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RECLAMATION DISTRICT NO. 1000

BOARD OF TRUSTEES

REGULAR BOARD MEETING

THURSDAY, DECEMBER 19, 2024

9:00 A.M.

DISTRICT OFFICE

1633 GARDEN HIGHWAY
SACRAMENTO, CA 95833

Members of the public may participate in this meeting in person. Members of the public will have an opportunity to address the Board during Public Comment. Comments may also be emailed prior to the meeting to kking@rd1000.org.

1. PRELIMINARY

- 1.1. Call Meeting to Order
- 1.2. Roll Call
- 1.3. Approval of Agenda
- 1.4. Pledge of Allegiance
- 1.5. Oath of Office – Trustees Nick Avdis, Thom Gilbert, Eva Hill & Tom Smith
- 1.6. Election of Board President and Vice President
- 1.7. Designation of Board Secretary
- 1.8. Conflict of Interest

2. PRESENTATIONS

No 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.

AGENDA

RD 1000 Board Meeting
December 19, 2024

4. INFORMATIONAL ITEMS

- 4.1. GENERAL MANAGER'S REPORT: Update on activities since the November 2024 Board Meeting.
- 4.2. OPERATIONS MANAGER'S REPORT: Update on activities since the Nov. 2024 Board Meeting.
- 4.3. DISTRICT COUNSEL'S REPORT: Update on activities since the November 2024 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 the November 8, 2024, Board Meeting.
- 5.2. TREASURER'S REPORT: Approve Treasurer's Report for November 2024.
- 5.3. EXPENDITURE REPORT: Review and Accept Report for November 2024.
- 5.4. BUDGET TO ACTUAL REPORT: Review and Accept Report for November 2024.
- 5.5. INVESTMENT REPORT: Review and Accept Report for November 2024.

6. SCHEDULED ITEMS

- 6.1. AUDITED FINANCIAL STATEMENTS: Review and Receive the Audited Financial Statements for Fiscal Year End June 30, 2024.

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

7.1. BOARD ACTIVITY:

Committee Meetings Since Last Board Meeting

- Finance Committee (Gilbert & Barandas) November 26, 2024
- Executive Committee (Lee Reeder & Gilbert) December 4, 2024

Upcoming Meetings

- RD 1000 Executive Committee Meeting – January 2, 2025 @ 9:00 am
- RD 1000 Board Meeting – January 10, 2025 @ 9:00 am

8. CLOSED SESSION

- 8.1. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation (Pursuant to Gov. Code § 54956.9(d)(4).) Number of Cases: (1) Brookman Security Services

9. RECONVENE TO OPEN SESSION

- 9.1. REPORT ON CLOSED SESSION: Report on any reportable action taken by the Board during Closed Session.
- 9.2. CONSIDER APPROVING, DENYING, OR TAKING NO ACTION ON BROOKMAN SECURITY SERVICES CLAIM

10. ADJOURN



RECLAMATION DISTRICT 1000

DATE: DECEMBER 19, 2024

AGENDA ITEM NO. 4.1

TITLE: General Manager's Report – December 2024

SUBJECT: Update on Activities Since the November 2024 Board of Trustees Meeting

EXECUTIVE SUMMARY:

This Staff Report is intended to report the noteworthy activities and events of the District. Noteworthy activities from November 2024 is provided below:

1. Administration Services

a. Human Resources

- i. No Update.

2. District Operations

a. Routine Operations & Maintenance:

- i. District Crews continue to perform routine maintenance and operations of the District's infrastructure. See Agenda Item 4.2 for information regarding activities performed in November 2024.

b. Status Of District Pumping Plants

i. PUMPING PLANT #1A

- Fully Operational

ii. PUMPING PLANT #1B

- Fully Operational
- Emergency generator operational

iii. PUMPING PLANT #2

- Pump #1 MCC Cabinet failure. MCC switch gear installation has been completed, programming and testing is forthcoming.

iv. PUMPING PLANT #3

- Fully operational

v. PUMPING PLANT #4

- Pump testing complete. Awaiting capacitor bank delivery, which is necessary for PG&E to connect permanent power, ETA is January 2025. Temporary power for the motor heaters has been complete.

TITLE: General Manager's Report – December 2024

- vi. PUMPING PLANT #5
 - Fully operational
- vii. PUMPING PLANT #6
 - Procurement of replacement materials has been initiated.
- viii. PUMPING PLANT #8
 - Pump #5 is non-operational due to shorted conductors from the motors to the MCC cabinets, repairs will be performed as time becomes available.

3. Capital Improvement Projects

a. CIP Update

- i. KSN is working on a final design concept and project phasing for Pumping Plant #8. An offer has been made to the property owner adjacent to Pumping Plant #8, however the owner is performing an internal appraisal. The final design is expected to be completed by July 2025.

4. Development Project Updates

a. MAP (Metro Air Park)

- i. Reviewed updated drainage study and modeling reviewed by Mark Kubick. Identified I-5 culvert impacts for review of proposed WSEL raise north of I-5 (floodplain mapping incomplete). Downstream improvements mainly influenced by new pump at Plant 3. Additionally, L Drain widening south of Interstate 5.
- ii. Reviewed with Sac County on 6/14/24, comments provided to Wood Rodgers/MAP on 6/19/24.

b. Upper West Side

- i. A new SMUD plan has been submitted, the plan is to reroute facilities, utilizing existing lines to the east and north along the East Drainage Canal.
- ii. Drainage Study comments final review completed with Wood Rodgers & County on 05/23/2024.
- iii. Met with SMUD at locations along the East Drain related to pole placement.
- iv. Wood Rodgers responded to RD1000 comments on Financing Plan on 9/24.

c. Sutter Pointe

- i. CVFPB permit application for the Sewer main crossing has been endorsed.
- ii. Currently reviewing associated submittals.

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- iii. Phase 1 Infrastructure submittals ongoing.
- iv. Provided comments on radio communications intercommunication our Corp Yard SCADA server.
- d. Grandpark
 - i. Met with project manager representing the ownership group to discuss project scope and potential development agreement, ongoing discussions forthcoming.
 - ii. Met with developer on 8/21. Awaiting technical memo highlighting proposed routing of the East Drainage Canal.
 - iii. Reimbursement agreement is currently being developed.
- e. Greenbriar
 - i. Coordination on-going for O&M access, access control and encroachment permit(s) for drainage facilities and roadway improvements for Shore Vista Way.
 - ii. Met with City on 11/14 to discuss next steps and finalize culvert and access control encroachment permits.
- f. Panhandle 105
 - i. Construction in progress when conditions are suitable.
 - ii. Phase 2 grading plan reviewed with McKay and Somps for levee coordination, with minor revisions.
 - iii. Drainage flows for interim condition under review. MSCE sent revised hydrographs.
 - iv. Model runs have been completed for the 100-year 24 indicate sufficient detention provided. The 100-year 10 day model run is in progress.
- g. Panhandle 180
 - i. Received tentative map on 6/19/24, comments are forthcoming.
 - ii. Received Village 1-5 Tentative Map on 7/17/24.
 - iii. Reimbursement agreement has been executed.
 - iv. Drainage quitclaim discussions forthcoming.
- h. Ninos Parkway Trail – B Drain
 - i. Construction has been suspended until after the flood season.

