall be in writing and shall be effective only upon approval by the District General Manager.
- 26. Working Out of Scope.** If, at any time during the project, the Consultant is directed to do work by persons other than the District General Manager and the firm believes that the work is outside of the scope of the original contract, the Consultant shall inform the General Manager immediately. If the General Manager and Consultant both agree that the work is outside of the project scope and is necessary to the successful completion of the task, then a fee will be established for such work based on Consultant's hourly billing rates or a lump sum price agreed upon between the District and the Consultant. Any extra work performed by Consultant without prior written approval from the District General Manager shall be at Consultant's own expense.
- 27. Complete Agreement.** This written agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding or representation be binding upon the parties hereto. For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by District, Consultant agrees with District to do everything required by this Agreement.
- 28. Authority to Execute Agreement.** Both District and Consultant do covenant that each individual executing this agreement on behalf of each party is a person duly authorized and empowered to execute Agreements for such party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

RECLAMATION DISTRICT NO. 1000:

RICHARDON AND COMPANY, LLP. :

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Kevin L. King, General Manager

\_\_\_\_\_

Ingrid Sheipline, Managing Partner

APPROVED AS TO FORM:

\_\_\_\_\_

Rebecca Smith, District Counsel

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## SCOPE OF WORK

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### Scope of Services

We understand that the District requires an audit of its basic financial statements for the fiscal years ended June 30, 2020, 2021 and 2022 with an option of two one year extensions, including all procedures necessary for the issuance of an opinion regarding the fairness of the presentation of the financial statements in conformity with U.S. generally accepted accounting principles. The audits will be conducted in accordance with U.S. generally accepted auditing standards, the standards set forth for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States as revised, and the Minimum Audit Requirements and Reporting Guide for California Special Districts as required by the State Controller's Office. These services will include the following:

1. Perform an audit of the District's financial statements in accordance with generally accepted auditing standards, *Government Auditing Standards* and the State Controller's Minimum Audit Requirements for California Special Districts.
2. Express an opinion on the financial statements as to whether they present fairly, in all material aspects, the financial position of the District and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditor's report stating this opinion.
3. We will review the basic financial statements in accordance with GASB 34.
4. Test internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with *Government Auditing Standards*, and issue an independent auditors' report on their consideration. Any reportable conditions found during the audit will be addressed in these reports.
5. Apply limited audit procedures to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A) and any supplementary information that is contained in the financial statements.
6. Prepare a management letter and SAS 114 letter to the Board of Directors and Management which identifies significant audit findings, difficulties encountered in performing the audit, identify any correct and uncorrected misstatements, disagreements with management, management representations, control deficiencies, significant deficiencies and material weaknesses, if any, and our recommendations for improvements in accounting and administrative controls.
7. Prepare and forward to the State Controller's Office the Annual Report of Financial Transactions of Special Districts pursuant to Government Code Section 53891.

### Audit Approach

Our extensive experience in auditing ensures that we will concentrate on those areas of highest risk and plan and coordinate our work with management. We will not waste your time and resources by auditing areas that have no material risk to the financial statements. We will perform an assessment of the internal controls for the purpose of determining the procedures necessary to perform our audit, and any recommended enhancements to internal controls that we note during our audit will be communicated to management and the Board of Directors.

Our audit approach to this engagement is divided into three stages as follows:

Initial Planning: We believe that a smoothly run audit is based upon the early identification and resolution of reporting and auditing issues. Due to the extensive knowledge gained through auditing governmental organizations similar to the District, we will identify such issues in a timely manner and obtain a better understanding of your organization and the external and internal environments in which the District operates. We will examine significant contracts and agreements to determine the effect on the nature and extent of the auditing procedures and to determine laws and regulations subject to test work. Our familiarity with laws and regulations affecting water districts will also be used as a resource for determining the extent of testing needed. We will meet with your personnel to obtain an understanding of your internal control structure policies and procedures and to document the flow of information through the accounting system, including how the accounting system is used to process data, and prepare internal control questionnaires and walkthrough memos with the assistance of your staff.

In order to familiarize ourselves with the District's accounting processes, including internal controls that are in place, we will provide the District with a list of questions, and will meet with District personnel to discuss them. We will also determine the provisions of any and all federal, state and county orders; statutes; ordinances; charters; bond covenants; administrative code or other rules and regulations that have a significant financial impact on the District. We will review organization charts and any accounting procedures manuals to obtain an understanding of the District.

Program Development: Our risk assessment and evaluation of internal controls will provide the basis for determining the nature, timing and extent of audit procedures for specific transactions and accounts. Our approach to gaining an understanding of internal control will be in accordance with Statement of Audit Standard (SAS) Nos. 104 through 111, as updated by Nos. 122 through 125. Accordingly, we will focus on obtaining an understanding of the control environment, risk assessment, information and communication, and monitoring components. We will use our experience with other water district audits to document the District's control environment and will perform a walkthrough of significant areas to assess control risk for the purpose of planning our substantive tests. We will perform additional testing of internal controls as needed based on our risk assessment. An overall audit program is the end product of our initial planning. The primary purpose of this phase of our audit approach is to assess the likelihood of material error in the accounts and transactions and to determine the most cost effective and cost efficient mix of audit procedures. In developing the audit program, our aim will be to:

- Provide a complete audit program for all important financial statement amounts.
- Eliminate redundant audit procedures.
- Use audit procedures which accomplish more than one purpose.

Our audit approach is based on an analysis and understanding of the external and internal risk currently facing the organization we are auditing. Risk analysis enables us to design the most effective and efficient audit program, which evaluates and includes audit tests in relation to the size and probability of these risks. This approach provides us with a uniform method for developing and documenting the basis for our audit program. We provide our clients with a detailed list of items needed during the audit well in advance to allow for sufficient time to gather the information. This approach minimizes disruption to District staff during the course of the audit.

Program Execution: During this stage of our audit, we will perform the tests of transactions processed through the accounting system, direct tests of account balances and tests of compliance with laws, regulations and contracts. We plan to use either random or systematic sample selection methods to perform such tests. We will utilize analytical procedures in all areas of the audit, especially for revenues and expenses. We will perform all requested tasks as one integrated engagement and will schedule the timing of our field work so that there will be minimal disruption of the day-to-day operations. We will perform testing of internal controls in the areas of water billings/cash receipts, cash disbursements and payroll, with sample sizes ranging from 5 to 40 items, which will depend on the size of the population. We will select our samples randomly from number sequences or other documents provided by the District. We will use the District's budget to determine the need for restrictions or designations as well as to perform analytical procedures for comparison to actual revenues and expenses.

We will perform analytical procedures to assist us in identifying areas of risk for which substantive procedures will be performed. However, we believe analytical procedures alone will not identify all potential significant misstatements and will detail test certain balance sheet and income statement accounts that our experience has shown are frequently misstated, such as certain receivables and subsequent payments that may need to be accrued as liabilities. We will utilize electronic audit software during the engagement, including during the on-site interim and year-end fieldwork, for all workpaper preparation and for developing the lead schedules and trend analysis reports used in the audit process. We utilize an electronic portal to accumulate documents needed for the audit.

The following work plan was developed with your deadlines in mind. The timing identified in the work plan is approximate. **Upon selection as your independent accountants, we will meet with you, and together we will determine a specific timetable which ensures minimal disruption of your employees and that the District's desired deadlines are met.** As can be seen from the following work plan, the service team is composed in such a way that each member has adequate supervision and technical support.

