

RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
ACTION SUMMARY
SACRAMENTO, CA
January 12, 2018
8:00 A.M.
1633 Garden Highway
Sacramento, CA 95833

Trustees Present: Barandas, Burns, Christophel, Harris, Smith
Trustees Absent: Avdis, Gilbert
Staff in attendance: General Manager Devereux, Secretary Gutierrez, Superintendent Caldwell,
Attorney James Day

President Smith presided at the meeting.

1. A. Board Business – Election of Officers

The election of board officers was made. A motion was made by Trustee Christophel to elect Trustee Jeff Smith as Board President, and Tom Barandas Vice President, seconded by Fred Harris, by unanimous vote the motion was approved.

B. Committee Assignments

Trustee Barandas communicated that in reaching out to individual Committee members he learned all members are content with their current committee assignments. No changes were made to Committees except to the Personnel and Urbanizations Committees where Trustee Chris Burns filled the vacancy on each committee that former Trustee Debra Jones held.

2. Approval of the Minutes – December 8, 2017

It was moved by Trustee Smith to adopt the minutes of December 8, 2017 with changes. The motion was seconded by Trustee Harris, and carried by a unanimous vote.

3. Administrative Items

A. Treasurer's Report for December 2017

| | |
|-------------------|-----------------|
| Checking: | \$ 1,329,892.70 |
| Money Market: | \$ 118,202.59 |
| County Treasurer: | \$ 834,300.72 |
| LAIF: | \$ 1,736,452.38 |
| City Pool A: | \$ 2,025,027.83 |

ASM Gutierrez reported fraud activity which the Board discussed in closed session. The ASM also reported receipt and deposit of a \$1 million warrant check from the County of Sacramento. Board members briefly discussed the Budget to Actual Report asking questions about board election costs, worker's compensation insurance, equipment purchases and field services, Trustee Barandas made a motion to approve the Treasurer's Report as presented, seconded by Trustee Christophel, by a unanimous vote, motion carries.

4. COMMITTEE REPORTS

A. SAFCA Representatives

Trustee Barandas made known the SAFCA Board or its Executive Committee has not yet met and therefore he does not have any new information to share with the Board on SAFCA activities. A Board meeting is scheduled the week of January 14. At this meeting nominations for Board Chair and Vice-Chair will take place.

B. Operations Committee

The Operations Committee met on December 20, 2017. In attendance were Trustees Tom Barandas, David Christophel and Jeff Smith; General Manager Paul Devereux, Superintendent Don Caldwell, and Administrative Services Manager Joleen Gutierrez. Trustee Barandas disclosed GM Devereux provided a brief overview of the list of priorities in the Asset Management Plan developed by CH2M and requested input from the Committee. The Committee will continue to work with CH2M to address Committee concerns, revised list of priorities and prepare an implementation plan to take to the Board.

Trustee Barandas also discussed Plant 1 schedule of events to install a relay switch to shut the plant down if a ground fault is detected. Until this is complete, SMUD energized the plant so it could be operational even if the relay is not yet functional. Long term options for the plant will be continued to be studied and a decision will be made in 2018.

GM updated the Committee on the erosion site at 7907 Garden Highway. The State initially determined that the erosion site was not critical since it was not within the levee prism. GM Devereux said he will review the opinion with their management in consideration of significant consequences of levee failure in the Natomas Basin.

C. Executive Committee

The Executive Committee met on January 3. In attendance were Trustees Jeff Smith, Tom Barandas and GM Devereux. Trustee Fred Harris participated by phone. Trustee Smith announced an upcoming transition at RD 1000 as GM Devereux announced plans to retire in 2019. The Personnel Committee will develop a job description. Trustee Chris Burns suggested preparing a guidebook of information historical and otherwise for the next GM. Trustee Smith also announced taking a look at District staffing needs and all positions. The Committee also discussed the erosion site along Garden Highway and restoration of power at Plant 1.

D. Legal Committee

The Legal Committee met on January 5, 2018 in closed session. In attendance were all Committee members Nick Avdis, Tom Barandas, Fred Harris and GM Paul Devereux. There were no reportable actions taken by the Committee.

5. BOARD BUSINESS

A. Annual Banking Resolution – Signatures/Authorization

The Board is required to adopt and file a new Banking Resolution with the Sacramento County Treasurer annually setting out specimen signatures for all authorized signers. There are no substantive banking changes; only one signatory update to reflect new Board Member Chris Burns' signing authority. The resolution also includes a list of vendors approved to receive electronic payments.

Motion by Trustee Christophel to adopt Banking Resolution 2018-01-12 as presented. The motion was seconded by Trustee Harris, and carried by a unanimous vote.

B. Sacramento County 2018 Investment Policy for the Pooled Investment Fund

The Sacramento County Treasurer is required to disclose their Annual Investment Policy to agencies with funds on deposit with the County Treasurer. The District's annual assessments are deposited with the Sacramento County Treasurer. As a depositor with the Sacramento County Treasurer, the District should formally receive and file the County's Annual Investment Policy. The Sacramento County 2018 Investment Policy was received by the Board and filed.