TITLE: General Manager's Report – December 2024

- i. MAP Schnitzer
 - i. Meeting scheduled to review M-7 drainage canal piping. Piping of drain was rejected by RD 1000. County wants to avoid ditch crossing, may require culvert extension.
 - ii. Coordinated with Count DWR as it relates to the water surface profiles.

- j. Airport South Industrial
 - i. Met with the City on 9/12 to discuss comments on the latest drainage plan ULDC needs.
 - ii. RD1000 comments are no net impact to 200-year. Provide City water surface elevations from HEC-RAS.
 - iii. Meetings forthcoming as it relates to the potential Powerline Road widening project.
 - iv. Met with City on 9/12/23 to discuss comments on latest drainage plan.
 - v. FEMA mapping meeting scheduled for 12/13 & 12/18.
- k. Russel at Truxel Apartments (Fong Ranch Road)
 - i. Submitted comments to developer 08/17/2023.

5. General Engineering Updates

- a. Basin-wide Hydraulic Model
 - i. Basin-wide Hydraulic Model is complete
 - ii. Internal discussions will be initiated should there be a necessity to officially adopt the model.
 - iii. Met with FEMA on 6/21/24 and presented model, received positive feedback. FEMA will begin the hydrology review.
 - iv. FEMA has no issue with RD1000 leading the review separate from future Map revisions by City/Counties.
 - v. Hydrology report was submitted to FEMA on 08/21/24, mapping will be updated based on final hydrology report.
 - vi. Met with FEMA for the Sutter County mapping on 8/21/24.
 - vii. FEMA reviewer indicated comments will be provided mid-Dec.
- b. Facility Mapping Tool
 - i. Working with M&H to complete field mapping tool (GIS)
- c. PGCC Culvert Video Inspections

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- i. Working with M&H to perform.
- d. Howsley Bridge
 - i. No further action at this time. Reach E plans have been coordinated with future work. Conditional permit endorsement provided to the CVFPB.
 - ii. Boring plans TBD
- e. USACE O&M Manual
 - i. The O&M manual was adopted at the April 28, 2023 CVFPB meeting.
- f. SYSTEM-WIDE IMPROVEMENT FRAMEWORK (SWIF)
 - i. The SWIF was approved on September 16, 2024.

6. Natomas Levee Improvement Projects

The Corps continues to work with the State and SAFCA on borrow for the project. The Corps is evaluating needs for each Reach and available sources to minimize delays and maximize efficiency.

The Corps completed their flood risk assessment for the remaining contracts in Reach E, F, G, Pump Plant 5, Highway 99 and Reach I contract 2.

- a. Reach A
 - i. The Contract was awarded in September 2021 to Ahtna-Great Lakes (joint venture) for the base contract levee work. The second construction has commenced.
 - ii. Cutoff Wall and utility relocations in progress.
 - iii. SAFCA/State continue coordinating with the Corps on SMUD, AT&T and PGE relocations which are underway. The team is also working with the City of Sacramento on waterline and service connections along Garden Highway.
 - iv. The contractor has demobilized for the duration of this years flood season.
- b. Reach D
 - i. The reconstruction of Pumping Plant 4, along with the discharge pipes and outfall structure, is largely complete. A meeting was held on 8/5/24 to discuss the capacitor bank design, which is necessary to meet PG&E's voltage drop specifications for a permanent power connection.
 - ii. Contract modifications have been issued for the permanent power capacitor bank installation, which should be complete before next flood season. Capacitor bank ETA is January 2025.

TITLE: General Manager's Report – December 2024

- iii. The Corps is working on the package to turn the previously completed levee improvements in Reach D over to the non-federal sponsors (and RD 1000) though the District has effectively taken over the O&M of the levee.
- c. Reach E
 - i. PG&E relocations are complete, AT&T service pole relocations are in progress. Levee grading work, SB cutoff wal, working platform and culvert underdrain tie-ins are included in this project.
 - ii. SAFCA has acquired all the right of way for construction and utility relocations and has physical possession of the property.
 - iii. The contractor has demobilized for the duration of this years flood season.
- d. Reach F
 - i. Final design documents completed by USACE.
 - ii. Critical issues include right of way acquisition (some which require relocations); relocation of existing WAPA tower (lead time for relocation more than a year); utility relocations and borrow source.
 - iii. Levee construction award is scheduled for 2024 with construction in 2025 and 2026. Ongoing coordination with easements, O&M features and Pumping Plant #6 work.
- e. Reach G
 - i. See notes above for Reach F as Reaches F and G are combined into a single design and construction contract.
- f. Reach I
 - i. Construction of the cutoff wall has been completed and project finalization and turnover to SAFCA and the District is in progress. A final construction report has been submitted for SAFCA and the District to review.
 - ii. Design for the Reach I Contract 2 to construct a patrol / maintenance road and perform levee slope flattening has been completed. SAFCA is working on real estate acquisition and coordination with utilities for relocation. All tree removal has been completed. Letter of Acceptance sent to SAFCA. O&M manual was provided by the USACE
- g. Hwy 99/NCC Cutoff Wall
 - i. Construction expected June-October 2025, however 90% of the geotechnical drilling is complete.

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h. Other Projects

- i. Plant 5 replacement—The Corps has awarded the design contract to the Stantec/Kleinfelder team. The new pumping plant will be located approximately 400 feet east from the current location. The Corps is working with the State, SAFCA and RD 1000 to close out comments from the 95% plans. The current schedule is for construction in 2025.
- ii. West Drainage Canal Relocation – The West Drainage Canal will realign the westernmost portion of the canal and reshaped approximately 11,000 LF of the existing channel. This will improve drainage in the area, stabilize bank slopes, which will reduce bank sloughing and improve water quality. The improvements will construct habitat to promote migration of the Giant Garter Snake. The realigned portion is an attempt to reduce bird strikes between incoming and outgoing aircraft from SMF. This project is currently at the 35% design phase, with an anticipated start date in 2028.