## Work Plan

Task	Timing	Estimated Hours				Total
		Partner	Senior Manager	Senior	Staff	
<b>Audit Planning:</b>	July	3	8	5	5	21
Begin audit planning process						
Risk assessment						
Develop audit programs						
Prepare audit assistance package and confirmation letters						
Provide audit assistance package						
<b>Substantive Testing:</b>	September	11	37	32	35	115
Cash and investments						
Revenue and receivables						
Payroll and related liabilities						
Expenses for goods and services and related liabilities						
Capital assets						
Long-term liabilities						
Equity and other credits						
<b>Reporting and Wrap-up:</b>	November	6	10	8	12	36
Prepare financials						
Prepare management letter/other reports						
Delivery of audit opinion and all other reports	November					
Prepare State Controller's Report	January					
Total Annual Audit Hours		20	55	45	52	172

Our audit will be planned so that delivery of all required reports will be accomplished in a timely manner. We believe that the staffing of the audit is sufficient to ensure the timely completion of the audit and to ensure that the work is properly supervised. We would work closely with management to ensure that we provide timely services consistent with your requirements. We will prepare the financial statements consistent with professional standards and will review the drafts of all our reports and letters with the District prior to finalization to ensure the reports meet your requirements. Upon completion of the audit, we will provide the District with copies of our reports, as needed, for distribution to management, the Board of Directors, and other interested parties.

Our firm philosophy centers around our commitment to the highest level of quality service--delivered by quality people. Our tradition of providing technical excellence through teamwork responsive to clients' needs and expectations--and doing so to the very best of our ability--requires that our single focus be on quality. Our commitment to quality results in:

- Satisfying the District's needs by providing value-added services.
- Attracting and retaining clients of the highest caliber.
- Providing personal satisfaction and opportunity for professional growth for every member of our organization.



Some of the specific benefits the District will realize from our audit approach include:

A Smooth, Quick Transition--Our audit approach, familiarity with water districts and our experience in succeeding other accountants prepares us to effect a smooth transition. Our transition plan will ensure that:

- We understand the auditing procedures and accounting treatment currently in place.
- Disruption to your normal operations and time lost due to “educating” the new firm will be minimal.
- We will coordinate and plan our work closely with your staff.

A Fresh Look--We will ensure that the District benefits from a “fresh look” by its new auditors--Richardson & Company, LLP. Our approach to transition engagements, with which we are very experienced, will result in:

- A thorough review and evaluation of your systems of internal accounting and compliance controls.
- A review and evaluation of your significant data processing systems and controls.
- A fresh review of operating practices.

Ongoing Communications with Management--We will work closely with you to resolve issues and serve as the District’s advisor on a timely basis. We do not take dogmatic, unyielding positions, and will keep the lines of communications open. We understand the concepts of materiality and will work with District personnel on all issues with materiality in mind. Members of our engagement team will be readily available to answer the District’s questions and to respond to the District’s needs.

Relevant and insightful suggestions--Our plan and approach requires us to obtain a complete knowledge of the District’s operating environment and accounting systems. This will position us well as an “advisor” to District management.

Less disruption to the District--Our audit plan will result in the most effective and efficient combination of internal control and account balance testing. This will eliminate duplicate procedures and unnecessary tasks, minimizing the necessary number of auditors and, consequently, result in less disruption of District personnel. As a result of our past experience auditing water districts, we have a familiarity with transactions and operations typical of water districts, which will ensure the most efficient and effective audit and a smooth transition.

## PROFESSIONAL FEES

Our goal is to provide quality service using the highest professional standards at a reasonable cost. We plan each assignment carefully and set a time budget for each phase of the engagement. All of our staff are well indoctrinated in the need to use their time to the fullest efficiency.

Since Richardson & Company, LLP consists primarily of experienced auditors, you can be sure that you will receive the experience level and quality of service you expect. Our firm will bring to the audits strong technical backgrounds, government and utility accounting expertise, outstanding engagement management skills, which will provide a “fresh look” at your programs.

**Should you have any questions about the details of our fees, or should our fees not appear competitive with those of the other firms, we would appreciate an opportunity to discuss them with you before you make your final decision.**

Based upon our current understanding of the situation and our understanding of the District’s control processes in place, our professional fees for the annual audit contract to perform the previously described **Scope of Services** are listed below. These fees include out-of-pocket expenses for items including clerical support, computer charges, supplies, telephone charges, printing and travel. There will be no additional charges to the District related to these items. Our fees are higher the first year to cover a portion of the audit start-up costs associated with obtaining an understanding of and documenting internal controls.

A summary of our fees by task are as follows:

	2020	2021	2022	2023	2024
Financial statement audit	\$ 15,200	\$ 14,585	\$ 14,875	\$ 15,170	\$ 15,550
State Controller's Report	600	615	630	645	660
<b>Total</b>	<b>\$ 15,800</b>	<b>\$ 15,200</b>	<b>\$ 15,505</b>	<b>\$ 15,815</b>	<b>\$ 16,210</b>

Preparation of the financial statements will be \$1,500 each year in addition to the fees above. A single audit will be \$5,000 for the first major program and \$4,000 for each additional major program each year in addition to the fees above.

The break-down of our fee by classification is as follows:

Classification	Hours Per Year	Hourly Rates	Fee
Partner	20	\$ 200	\$ 4,000
Senior Manager	55	180	9,900
Senior	45	120	5,400
Staff	52	90	4,680
	<u>172</u>		<u>23,980</u>
Discount			<u>(8,180)</u>
<b>Total Fees for Audit of Financial Statements, June 30, 2020</b>			<b><u>\$ 15,800</u></b>

The discount of the rates above gives recognition to the fact the timing of your audit fits extremely well in our schedule and also reflects our commitment to serving water districts and agencies.

These estimates do not take into consideration changes in the scope of the audit due to changes in accounting or auditing pronouncements and standards, laws or regulations, the loss of key accounting personnel, material weaknesses in the internal control environment, or significant changes in the scope of the District's operations. The estimate assumes there will be minimal audit adjustments. We will discuss a new fee estimate with the District if such an event occurs.

During the first year, we will spend a significant amount of time becoming familiar with your organization and operations, developing permanent files, and performing our risk assessment. We will absorb a significant cost of this nonrecurring time and view it as an excellent investment in establishing a long-term relationship and in becoming more knowledgeable about your operating environment, which will enhance our ability to provide you with responsive service.

Standard Billing Rates for Additional Services:

Our rates for additional services approved by the District that are not part of the scope of audit services are as follows:

<u>Classification</u>	<u>Rate Per Hour</u>
Partner	\$ 200
Tax Director	220
Senior Manager	180
Managers	160
Supervisors	140
Seniors	120
Semi-seniors	100
Staff	90
Administrative or clerical	60



## RECLAMATION DISTRICT 1000

DATE: MAY 08, 2020

AGENDA ITEM NO. 6.1

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**TITLE:** Fiscal Year 2020/2021 Draft Budget

**SUBJECT:** Review and Discuss Draft Budget for Fiscal Year 2020/2021

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**EXECUTIVE SUMMARY:**

The Board of Trustees of Reclamation District 1000 (RD 1000; District) annually adopted a budget. Staff has prepared a Draft Budget for Fiscal Year 2020/2021 (Attachment No. 1). Staff requests the Board review the draft budget and provide feedback. Staff will make any necessary adjustments based on Board discussion and will return to the Board for approval of the Final Budget during the June 2020 Board of Trustees meeting.

**RECOMMENDATION:**

None.

**FINANCIAL IMPACT:**

None.