C. Plant No. 1 Transformer Repair Update

GM Devereux communicated he is working with SMUD to reenergize Plant 1. The District will also install a relay switch to shut plant down in the event of a ground fault detection. GM has committed to SMUD in this transition Plant 1 will not be operated until the ground fault relay switch is installed unless that is an emergency and in this event only 5 pumps would be used. It is likely the third transformer will be installed in February. A fourth (spare) transformer will have long term costs and needs to be evaluated. Trustee Smith expressed the need to make a decision about a fourth transformer in the next couple of months so that costs could be included in the next budget. A decision will be vetted in the Operations Committee.

D. Status of Sacramento River Bank Erosion site vicinity of 7907 Garden Highway

GM Devereux disclosed he submitted a letter to the property owner at 7907 Garden Highway. A copy of the letter was included in the board packet. He discussed potential emergency mitigation measures, but is concerned it may cause erosion and if the surface flow is diverted, it may cause erosion somewhere else. GM also met with Central Valley Flood Protection Board (CVFPB) and they have determined erosion repair would fall upon the owner's responsibility under the conditions of the encroachment permit for the existing house. They are considering a notice of violation be sent to the owner. It is possible the owner may be asked to move the encroachment (house) if the erosion repairs cannot be made as the structure makes a flood fight difficult. GM Devereux does not recommend the District take action at this time. He believes a bank protection project will be necessary at this site and is the responsibility of the State or Corps of Engineers. If the site becomes a "serious site," DWR levee inspector will develop a contingency plan. Trustees Harris, Christophel, and Barandas would like the District to create a plan along the same lines. GM Devereux agrees but wants to ensure the plan is developed in conjunction with State DWR.

6. GENERAL MANAGER'S REPORT

A. Regional Flood Control Issues

GM Devereux noted the Federal government is facing a shutdown unless a budget or continuing resolution is approved by January 19. This could affect work by the Corps on the Natomas project. Even with a CR, the project would be impacted as an approved Federal budget is needed to provide funding for portions of the work scheduled for 2018. SAFCA is working through their lobbyist to address State funding. With no more Proposition 1E funds, SAFCA needs State general funds be appropriated for their projects. The Governor's office has indicated a proposed June 2018 Water Bond has funds for flood control that could be used if approved. GM Devereux finally noted the State DWR Director has resigned; a new Director was recently appointed.

B. Flood Season Update

GM Devereux noted precipitation is expected through January 25 and then a drier climate is predicted from the end of January through March.

C. Update on Plant 2 FEMA Disaster Assistance Grant Closeout (2006 Flood)

GM expressed that FEMA and State OES is still holding the District's retention money (\$500k to \$600k) for the Plant 2 reconstruction project and that we're pushing to get the project closed out. GM believes that we are eligible to receive an additional half a million dollars in funding. FEMA is reviewing the District's request and considering amending the PW to approve the increase in costs. Improvement and replacement costs were carefully tracked. Trustee Smith asked about SAFCA and how much the District owes them. GM believes it is close to a half million also.

D. Asset Management and Capital Improvement Plan

GM reported that we are waiting for a revised Asset Management Plan. The Capital Improvement Plan implementation decision matrix is included as part of the Asset Management Plan which will be updated by the end of January and include an implementation schedule. GM will bring plans to the Board for review in February.

E. Update Corps Design Progress Natomas Levee Project

GM announced that trees were cut down as planned for levee work along the NEMDC. He also noted the project for Reach H levee improvements was awarded by the Corps in late December and has been protested. The work along Garden Highway on Reach I is to be awarded by the Corps for the third time in late January.

F. Management coordination with NCMWC and TNBC

GM Devereux met with the managers of the Natomas Mutual Water Company and Natomas Basin Conservancy to work on several Natomas basin issues common to all. The group agreed to work on a basin-wide approach on aquatic vegetation management. One solution may be helping to fund the water company to treat incoming water at the source to lessen vegetation impacts downstream in the system.

G. Encroachment Permits Endorsed

GM Devereux noted there were no encroachment permits endorsed

H. Status of District Audit FY 16-17

GM updated the Board the audit is slightly delayed due to continued field work. GM will make it a goal for Finance Committee to meet and review a draft audit in early February.

I. District Website Update

GM reports ASM, Public Outreach Consultant and Administrative Assistant have been working together to update and post additional content to the District's website and making regularly requested information more available to the public.

7. PUBLIC OUTREACH UPDATE –K. Pardieck

K. Pardieck reviewed the upcoming meetings scheduled with stakeholders including elected officials and discussed the meeting she attended relative to the erosion on a Garden Highway property. She will assist the GM develop talking points for the erosion site to outline the District's responsibilities.

8. DISTRICT COUNSEL'S REPORT

Counsel Jim Day reported on his activities for the month of December.

9. SUPERINTENDENT'S REPORT

The Superintendent's Report was included in the January board packet.

10. Correspondence/News/Information

GM Devereux announced new mail cubbies for Trustees and that should be checked regularly by Board members.

11. Closed Session—Conference with Legal Counsel Anticipated Litigation

The Board went into Closed Session with the District Counsel, General Manager and Administrative Services Manager to discuss anticipated litigation. Upon adjourning from the Closed Session, District Counsel Jim Day noted there were no reportable actions taken by the Board.

12. ADJOURN

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



President



Secretary