7. Miscellaneous

a. Sacramento Area Flood Control Agency (SAFCA)

- i. Board Meeting – November 21, 2024 (Attachment No. 1)

ATTACHMENTS:

1. SAFCA Board Meeting – November 21, 2024

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/12/2024



BOARD OF DIRECTORS ACTION SUMMARY OF **NOVEMBER 21, 2024 - 3:00 PM**

Sacramento County Administration Building
Board of Supervisors' Chambers - 700 H Street
Sacramento County, CA 95814

This Meeting of the Sacramento Area Flood Control District met in person at the Sacramento County Administration Building, referenced above.

Documents and materials related to Agenda Items are available on SAFCA's website at <https://agendanet.sacounty.gov/SAFCA/Meetings/Search?dropid=7&mtids=130>

Directors/Alternates Present: Avdis, Bains, Conant, Frost, Holloway,
Jennings, Johns, Kaplan, Kennedy, Olmstead, Serna, and Talamantes

Absent: None

ROLL CALL

PLEDGE/ANNOUNCEMENTS

PUBLIC COMMENTS - No public comments were made or submitted

CLOSED SESSION - Nothing to report on the following Items at this time

Government Code Section 54956.8 - Conference with Real Property Negotiators.

Sutter County APN: 35-150-004

Property: 2700 Sankey Road, Pleasant Grove, CA 95668

Negotiating Party: Gary Livaich, Esq. on behalf of Odysseus Farms, James R. Scott and Rebecca Lynn Scott on behalf of The Scott Family Trust dated November 06, 2000, David W. Lanza on behalf of Hust Brothers, Inc.

Agency Negotiators: Richard M. Johnson, Jason D. Campbell, John A. Bassett, Jeremy D. Goldberg, Matt DeGroot

Under Negotiation: Price and terms of payment

Government Code Section 54956.8 - Conference with Real Property Negotiators.

Sutter County APNs: 35-220-027, 35-220-029

Property: South Side of Sankey Road and East of Pacific Ave, Pleasant Grove, CA 95668

Negotiating Party: Gary Livaich, Esq. on behalf of Odysseus Farms

Agency Negotiators: Richard M. Johnson, Jason D. Campbell, John A. Bassett, Jeremy D. Goldberg, Matt DeGroot

Under Negotiation: Price and terms of payment

[Government Code Section 54956.8 - Conference with Real Property Negotiators.](#)

Sacramento County APN: 274-0270-007, 274-0560-048 and 274-0560-054

Property: 2245 Orchard Lane, Sacramento CA 95833

Negotiating Party: Brian Manning Esq. on behalf of Swallows Nest Homeowners Association

Agency Negotiators: Richard M. Johnson, Jason D. Campbell, John A. Bassett, Jeremy D. Goldberg, Matt DeGroot

Under Negotiation: Price and terms of payment

CONSENT MATTERS

Motion by Director Serna and seconded by Director Hume, approving Resolution Nos: 2024-095; 2024-096; 2024-097; 2024-098; 2024-099; 2024-100; 2024-101; 2024-102; 2024-103; 2024-104; 2024-105; 2024-106; 2024-107; 2024-108; 2024-109; 2024-110; 2024-111; and 2024-117 of Consent Matters

AYES: Avdis, Bains, Conant, Frost, Holloway, Hume, Jennings, Johns, Kaplan, Kennedy, Olmstead, Serna and Talamantes
NOES: (None)
ABSTAIN: (None)
RECUSE: (None)
ABSENT: (None)

1. [Approving the Action Summary for October 17, 2024](#)
2. [Resolutions - Cancelling the December 19, 2024 SAFCA Board of Directors' Meeting and the January 2, 2025 SAFCA Executive Committee Meeting](#)
 - A. Resolution No. 2024-095 - Amending Resolution No. 2024-016 with Regards to the SAFCA Board of Directors' December 19, 2024 Meeting
 - B. Resolution No. 2024-096 - Amending Resolution No. 2024-017 with Regards to the SAFCA Executive Committee January 2, 2025 Meeting
3. [Resolutions - Natomas Levee Improvement Project](#)
 - A. Resolution No. 2024-097 - Authorizing the Executive Director to Execute a Real Property Exchange Agreement Between The Natomas Basin Conservancy and the Sacramento Area Flood Control Agency Regarding the Natomas Levee Improvement Project - West Drainage Canal Improvements
 - B. Resolution No. 2024-098 - Authorizing the Executive Director to Execute a Grant Deed Conveying Portions of Sutter County APN 35-020-019 to The Natomas Basin Conservancy as Exempt Surplus Land

This Item Requires a 4/5 or Eleven Member Vote to Pass the Resolution
4. [Resolution No. 2024-099 - Authorizing the Executive Director to Enact Cost of Living Adjustments Pursuant to the SAFCA Administered Personnel Management System Policies and Procedures](#)
5. [Resolution No. 2024-100 - Authorizing the Executive Director to Execute a Retroactive Funding Agreement with Sacramento County Regional Parks Related to Contract 2 Bank Protection Project on the Lower American River](#)

6. [Resolutions - Authorizing the Executive Director to Execute Contract Amendments for Land Surveying and Mapping Services on an As-Needed Basis to Support Execution of SAFCA's Programs and Projects](#)
 - A. Resolution No. 2024-101 - Psomas, Amendment No. 6 to Contract No. 1502
 - B. Resolution No. 2024-102 - R.E.Y. Engineers, Inc., Amendment No. 3 to Contract No. 1503
 - C. Resolution No. 2024-103 - Kjeldsen, Sinnock and Neudeck, Inc., Amendment No. 3 to Contract No. 1504
 - D. Resolution No. 2024-104 - M-H-M, Inc., Amendment No. 3 to Contract No. 1505
7. [Resolution No. 2024-105 - Adoption of Addendum No. 1 to the Final Environmental Impact Report on the South Sacramento Streams Project and Approval of Modifications to the South Sacramento Streams Group Project on the North Beach Lake Project](#)
8. [Resolution No. 2024-106 - Authorizing the Executive Director to Execute Amendment No. 8 to Contract No. 1447 with Monument Row, Inc., for Real Estate Project Management And Support Services](#)
9. [Resolution No. 2024-107 - Authorizing the Executive Director to Execute Amendment No. 7 to Contract No. 1446 with Larsen Wurzel & Associates, Inc. for Financial Management and General Engineering Support Services Related to State Funding Agreements for the Natomas Levee Improvement Project](#)
10. [Resolution No. 2024-108 - Authorizing the Executive Director to Execute Amendment No. 2 to Contract No. 1533 with Kleinfelder, Inc., for Geotechnical and General Engineering Consulting Services on the Lower American River in Support of the American River Common Features 2016 Project](#)
11. [Resolution No. 2024-109 - Authorizing the Executive Director to Execute Amendment No. 5 to Contract No. 1484 with Nossaman, LLP for Legal Services](#)
12. [Resolution No. 2024-110 - Authorizing the Executive Director to Enter Into a Memorandum of Understanding with the El Dorado County Water Agency to Cooperate on the Implementation of the American River Watershed Forecast-Informed Reservoir Operations Program](#)
13. [Resolution No. 2024-111 - Authorizing the Executive Director to Execute Amendment No. 1 to Contract No. 1592 with Psomas for Professional Services Related to SAFCA's Levee Accreditation and Certification Program](#)
14. [Resolution No. 2024-117 - Authorizing Modifications to the SAFCA Personnel Structure for the Director of Engineering Position and Associated Salary Adjustment](#)