**ATTACHMENTS:**

1. Reclamation District 1000 – Fiscal Year 2020/2021 Draft Budget

**STAFF RESPONSIBLE FOR REPORT:**

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Kevin L. King, General Manager

Date: 05/01/2020

**RECLAMATION  
DISTRICT  
NO. 1000**

**FISCAL YEAR  
2020/2021  
BUDGET**



**MAY 8, 2020**

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# Fiscal Year 2020/2021 Budget

Reclamation District No. 1000 – Budget (FY20/21)

## TRUSTEES

**JEFF SMITH – BOARD PRESIDENT**

**CHRIS BURNS – BOARD VICE PRESIDENT**

**NICK AVDIS – TRUSTEE**

**JAG BAINS – TRUSTEE**

**DAVID CHRISTOPHEL – TRUSTEE**

**THOMAS M. GILBERT – TRUSTEE**

**ELENA LEE REEDER – TRUSTEE**

## OFFICERS

**KEVIN L. KING – GENERAL MANAGER**

**JOLEEN GUTIERREZ – BOARD SECRETARY/TREASURER**

**DOWNEY BRAND, LLP - ATTORNEYS**

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# Introduction

## General

Reclamation District No. 1000 (RD1000; District) was organized on April 8, 1911, under the California Flood Control Act of 1911. The District's affairs are governed by a seven-member Board of Trustees. At the time of formation, the District embarked on the largest privately funded reclamation project in the United States. What was accomplished by the District in the twentieth century was truly remarkable. Today, the District's perimeter levee system consists of 42.6 miles of project levees encircling the District's 55,000 acres. The District also operates and maintains an interior drainage system consisting of 30 miles of main drainage canals, approximately 150 miles of drainage ditches and eight pumping stations. The drainage system collects agricultural tailwater, stormwater and drainage and delivers them to the pumping plants for disposal in the adjacent rivers and creeks.

RD 1000 perimeter levees are undergoing the largest rehabilitation since their original construction over a hundred years ago. The \$1.7 billion Natomas Levee Improvement Project (NLIP) which began in 2007 and will continue through 2025, will provide the Natomas Basin with two hundred-year flood protection when complete.

As the District moves into its second century, its public safety mission remains its first commitment. The District's sole purpose and function is to monitor, operate, and maintain the levees and flood control infrastructure protecting the more than one hundred thousand people in the Natomas Basin, ensuring that the system is ready for the next one hundred years.



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## Mission Statement

Reclamation District No. 1000's mission is flood protection for the Natomas Basin providing for the public's health and safety by operating and maintaining the levees, and the District's canals and pump stations in a safe, efficient and responsible manner.

## Responsibility Statement

On behalf of and in communication with the residents of the Natomas Basin, the District meets its flood protection Mission by operating and maintaining:

- The perimeter levee system to prevent exterior floodwaters from entering the Natomas Basin.
- The District's interior canal system to collect the stormwater runoff and agricultural drainage from within the Natomas Basin.
- The District's pump stations to safely discharge interior stormwater and agricultural drainage out of the Natomas Basin.

## Vision Statement

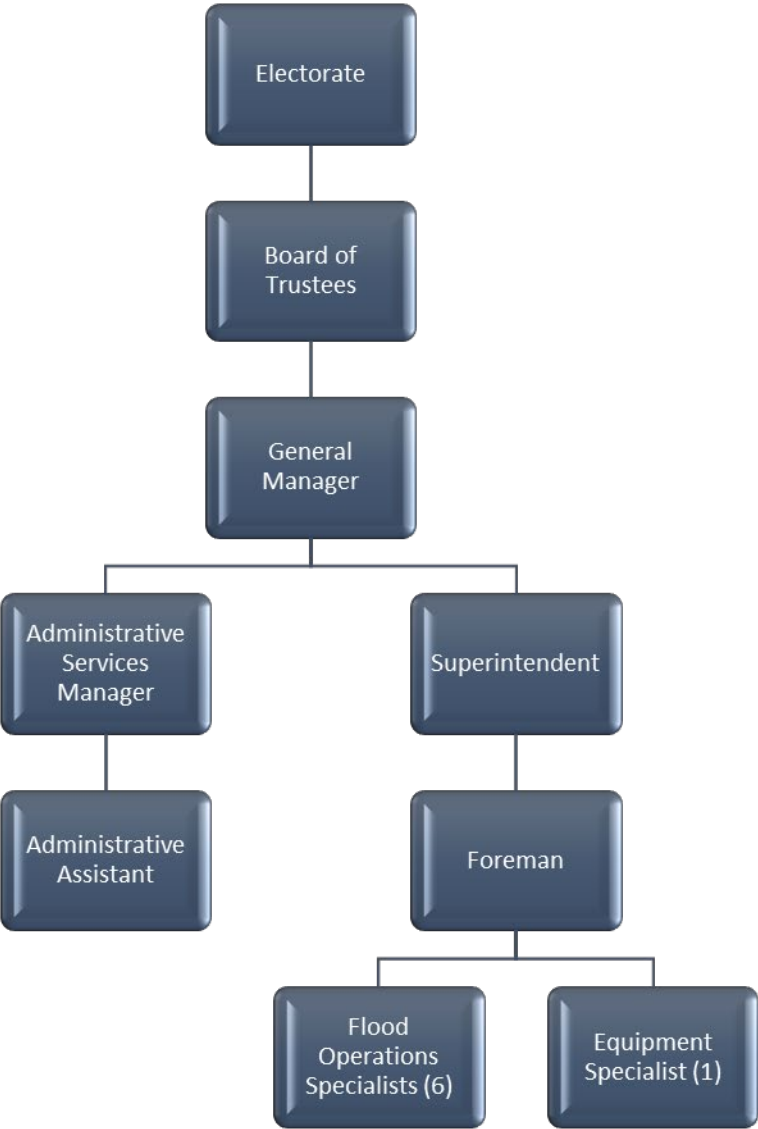
In meeting its flood protection Mission, the District shall also:

- Carry out its responsibilities in a safe, professional and accountable manner that adheres to the principles of good governance and transparency being sensitive to community interests and the environment.
- Continuously identify and implement operational, maintenance, structural and non-structural improvements that reduce flood risks in the Natomas Basin.
- Cooperate with private entities and public agencies (including the Corps of Engineers and the State Central Valley Flood Protection Board) with whom the District shares responsibilities, common goals, and objectives for flood protection in the Natomas Basin.
- Educate the public about the risks of flooding in the Natomas Basin and the District's efforts to minimize those risks.

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Organizational Chart

# RECLAMATION DISTRICT NO. 1000 ORGANIZATIONAL CHART



# Budget Summary (FY 2020/2021)

## Executive Summary

The Fiscal Year 2020/2021 Budget for Reclamation District No. 1000 was prepared by General Manager, Kevin L. King, and Administrative Services Manager, Joleen Gutierrez. The budget, while unbalanced, in terms of expenditures in excess of projected revenue, was prepared in order to accomplish the goals and objectives of the District. The Fiscal Year 2020/2021 Budget is reflective of the District’s transitional position, planning and implementation of capital infrastructure improvements.

The Fiscal Year 2020/2021 Budget is highlighted by expenditures aimed at positioning the District for sustained financial stability, long-term infrastructure reliability and identification of projects/policies required for further evolution of the organization. Specifically, the District intends to analyze current and future operation and maintenance costs through development of a Comprehensive Financial Plan, implementation of the District’s Capital Improvement Plan to replace infrastructure prior to failure, succession planning, and work to establish an administrative overhead rate to ensure the District is recovering indirect costs while performing reimbursable work.