SEPARATE MATTERS

15. [Public Hearing Resolution of Necessity No. 2024-112 - Regarding](#)

Sutter County APN: Portions of 35-150-004

Property at: 2700 Sankey Road, Pleasant Grove, CA 95668

Property Owners: Gary Livaich on Behalf of Odysseus Farms, The Scott Family Trust dated November 6, 2000, Hust Brothers, Inc.

Authorizing an Eminent Domain Action to Condemn Certain Real Property Interests for the Reach E Component of the Natomas Levee Improvement Project - a Permanent Drainage and Irrigation Canal Easement Acquisition.

This Item Requires a 2/3 or Nine Member Vote to Pass the Resolution

Item presented by Matt DeGroot. Chairman Kennedy opened the public hearing. No public comments were submitted or made. Chairman Kennedy closed the public hearing. Motion by Director Holloway and seconded by Director Kaplan approving Resolution No. 2024-112.

AYES: Avdis, Bains, Conant, Frost, Holloway, Hume, Jennings, Johns, Kaplan, Kennedy, Olmstead, Serna, and Talamantes
NOES: (None)
ABSTAIN: (None)
RECUSE: (None)
ABSENT: (None)

16. [Public Hearing Resolution of Necessity No. 2024-113 - Regarding](#)

Sutter County APN: Portions of 35-220-027 and 35-220-029

Property at the: South Side of Sankey Road and East of Pacific Avenue, Pleasant Grove, CA 95668

Property Owner: Gary Livaich on behalf of Odysseus Farms

Authorizing an Eminent Domain Action to Condemn Certain Real Property Interests for the Reach E Component of the Natomas Levee Improvement Project - a Permanent Drainage and Irrigation Canal Easement Acquisition.

This Item Requires a 2/3 or Nine Member Vote to Pass the Resolution

Item presented by Matt DeGroot. Chairman Kennedy opened the public hearing. No public comments were submitted or made. Chairman Kennedy closed the public hearing. Motion by Director Hume and seconded by Director Jennings, approving Resolution No. 2024-113.

AYES: Avdis, Bains, Conant, Frost, Holloway, Hume, Jennings, Johns, Kaplan, Kennedy, Olmstead, Serna, and Talamantes
NOES: (None)
ABSTAIN: (None)
RECUSE: (None)
ABSENT: (None)

EXECUTIVE DIRECTOR'S REPORT

17. [Information - The Executive Director's Report for November 21, 2024](#)

SEPARATE MATTERS

18. [Resolution of Appreciation No. 2024-114 - Recognizing Mike Strachn for His Contributions to the Sacramento Area Flood Control Agency](#)

Presentation by Rick Johnson. Motion by Director Holloway and seconded by Director Conant approving Resolution No. 2024-114.

AYES: Avdis, Bains, Conant, Frost, Holloway, Hume, Jennings, Johns, Kaplan, Kennedy, Olmstead, Serna, and Talamantes
NOES: (None)
ABSTAIN: (None)
RECUSE: (None)
ABSENT: (None)

19. [Resolution of Appreciation No. 2024-115 - Recognizing Mat Conant for His Contributions to the Sacramento Area Flood Control Agency](#)

Presentation by Rick Johnson. Motion by Director Frost and seconded by Director Avdis approving Resolution No. 2024-115.

AYES: Avdis, Bains, Conant, Frost, Holloway, Hume, Jennings, Johns, Kaplan, Kennedy, Olmstead, Serna, and Talamantes
NOES: (None)
ABSTAIN: (None)
RECUSE: (None)
ABSENT: (None)

20. [Resolution of Appreciation No. 2024-116 - Recognizing Sue Frost for Her Contributions to the Sacramento Area Flood Control Agency](#)

Presentation by Rick Johnson. Motion by Director Kaplan and seconded by Director Jennings approving Resolution No. 2024-116.

AYES: Avdis, Bains, Conant, Frost, Holloway, Hume, Jennings, Johns, Kaplan, Kennedy, Olmstead, Serna, and Talamantes
NOES: (None)
ABSTAIN: (None)
RECUSE: (None)
ABSENT: (None)

ADJOURN

Respectfully submitted,
Lyndee Russell
Clerk of the Board



RECLAMATION DISTRICT 1000

DATE: DECEMBER 19, 2024

AGENDA ITEM NO. 4.2

TITLE: Operations Manager’s Report – December 2024

SUBJECT: Update on Activities Since the November 2024 Board of Trustees Meeting

EXECUTIVE SUMMARY:

This Staff Report is intended to inform the Board and serve as the official record of the activities the District’s field staff engaged in for the month of November 2024. As well as provide information regarding District facility use and local weather impacts on District facilities and river levels. Noteworthy activities included mechanically cleaning interior ditches throughout the District, as well as conducting washout repairs along the East Drain. Additionally, District staff cleared homeless encampments along the East Drainage Canal. Furthermore, staff constructed an A/B road extending from Del Paso Boulevard to the Pumping Plant 3 intake channel. This new road will enable staff to efficiently clear debris from the recently installed trash and debris screen at the intake channel.

The Operations Manager’s report was created to provide monthly updates to the Board of Trustees on field-related activities within the District boundaries, as well as provide a historical record. This allows for the District and the public an 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, the information provided is strictly informational.

ATTACHMENTS:

1. Operations Manager’s Report Data Sheet

STAFF RESPONSIBLE FOR REPORT:

Gabriel J. Holleman, Operations Manager

Date: 12/12/2024

Kevin L. King, General Manager

Date: 12/12/2024



Operations Manager's Report December 2024

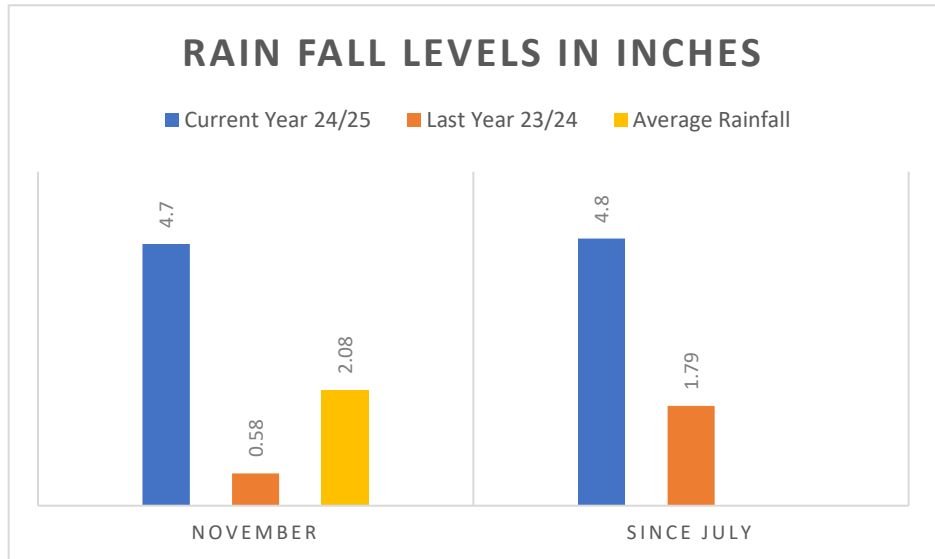
**Rain Fall Totals:
November 2024**

Rain Totals = 4.7"

November Average = 2.08"

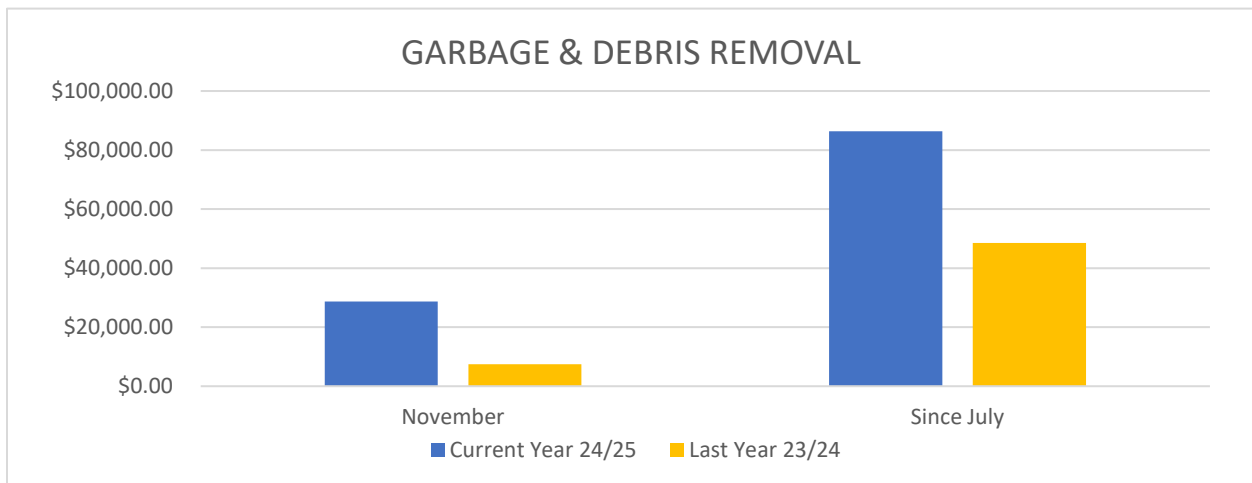
Rain Totals Since

July 1, 2024= 4.8"



Garbage & Debris Activity – During the month of the November, the District spent a total of 192 crew hours on garbage removal activities with at total cost to the District of \$28,738.25. This total includes labor and equipment costs.

Garbage & Debris Activity – Year to Date This fiscal year to date the District spent a total of 521 crew hours on garbage removal activities with at total cost to the District of \$86,411.89. This total includes labor and equipment costs.



The chart below represents various activities the field crew spent their time working on during the month of November 2024.

RD 1000 Field Crew	*Field Hours Worked	Activity
	232	Garbage/Debris Removal
	144	Equipment Maintenance/Repairs
	130	Erosion Repairs
	77	Pump Rounds
	76	Tree Trimming

**Hours worked do not include the Operations Manager's time.*

Pumping

Please review the pumping data below, specifically pertaining to pump totals in November. A total of 3140 acre-feet was pumped from the Basin.

Pumping Plant	Pump	Hours / Ac-ft
Plant 1B	Pump #1	142.2 Hrs / 1393.6 Ac-ft
	Pump #3	37 Hrs / 362.6 Ac-ft
	Pump #5	20.1 Hrs / 197 Ac-ft
Plant 8	Pump #2	5.1 Hrs / 53.6 Ac-ft
	Pump #3	47 Hrs / 178.6 Ac-ft
	Pump #5	164.1 Hrs / 623.6 Ac-ft
	Pump #6	19.3 Hrs / 202.7 Ac-ft
	Pump #7	12.3 Hrs / 129.2 Ac-ft

Safety Topics for the Month of November

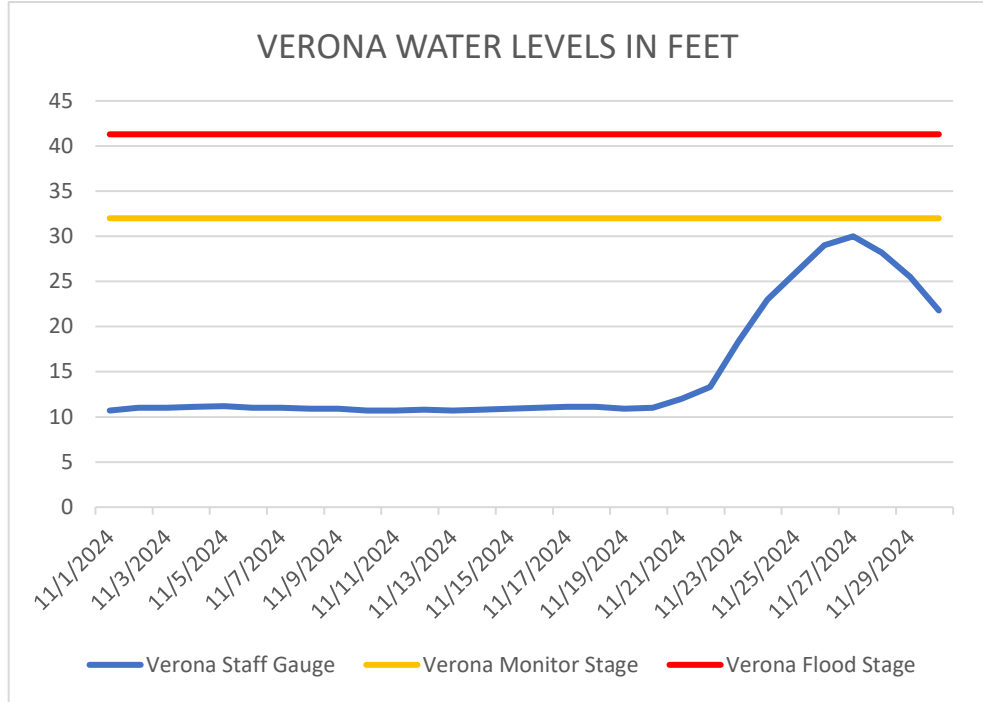
OSHA's Lockout/Tagout Standards – Forms of Hazardous Energy