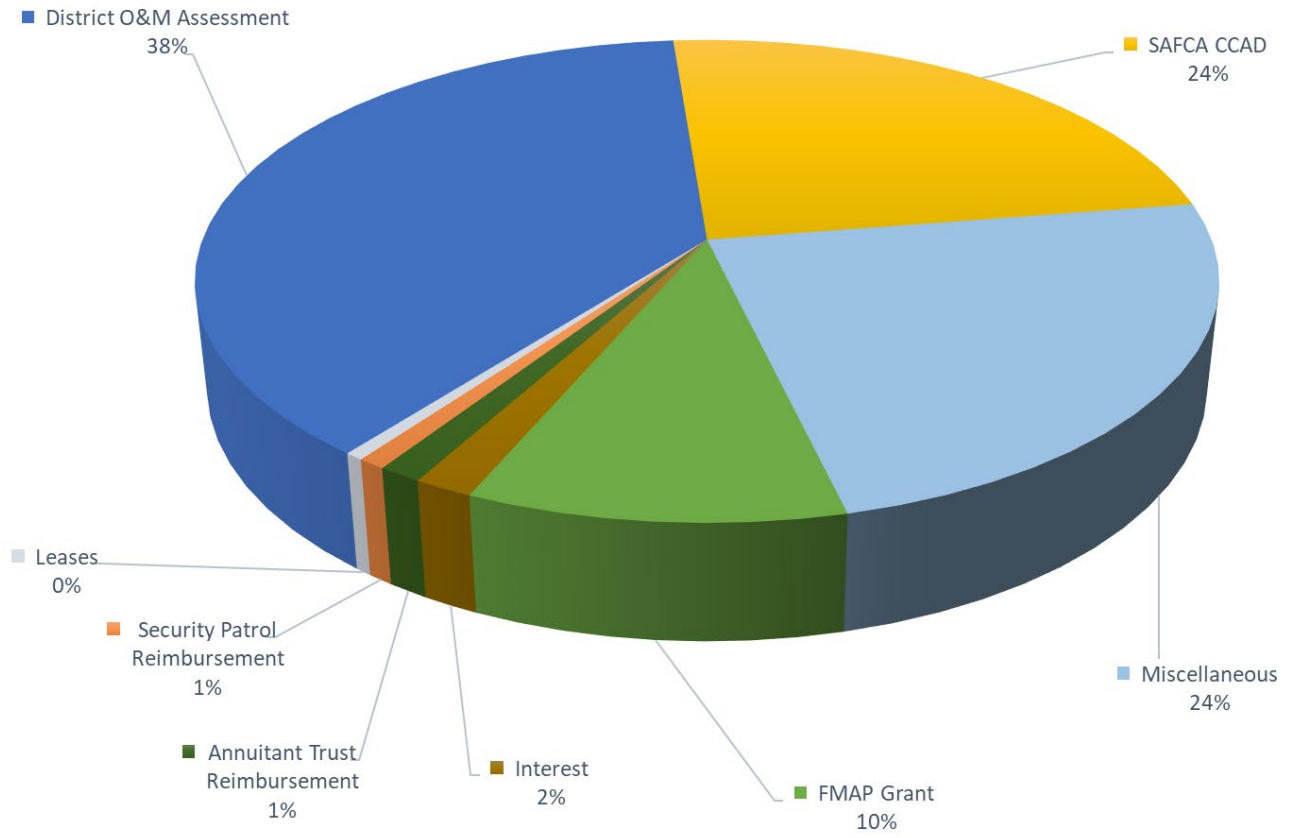
BUDGET SUMMARY FY 2020/2021	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
Total Revenues	4,432,000	4,551,284	5,916,337	(1,484,337)
Total All Expenditures	4,917,938	3,464,377	7,572,162	2,654,224
Net Expense to Revenue	(485,938)	1,086,906	(1,655,825)	1,169,887

# Revenues

The District received approximately \$370,000 more in revenues in Fiscal Year 2019/2020 than budgeted. The additional revenue received was from a FEMA reimbursement and Interest Income. The one-time money is not anticipated in Fiscal Year 2020/2021. Nevertheless, the District does anticipate revenues to be \$1,484,337 greater in FY20/21 compared to FY19/20 Budget. The increased revenue is largely attributable to development impact fees (\$1.4 m) from the Greenbriar Development.

REVENUES	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
<b>Revenues</b>				
District O&M Assessment	2,250,000.00	2,250,000.00	2,250,000.00	-
SAFCA CCAD	1,400,000.00	1,400,000.00	1,400,000.00	-
Interest	65,000.00	110,166.91	95,000.00	(30,000)
Leases	20,000.00	26,629.30	30,000.00	(10,000)
Metro Airpark Pumping	22,000.00	23,000.00	25,000.00	(3,000)
FMAP Grant	574,000.00	570,145.04	601,337.00	(27,337.00)
FEMA/OES Disaster Reimbursement	0.00	133,011.57	0.00	-
Annuitant Trust Reimbursement	70,000.00	0.00	70,000.00	-
Security Patrol Reimbursement	31,000.00	36,125.00	45,000.00	(14,000)
Miscellaneous	0.00	2,205.80	1,400,000.00	(1,400,000.00)
<b>Total Revenues</b>	<b>4,432,000</b>	<b>4,802,916</b>	<b>5,916,337</b>	<b>(1,484,337.00)</b>

**Projected Revenues  
FY 20/21**



# Operations & Maintenance Expenditures

The District anticipates approximately \$144K more in Operations and Maintenance expenditures in FY 20/21 compared to the FY 19/20 Budget.

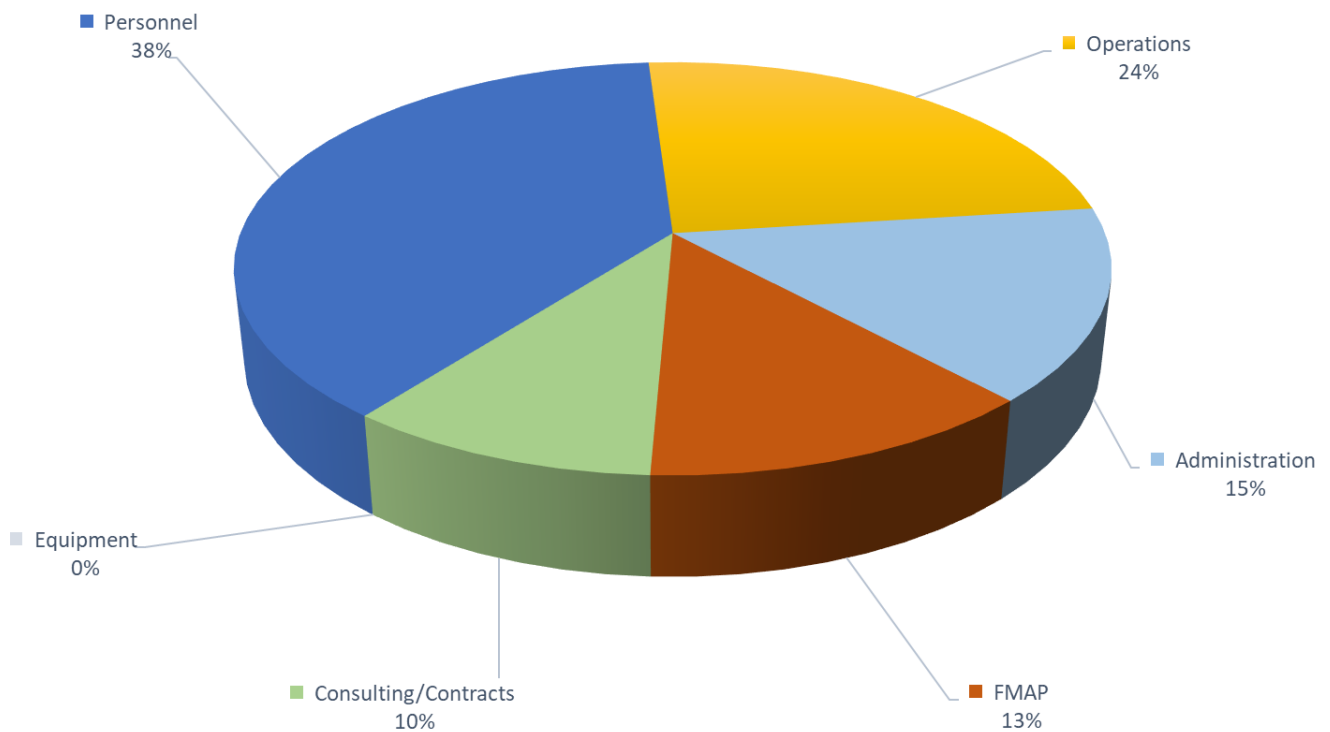
OPERATIONS & MAINTENANCE EXPENDITURES	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
<b>O&amp;M Expenditures</b>				
Personnel	1,611,838	1,572,326	1,828,725	(216,887)
Operations	1,311,600	798,805	1,144,600	167,000
Administration	728,500	417,347	717,500	11,000
FMAP	574,000	570,145	601,337	(27,337)
Consulting/Contracts	260,000	176,988	470,000	(210,000)
Equipment	132,000	276,598	0	132,000
<b>Total O&amp;M</b>	<b>4,617,938</b>	<b>3,242,063</b>	<b>4,762,162</b>	<b>(144,224)</b>