OSHA's Lockout/Tagout Standards – Energy Isolation Devices

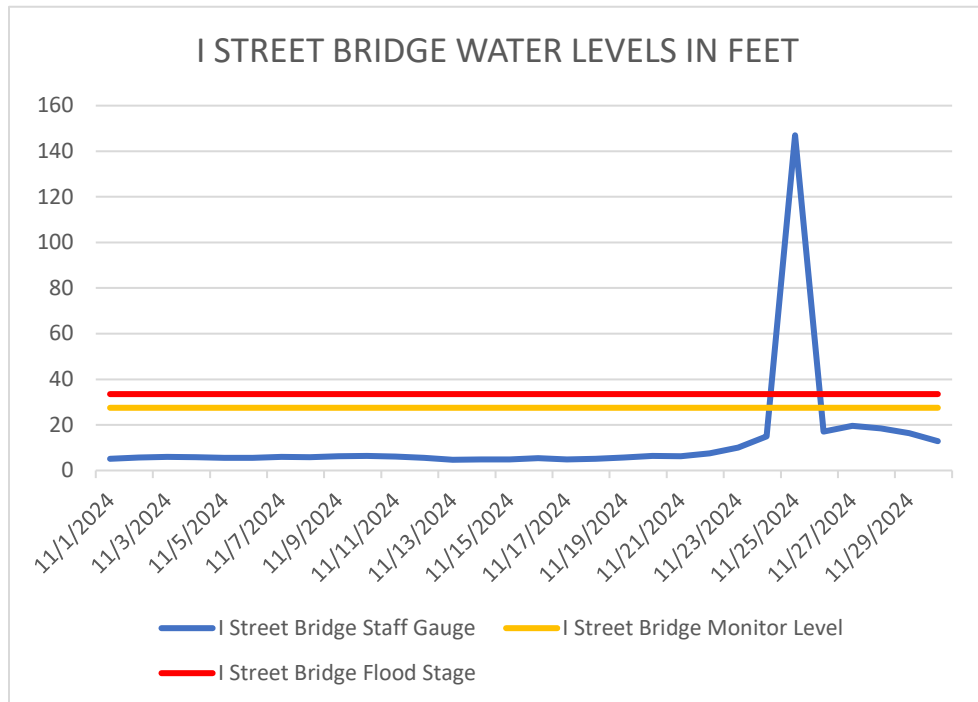
OSHA's Lockout/Tagout Standards – Requirements for Locks

Basic Excavation Safety – Safety Tips for Sloped & Benched Excavations

Verona River
Levels:
 H: 30'
 L: 10.7'
 Monitor Level: 32'
 Flood Stage: 41.3'

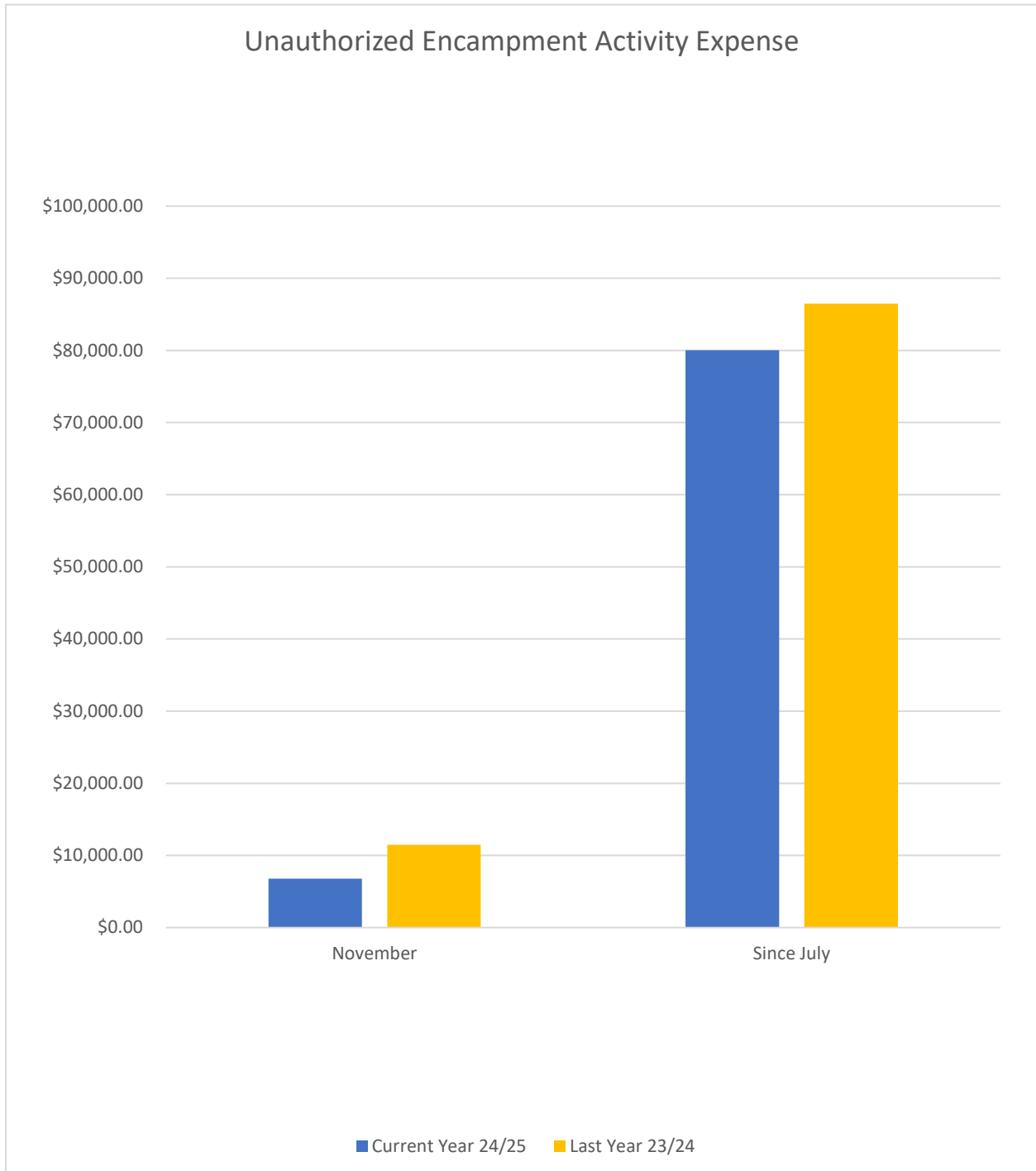


I Street River
Levels:
 H: 19.6'
 L: 4.7'
 Monitor Level: 27.5'
 Flood Stage: 33.5'

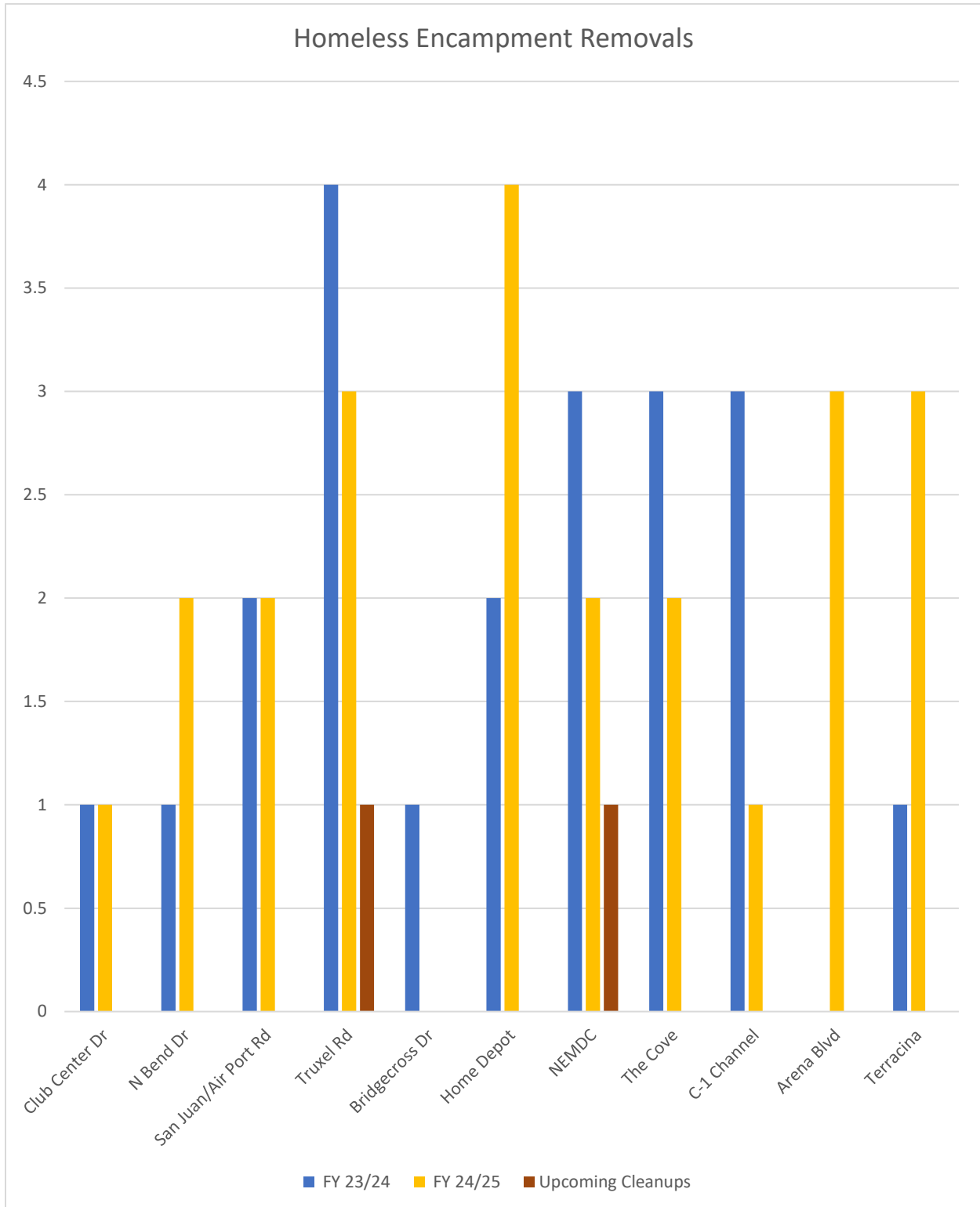


Unauthorized Encampment Activity During the month of November, the District spent a total of 41 hours on unauthorized encampment related activities, with a total cost to the District of \$6790.96. This total includes labor and quipment costs.

Unauthorized Encampment Activity – Year to Date This fiscal year to date the District has spent a total of 496 crew hours on unauthorized encampment activity for a total cost to the district of \$80,032.18. This total includes labor and equipment costs.



Homeless Encampment Removal Report During the month of November, District staff cleared homeless encampments along the East Drainage Canal behind Home Depot, along Arena Blvd, Terracina Road and Planned cleanups for December include the Natomas East Main Drainage Canal (NEMDC) and Truxel Rd.