Major expenditure variations include:

- Personnel (\$217K):
  - Wages (\$156K) – Includes a 2.3% Cost of Living Adjustment plus addition of Operations Manager position (\$134K + benefits).
  - Pension (\$22K) – The increase includes an increase in pension expense for the Operations Manager and the District moving to a 15-year amortization schedule for the unfunded liability.
- Operations (-\$167K)
  - Facility Repairs (-\$155K) – The decrease is due to facility repairs performed in FY19/20 and not anticipated in FY20/21.
  - Field Services (-\$36K) – Field Services, specifically Tree Services, have been reduced (-\$25K).
- Administration (-\$11K):

- Election (\$39K) – Typically occurs every two (2) years, however Trustee terms were changed in FY19/20 to align with Statewide General Election and anticipation of an election in FY20/21.
- Flood Maintenance Assistance Program Grant (\$601K) – offset by revenue.
- Consulting/Contracts (\$210K) – Major difference associated to planned RD 1000 Hydraulic Model Update (\$200K).
- Equipment (-\$132K) – Reduction in equipment replacement.

**Projected Operations & Maintenance Expenditures  
FY 20/21**



## Personnel Expenditures

Personnel Expenditures	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
<b>Personnel/Labor</b>				
Wages	1,058,262.00	975,708.05	1,214,657.53	(156,395.53)
General Manager	190,128.00		197,724.00	
Project Manager/Engineer	28,158.00		25,281.00	
Admin Services Manager	99,502.00		101,785.00	
Operations Manager	0.00		134,063.00	
Superintendent	119,180.00		121,875.00	
Foreman	92,405.00		94,508.00	
Flood Operations Specialist I/II	400,206.00		409,071.00	
Equipment Maintenance Specialist	72,997.00		74,665.00	
Administrative Assistant	55,686.00		55,686.00	
Trustee Compensation	40,000.00	32,625.00	40,000.00	0.00
Group Health Insurance	97,440.00	108,810.70	130,000.00	(32,560.00)
Annuitant Health Care	70,000.00	82,757.19	91,032.00	(21,032.00)
Dental/Vision/Life	22,328.00	21,724.66	25,887.00	(3,559.00)
Workers Compensation Insurance	39,544.00	24,908.75	30,000.00	9,544.00
OPEB - ARC	30,000.00	50,000.00	0.00	30,000.00
Continuing Education	5,000.00	3,702.90	5,000.00	0.00
Payroll Taxes	71,000.00	76,828.54	91,000.00	(20,000.00)
Pension	178,264.00	195,260.34	201,148.00	(22,884.00)
Employer Portion	72,980.00	82,260.34	86,148.00	
Unfunded Liability	105,284.00	106,000.00	115,000.00	
<b>Personnel Subtotal</b>	<b>1,611,838.00</b>	<b>1,572,326.13</b>	<b>1,828,724.53</b>	<b>(216,886.53)</b>



# Operations Expenditures

Operations Expenditures	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
<b>Operations</b>				
Consultants - Field Operations	20,000.00	11,480.71	20,000.00	0.00
Equipment Parts/Supplies	60,000.00	30,000.00	60,000.00	0.00
Equipment Rental	5,000.00	755.66	5,000.00	0.00
Equipment Repairs/Service	16,000.00	3,343.94	16,000.00	0.00
Facility Repairs	366,000.00	77,753.02	211,000.00	155,000.00
Gates & Fences	10,000.00	1,390.35	5,000.00	5,000.00
Canal Erosion Program (RSP)	100,000.00	417.35	100,000.00	0.00
Access Road AB Program	50,000.00	0.00	50,000.00	0.00
Roof Repair Plant 1A	20,000.00	23,399.81	0.00	20,000.00
Plant 2 - Boil Repairs	80,000.00	0.00	0.00	80,000.00
Plant 8 Trash Rack Repairs	30,000.00	9,788.75	10,000.00	20,000.00
Plant 3 Trash Rack Repairs	30,000.00	5,413.53	10,000.00	20,000.00
Plant 5 Pump #1 Repair	10,000.00	1,343.23	0.00	10,000.00
V-Drain Repair	36,000.00	36,000.00	36,000.00	0.00
Field Equipment	10,100.00	10,100.00	14,000.00	(2,100.00)
Box Tarp for 10 Wheel Dump Truck 022	2,500.00	2,500.00	0.00	2,500.00
Air Compressor for Service Truck	2,600.00	2,600.00	0.00	2,600.00
Thumb Attachment for Excavator	5,000.00	5,000.00	5,000.00	0.00
Diesel Emission Fluid Storage Tank	0.00	0.00	6,000.00	(6,000)
Misc.	0.00	0.00	3,000.00	(3,000.00)
Field Services	100,000.00	50,777.70	63,100.00	36,900.00
Veg Management (Grazing, Farm Flying, Aquatic)	20,000.00		20,000.00	0.00
Tree Service	50,000.00		25,000.00	25,500.00
Pump Plant Meggar Testing	5,000.00		5,000.00	0.00
Sonitrol Security	6,000.00		6,000.00	0.00
Hazardous Waste Recycle	5,000.00		0.00	5,000.00
Tire Recycle	5,000.00		3,500.00	1,500.00
Backflow	500.00		500.00	0.00
Water Service	600.00		600.00	0.00
Misc.	7,900.00		2,500.00	5,400.00
Fuel	55,000.00	38,234.14	50,000.00	5,000.00
Herbicides	105,000.00	108,815.58	120,000.00	(15,000.00)
Power	500,000.00	405,000.00	500,000.00	0.00
Refuse Collection	25,000.00	15,362.05	30,000.00	(5,000.00)
Shop Equipment (Not Vehicles)	3,000.00	3,000.00	5,000.00	(2,000.00)
Supplies and Materials	22,000.00	25,335.09	25,000.00	(3,000.00)
Boot Allowance	3,000.00	1,500.00	3,000.00	0.00
Uniform Service	4,000.00	2,753.19	4,000.00	1,500.00
Misc.	15,000.00	21,081.90	18,000.00	(5,000.00)

Operations Expenditures	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
Utilities - Field	8,000.00	8,351.83	11,500.00	(3,500.00)
Sacramento County	3,500.00	710.63	3,500.00	0.00
City of Sacramento	3,500.00	1,872.45	2,000.00	1,500.00
Cell Phone Reimbursement	1,000.00	5,768.75	6,000.00	(5,000.00)
Misc./Other - Field	500.00	30.00	500.00	0.00
Govt Fees/Permits - Field	12,000.00	10,435.00	12,000.00	0.00
FEMA Permits	4,000.00	0.00	1,500.00	2,500.00
<b>Operations Subtotal</b>	<b>1,311,600.00</b>	<b>798,804.71</b>	<b>1,144,600.00</b>	<b>167,000.00</b>

# Administration Expenditures

Administration Expenditures	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
<b>Administration</b>				
Accounting/Audit	46,050.00	34,000.00	47,050.00	(1,000.00)
Bartel Associates (GASB)	3,000.00	1,300.00	3,000.00	
Audit	15,000.00	12,900.00	16,000.00	
CPA (Rob Merritt)	24,000.00	16,050.00	24,000.00	
TCS Consulting (GASB)	3,000.00	2,700.00	3,000.00	
CalPERS (GASB)	1,050.00	1,050.00	1,050.00	
Administrative Consultants	130,000.00	19,362.53	128,000.00	2,000.00
Financial Plan/Study	60,000.00	0.00	58,000.00	
Total Compensation Survey	15,000.00	0.00	15,000.00	
SCI Consulting (Assessment)	20,000.00	19,362.53	20,000.00	
Overhead Rate Study	25,000.00	0.00	25,000.00	
Miscellaneous	10,000.00	0.00	10,000.00	
Admin - Misc./Other Expenses	8,250.00	3,3045.58	8,250.00	0.00
Bank Fees	250.00	275.00	250.00	
Business Expense	8,000.00	2,759.58	8,000.00	
Admin. Services	17,000.00	10,406.35	17,000.00	0.00
Alarm/Security Office (Sonitrol)	4,000.00	3,604.65	4,000.00	
Copy/Print Services	2,000.00	318.54	2,000.00	
DOT/Screening	2,500.00	1,888.16	2,500.00	
Postage/Shipping	1,000.00	344.49	1,000.00	
Records/Retention Management (ECS)	2,000.00	1,775.51	2,000.00	
Timekeeping (Replicon)	4,000.00	2,475.00	4,000.00	
Miscellaneous (Job Posting/CSDA)	1,500.00	0.00	1,500.00	
Computer Costs (Tech/Website/Software)	24,000.00	17,046.39	24,000.00	0.00
Software (Go Daddy, Misc.)	9,000.00	5,864.09	9,000.00	
Tech Support (Terrapin)	12,000.00	8,932.30	12,000.00	
Website (Streamline)	3,000.00	2,250.00	3,000.00	
Govt Fees/Permits	12,500.00	6,160.68	12,500.00	0.00
City of Sacramento (Investment Pool)	6,000.00	5,155.00	6,000.00	
LAIF (Investment Pool)	5,000.00	0.00	5,000.00	
Police Alarm	50.00	37.50	50.00	
Miscellaneous	1,450.00	968.18	1,450.00	
Legal	97,000.00	50,484.39	97,000.00	0.00
Human Resources/Employment (Boutin Jones)	7,000.00	2,000.00	7,000.00	
General Counsel (Downey Brand)	85,000.00	45,227.49	85,000.00	
Other Legal Services	5,000.00	3,256.90	5,000.00	
Liab/Auto/Business Insurance	150,000.00	88,069.00	150,000.00	0.00
Stratton	150,000.00		150,000.00	
Memberships	40,500.00	32,627.00	40,800.00	(300.00)
ACWA	15,000.00		15,000.00	

Administration Expenditures	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
CCVFCA	16,300.00		16,300.00	
Chamber of Commerce	0.00		300.00	
Costco	200.00		200.00	
CSDA	8,350.00		8,350.00	
Sacramento LAFCO	650.00		650.00	
Mitigation Land Expenses	3,000.00	2,592.20	6,200.00	(3,200.00)
Yolo County Treasurer	3,000.00		6,200.00	
Office Maintenance & Repair	27,000.00	16,735.66	27,000.00	0.00
Custodial Service (Neat Freak)	10,000.00	3,293.75	10,000.00	
HVAC (Barnett)	3,000.00	292.50	3,000.00	
Landscaping (Carson)	13,000.00	9,206.25	13,000.00	
Pest Control (Greenlight)	1,000.00	375.00	1,000.00	
Misc.		3,568.16	1,000.00	
Office Supplies	5,500.00	4,162.89	5,500.00	0.00
Payroll Services	3,500.00	3,727.14	6,000.00	(2,500.00)
Payroll Services (Wells Fargo)	3,500.00		6,000.00	
Public Relations	45,000.00	5,532.94	45,000.00	0.00
Direct Outreach (Community Engagement)	18,000.00	5,070.61	18,000.00	
Consulting	25,000.00	0.00	25,000.00	
Subscriptions/Publications	2,000.00	462.33	2,000.00	
Small Office & Computer Equipment	12,000.00	4,838.17	12,000.00	0.00
Computer Equipment	2,000.00	2,515.56	2,000.00	
Miscellaneous Equipment	10,000.00	2,322.61	10,000.00	
Utilities (Phone/Water/Sewer/Internet)	23,700.00	17,456.16	23,700.00	0.00
Telephone (ATT)	3,500.00	3,231.95	3,500.00	
Water (City of Sacramento)	2,800.00	626.64	2,800.00	
Internet (Comcast)	2,000.00	1,985.86	2,000.00	
Sewer (County of Sacramento)	2,800.00	710.63	2,800.00	
Phone System (Great American Fin Svcs)	5,200.00	4,085.03	5,200.00	
Copier/Printer (Smile Business Systems)	3,000.00	3,482.11	3,000.00	
Cellular Service (Verizon)	4,200.00	3,313.20	4,200.00	
Miscellaneous	200.00	20.75	200.00	
Election	55,000.00	32,452.19	39,000.00	16,000.00
Legal	49,400.00	27,360.00	35,000.00	
Publications/Notices	1,500.00	2,683.80	1,500.00	
Facility Rental	1,000.00	0.00	0.00	
Printing Services	500.00	551.31	500.00	
Temporary Staff	2,100.00	1,500.00	1,500.00	
Miscellaneous	500.00	357.08	500.00	
Assessment/Property Taxes (SAFCA - CAD)	8,000.00	7,927.68	8,000.00	0.00
Conference/Travel/Professional Develop.	20,500.00	799.64	20,500.00	0.00
Conference (Exec Staff & Trustees)	8,500.00	0.00	8,500.00	
Travel (Exec Staff & Trustees)	12,000.00	799.64	12,000.00	
<b>Admin Subtotal</b>	<b>728,500.00</b>	<b>417,346.57</b>	<b>717,500.00</b>	<b>11,000.00</b>

## Flood Maintenance Assistance Program

FMAP Expenditures	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
<b>FMAP Grant</b>				
LOI/SWIF	20,000.00	19,683.96	0.00	20,000.00
<b>Equipment</b>	<b>305,100.00</b>	<b>296,579.99</b>	<b>381,337.00</b>	<b>(76,237.00)</b>
(2) Pull Tractors JD 5090M Mower	124,000.00		0.00	
(1) Tiger Boom Mower, JD 5115M Tractor	181,100.00		0.00	
(1) Kenworth T270 Dump Truck	0.00		84,400.00	
(1) Kenworth T270 Water Truck	0.00		87,650.00	
(1) Kenworth T800 Transport Truck	0.00		178,605.00	
<b>Operations &amp; Maintenance</b>	<b>236,500.00</b>	<b>253,881.09</b>	<b>220,000.00</b>	<b>16,500.00</b>
Vegetation Management (Tree Removal - High Priority Areas)	186,500.00		220,000.00	
Encroachment Enforcement (Waterside Encroachments)	50,000.00		0.00	
<b>Administrative</b>	<b>12,400.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12,400.00</b>
Administrative (5% of O&M Activities)	12,400.00		0.00	
<b>FMAP Subtotal</b>	<b>574,000.00</b>	<b>570,145.04</b>	<b>601,337.00</b>	<b>(27,337.00)</b>

# Consulting /Contracts Expenditures

Consulting/ Contracts Expenditures	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
<b>Consulting/Contracts</b>				
Technical Consultants	180,000.00	85,363.14	375,000.00	(195,000.00)
DPLand (Land, Right of Way and Title Expert)	5,000.00	1,784.44	5,000.00	
Kleinfelder (Geo Tech)	60,000.00	0.00	60,000.00	
MBK Engineering (Gen Engineering)	20,000.00	25,000.00	20,000.00	
Mead & Hunt (Gen Engineering)	60,000.00	19,982.45	60,000.00	
Managerial (Yeager, Devereux)	30,000.00	38,596.25	30,000.00	
West Yost (Hydraulic Modeling)	5,000.00	0.00	200,000.00	
Security Patrol	65,000.00	77,625.00	80,000.00	(15,000.00)
Temporary Admin	15,000.00	14,000.00	15,000.00	0.00
Christo Rey - Work Study Program (2 Students)	15,000.00	14,000.00	15,000.00	
<b>Consulting/Contracts Subtotal</b>	<b>260,000.00</b>	<b>176,988.14</b>	<b>470,000.00</b>	<b>(210,000.00)</b>

# Equipment Expenditures

Equipment Expenditures	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
<b>Equipment</b>				
Equipment	132,000.00	276,598.00	0.00	132,000.00
(6) 3/4 Ton 4x4 Pickups (Replacement)	132,000.00	276,598.00	0.00	132,000.00
<b>Equipment Subtotal</b>	<b>132,000.00</b>	<b>276,597.91</b>	<b>0.00</b>	<b>132,000.00</b>

# Capital Expenditures

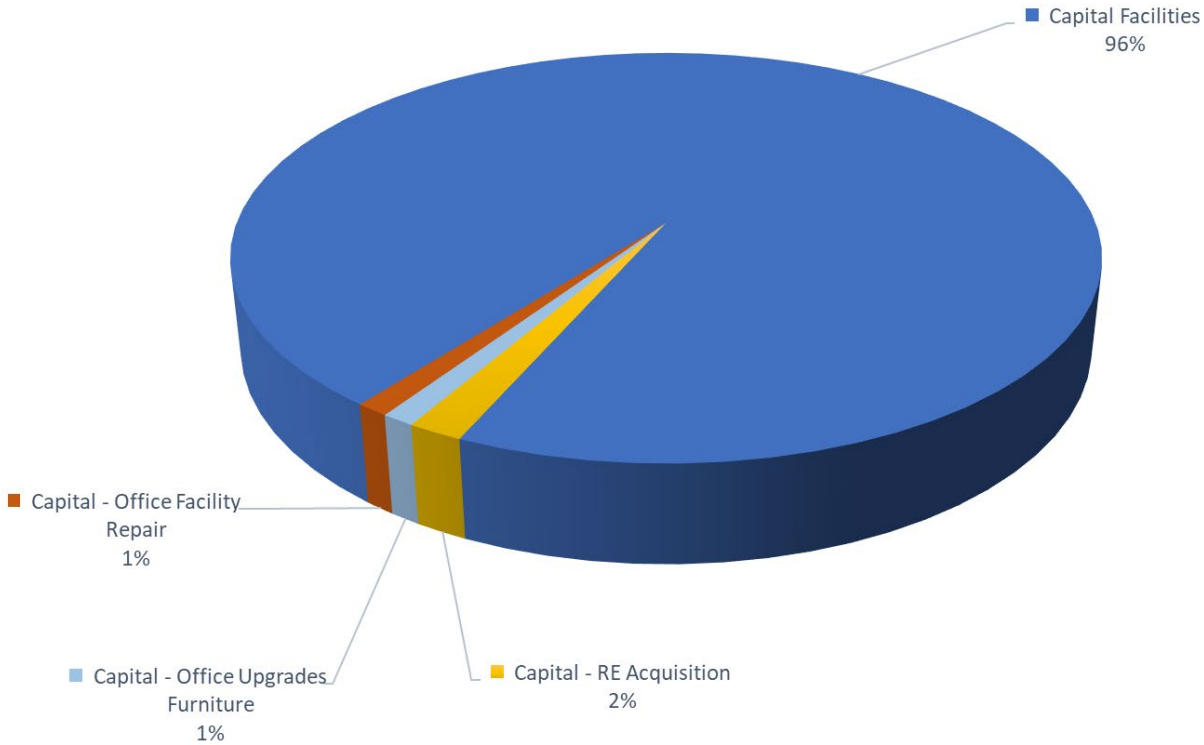
The District anticipates approximately \$2.5M more in Capital expenditures in FY 20/21 compared to the FY 19/20 Budget. The major difference is implementation of the District’s Capital Improvement Plan Update, inclusive of identified capital improvements, a Programmatic Environmental Impact Report, Project Design and Supervisory Control and Data Acquisition (SCADA) improvements.

CAPITAL EXPENDITURES	Adopted Budget FY 19/20	Estimate YE FY 19/20	Budget FY 20/21	Variance Budget FY 20/21 v. Budget FY 19/20 (over)/under
<b>Capital Expenditures</b>				
<b>Capital Facilities</b>	<b>180,000.00</b>	<b>189,652.00</b>	<b>2,700,000.00</b>	<b>(2,520,000.00)</b>
Condition Assessment & Inspection Electrical	50,000.00	59,552.00	0.00	
Plant 1B Spare Transformer	100,000.00	0.00	200,000.00	
CIP Update	30,000.00	130,100.00	0.00	
2020/2021 Capital Projects (Programmatic EIR/Project Design/SCADA)	0.00	0.00	2,500,000.00	
<b>Capital - Office Upgrades Furniture</b>	<b>30,000.00</b>	<b>18,043.74</b>	<b>30,000.00</b>	<b>0.00</b>
Board Room & Kitchenette	30,000.00	18,043.74	30,000.00	
<b>Capital - RE Acquisition</b>	<b>50,000.00</b>	<b>3,437.50</b>	<b>50,000.00</b>	<b>0.00</b>
Natomas Cross Canal	20,000.00	3,437.50	20,000.00	
NEMDC Parcels	30,000.00	0.00	30,000.00	
<b>Capital - Office Facility Repair</b>	<b>30,000.00</b>	<b>0.00</b>	<b>30,000.00</b>	<b>0.00</b>
Window Replacement, Paint, AV Equipment	30,000.00	0.00	30,000.00	
<b>Document Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,000.00</b>
<b>Capital - District Server</b>	<b>10,000.00</b>	<b>11,180.79</b>	<b>10,000.00</b>	<b>(10,000.00)</b>
<b>Total Capital Expenditures</b>	<b>300,000.00</b>	<b>222,314.03</b>	<b>2,810,000.00</b>	<b>(2,510,000.00)</b>



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**Projected Capital Expenditures  
FY 20/21**





## RECLAMATION DISTRICT 1000

DATE: MAY 08, 2020

AGENDA ITEM NO. 6.2

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**TITLE:** Change Order

**SUBJECT:** Review and Consider Authorizing the General Manager to Execute Contract Change Order with Larsen Wurzel and Associates, Inc.

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**EXECUTIVE SUMMARY:**

Reclamation District No. 1000 (RD 1000; District) executed a contract with Larsen Wurzel and Associates, Inc. (LWA) for Program Management Services on September 8, 2017. The District received a contract amendment request from LWA on December 13, 2019 (Attachment No. 1). The request from LWA is to increase the contract's not-to-exceed amount from \$90,000 to \$115,000.

**RECOMMENDATION:**

Staff recommends the Board review and consider authorizing the General Manager to execute a Contract Change Order with Larsen Wurzel & Associates, INC. as provided in Attachment No. 1.

**FINANCIAL IMPACT:**

\$25,000 in FY 2019/2020 Expenditures.

**ATTACHMENTS:**

1. Contract Amendment Request – Larsen Wurzel & Associates, INC.

**STAFF RESPONSIBLE FOR REPORT:**

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Kevin L. King, General Manager

Date: 05/01/2020

LARSEN WURZEL  
& Associates, Inc.

www.larsenwurzel.com

December 13, 2019

Mr. Kevin King  
1633 Garden Highway  
Sacramento CA 95833-9706

**Re: Contract Amendment Request for Program Management Services**

Dear Mr. King:

Larsen Wurzel and Associates, Inc. (LWA) has been providing Program Management Services under our agreement with Reclamation District 1000 (RD 1000) beginning September 8, 2017. All assignments have been completed with the exception of the SCADA Project. Completion of the SCADA Project has been delayed due to unforeseen complications with installation and programming. However, it is my expectation that the project will be completed, including the required personnel training, prior to the end of the fiscal year, June 30, 2020.

Due to the extended duration of the Project, additional cost has been required, and will continue to be required, beyond our original proposal in order to bring the project to completion. Therefore, LWA is requesting that the not-to-exceed contract amount be increased from \$90,000 to \$115,000 for anticipated services through June 30, 2020 to oversee completion of SCADA Project.

We appreciate the opportunity to continue to assist RD 1000 with the implementation of District's SCADA Project. Please let me know if you have any questions or comments regarding this amendment request.

Sincerely,



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Scott L. Brown, PE  
Principal  
Larsen Wurzel & Associates, Inc.



## RECLAMATION DISTRICT 1000

DATE: MAY 8, 2020

AGENDA ITEM NO. 7.1.1

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TITLE: Committee Meeting/Special Board Meeting Minutes

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

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### EXECUTIVE SUMMARY:

#### **Operations Committee Meeting/Special Board Meeting – April 17, 2020**

A meeting of the Reclamation District No. 1000 Operations Committee was held on Friday, April 17, 2020 at 10:00 a.m. via GoToMeeting and Conference Call. In attendance were Trustees Smith, Lee Reeder, Christophel. Trustee Gilbert participated in the meeting, thereby creating a Special Board Meeting. Staff in attendance were General Manager King, and Administrative Services Manager Gutierrez. No members of the public were present and therefore no public comments were made.

GM King presented the Draft Operations & Maintenance and Capital Improvement Budgets for Fiscal Year 2020/2021. GM King went over budget to actual performance from Fiscal Year 2019/2020 and the basis for assumptions in the proposed FY 20/21 Budget. The Operations Committee reviewed the proposed budget and made various suggestions for edits and/or corrections. GM King noted the comments and will incorporate into the Draft Budget to be presented to the full Board on May 8, 2020.

With no further business on the Operations Committee Agenda, the meeting adjourned at 11:00 a.m.

#### **Finance Committee Meeting – April 21, 2020**

A meeting of the Reclamation District No. 1000 Finance Committee was held on Tuesday, April 21, 2020 at 9:00 a.m. via GoToMeeting and Conference Call. In attendance were Trustees Smith, Bains, and Gilbert. Staff in attendance were General Manager King, and Superintendent Caldwell. No members of the public were present and therefore no public comments were made.

Finance Committee Agenda Items of discussion are provided below:

### **1. FINANCE COMMITTEE MEETING**

#### **1.1. Review and Discuss Responses to Request for Qualifications Audit Services.**

GM King presented the four (4) responses the District received on April 3, 2020 in response to the District's Request for Qualification for Financial Audit Services. The Committee reviewed the responses and asked to schedule follow up interviews on April 27, 2020 with Richardson & Company and M.U.N. & Associates.

**TITLE: Committee Meeting/Special Board Meeting Minutes**

1.2. Review and Discuss Responses to Request for Qualifications Comprehensive Financial Plan & Rate Study.

GM King presented the three (3) responses the District received on April 3, 2020 in response to the District's Request for Qualification for Comprehensive Financial Plan and Assessment Rate Study. The Committee reviewed the responses and recommended award of a professional services agreement at the May Board of Trustees meeting to NBS.

1.3. Review and Discuss Fiscal Year 2020/2021 Draft Budget.

GM King presented the Draft Budget for Fiscal Year 2020/2021. GM King went over budget to actual performance from Fiscal Year 2019/2020 and the basis for assumptions in the proposed FY 20/21 Budget. The Finance Committee reviewed the proposed budget and made various suggestions for edits and/or corrections. GM King noted the comments and will incorporate into the Draft Budget to be presented to the full Board on May 8, 2020.

1.4. Overview of Cash Management.

The Finance Committee reviewed the cash management of the District and asked Staff to investigate the District's various policies and fund agreements.

With no further business on the Finance Committee Agenda, the meeting adjourned at 10:30 a.m.

**Legal Committee Meeting/Special Board Meeting – April 27, 2020**

A meeting of the Reclamation District No. 1000 Legal Committee was held on Monday, April 27, 2020 at 8:00 a.m. via GoToMeeting and Conference Call. In attendance were Trustees Avdis, Bains, and Christophel. Trustees Burns, Gilbert and Lee Reeder participated in the meeting, thereby creating a Special Board Meeting. Staff in attendance were General Manager King and District Counsel Smith. No members of the public were present and therefore no public comments were made.

GM King and General Counsel Smith presented the research that was performed regarding the determination of agricultural parcels regarding the percentage to determine parcel seats and assessment seats on the Board for the 2020 Election. The committee motioned and unanimously approved using the annual assessment report for determining the parcel percentages.

With no further business on the Legal Committee Agenda, meeting adjourned at 8:15 a.m.

**Finance Committee Meeting/Special Board Meeting – April 27, 2020**

A meeting of the Reclamation District No. 1000 Finance Committee was held on Wednesday, April 27, 2020 at 1:00 p.m. via GoToMeeting and Conference Call. In attendance were Trustees Gilbert, Smith, and Bains. Trustee Burns also participated in the meeting, thereby creating a

**TITLE: Committee Meeting/Special Board Meeting Minutes**

Special Board Meeting. Staff in attendance were General Manager King, Administrative Services Manager Gutierrez, and District Account Merritt. No members of the public were present and therefore no public comments were made.

1.1 INTERVIEW & PRESENTATION: Interview and presentation from various respondents to the District’s Request for Qualifications Financial Audit Services.

The Committee interviewed representatives from the following respondents:

- Richardson & Company
- M.U.N. & Associates

The Committee interviewed the respondents and recommended award of a professional services agreement at the May Board of Trustees meeting to Richardson & Company.

With no further business on the Finance Committee Agenda, meeting adjourned at 3:00 p.m.

**Executive Committee Meeting – April 29, 2020**

A meeting of the Reclamation District No. 1000 Executive Committee was held on Wednesday, April 1, 2020 at 8:00 a.m. via GoToMeeting and Conference Call. In attendance were Trustees Smith, and Burns. Trustee Gilbert also participated in the meeting. Staff in attendance were General Manager King and District Counsel Smith. No members of the public were present and therefore no public comments were made.

General Manager King presented the proposed agenda for the May 8, 2020 Board of Trustees meeting. The Committee reviewed the agenda and approved.

With no further business on the Executive Committee Agenda, meeting adjourned at 8:45 a.m.

**STAFF RESPONSIBLE FOR REPORT:**



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Kevin L. King, General Manager

Date: 05/04/2020