Maintenance Work Schedule		1-Nov Through 30-Nov		
Crew 1	1-Nov	8-Nov	15-Nov	22-Nov
Beto Gutierrez				
Truck # 57	<ul style="list-style-type: none"> * Garbage/Debris removal throughout the District * Aquatic treatment at Fishermans Lake * Homeless encampment postings/removals along the East Drain * Washout repairs along the Simpson Homes Ditch and the East Drain 	<ul style="list-style-type: none"> * Washout repairs along the East Drain 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * A/B placement at the Riverside Pump Plant access road * Pump rounds - Inspect all pumping plants during storm event 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * Clear and haul off debris behind PP#8 trash racks
Crew 2	1-Nov	8-Nov	15-Nov	22-Nov
Jose Ramirez				
Truck # 56	<ul style="list-style-type: none"> * Assisted Bryan Hall with the fabrication and installation of the Pumping Plant #3 intake trash screen. 	<ul style="list-style-type: none"> * Pipe repair on Rice Road * Corp Yard maintenance and hauled off scrap metals * Washout repairs along the East Drain 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * A/B placement at the Riverside Pump Plant access road * Pump rounds - Inspect all pumping plants during storm event 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * Clear and haul off debris behind PP#8 trash racks * Pump rounds - Inspect all pumping plants and culverts
Crew 3	1-Nov	8-Nov	15-Nov	22-Nov
Taylor Tikalsky				
Truck # 55	<ul style="list-style-type: none"> * Garbage/Debris removal throughout the District 	<ul style="list-style-type: none"> * Pipe repair on Rice Road * Corp Yard maintenance and hauled off scrap metals * Washout repairs along the East Drain 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * Access control gate boulder placement along Garden Hwy * Pump rounds - Inspect all pumping plants during storm event 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel
Crew 4	1-Nov	8-Nov	15-Nov	22-Nov
Bryan Hall				
Truck # 69	<ul style="list-style-type: none"> * Unit #46 - Replaced batteries * Unit #24 - Hydraulic system repairs * Unit #22 - Check engine light diagnosis * Fabrication and installation of the Pumping Plant #3 intake trash screen. 	<ul style="list-style-type: none"> * Cleaned & Organized Auto Shop * Unit #22 - Air brake system and air seat diagnosis and repairs * Auto shop inventory 	<ul style="list-style-type: none"> * Fence repairs at Pumping Plant #8 * Unit #19 - Fuel system repairs * Unit #69 - Cleaned and organized service truck 	<ul style="list-style-type: none"> * Unit #52 - Front PTO repairs, fuel system repairs and P.M. * Fence repairs at Pumping Plant #8
Crew 5	1-Nov	8-Nov	15-Nov	22-Nov
Ray Lewis				
Truck: #58	<ul style="list-style-type: none"> * Garbage/Debris removal throughout the District 	<ul style="list-style-type: none"> * Pipe repair on Rice Road * Corp Yard maintenance and hauled off scrap metals * Mowing activities along the Cross Canal * Garbage/Debris removal throughout the District 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * Access control gate boulder placement along Garden Hwy * Pump rounds - Inspect all pumping plants during storm event 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * Access control gate boulder placement along Garden Hwy
Crew 6	1-Nov	8-Nov	15-Nov	22-Nov
Oscar Mendoza				
Truck #60	<ul style="list-style-type: none"> * Garbage/Debris removal throughout the District 	<ul style="list-style-type: none"> * Pipe repair on Rice Road * Corp Yard maintenance and hauled off scrap metals * Mowing activities along the Cross Canal * Garbage/Debris removal throughout the District 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * Access control gate boulder placement along Garden Hwy * Pump rounds - Inspect all pumping plants during storm event 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * Clear and haul off debris behind PP#8 trash racks * Pump rounds - Inspect all pumping plants and culverts
Crew 6	1-Nov	8-Nov	15-Nov	22-Nov
Mark Jenkins				
Truck #60	<ul style="list-style-type: none"> * Garbage/Debris removal throughout the District * Mechanically cleaned the Simpson Homes Ditch * Washout repairs along the East Drain 	<ul style="list-style-type: none"> * A/B road installation from Del Paso Rd to the PP#3 intake channel * Washout repairs along the East Drain 	<ul style="list-style-type: none"> * A/B road installation from Del Paso Rd to the PP#3 intake channel 	<ul style="list-style-type: none"> * Tree removal/trimming along the PP#2 intake channel * Clear and haul off debris behind PP#8 trash racks



RECLAMATION DISTRICT NO. 1000

DATE: DECEMBER 19, 2024

AGENDA ITEM NO. 4.3

TITLE: District Counsel's Report – December 2024

SUBJECT: Update on Activities Since the November 2024 Board of Trustees Meeting

EXECUTIVE SUMMARY:

Reclamation District No. 1000 (RD 1000; District) General Counsel, Rebecca Smith and/or Scott Shapiro to provide verbal report of work performed during the month of November 2024.

ATTACHMENTS:

None

STAFF RESPONSIBLE FOR REPORT:

Kevin L. King, General Manager

Date: 12/12/2024



RECLAMATION DISTRICT NO. 1000

DATE: DECEMBER 19, 2024

AGENDA ITEM NO. 5.1

TITLE: Approval of Minutes

SUBJECT: Approval of Minutes from November 8, 2024 Regular Board Meeting

EXECUTIVE SUMMARY:

This staff report serves as the official record of the Board of Trustees monthly meetings. This document details meeting participants, proof of items discussed, summaries of board meeting discussions, and the Board's actions. Staff recommends Board approval of meeting minutes from the following Board Meeting:

- November 8, 2024 Regular Board Meeting (Attachment No. 1)

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 demonstrate a need for confidentiality. Reclamation District No. 1000 documents meetings of the Board of Trustees through Board Minutes to further comply with transparency.

RECOMMENDATION:

Staff recommends the Board approve the Minutes of the following Board Meeting:

- November 8, 2024 Regular Board Meeting (Attachment No. 1)

ATTACHMENTS:

1. November 8, 2024 Regular Board Meeting

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Service Manager

Date: 12/12/2024



Kevin L. King, General Manager

Date: 12/12/2024



Protecting Natomas *Since 1911*

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RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES

AGENDA ITEM 5.1
ATTACHMENT NO. 1

FRIDAY, NOVEMBER 8, 2024
MEETING MINUTES

Members of the Board of Trustees and the public participated in this meeting in person. Present were Board President Elena Lee Reeder, Board Vice President Thomas Gilbert, Trustee Thomas Smith, Trustee Edwin Perez, Trustee Tom Barandas, Trustee Nick Avdis, Trustee Jag Bains, General Manager Kevin King, General Counsel Rebecca Smith, Operations Manager Gabriel Holleman, and Administrative Services Manager Joleen Gutierrez.

PRELIMINARY

1.1. Call Meeting to Order

Board President Lee Reeder Called the meeting to order.

1.2. Roll Call

PRESENT: Trustee Lee Reeder, Avdis, Gilbert, Bains, Barandas, Perez, and Smith.

ABSENT: None

Trustee Nick Avdis departed the meeting at 8:30 am.

1.3. Approval of Agenda

MOVED/SECOND: Trustee Avdis/Smith

AYES: Trustee Lee Reeder, Avdis, Gilbert, Bains, Barandas, Perez, and Smith

NOES: None

ABSTAIN: None

ACTION: The motion to approve the November 8, 2024, Board Meeting agenda is approved.

1.4. Pledge of Allegiance

Trustee Perez led the Pledge of Allegiance.

1.5. Conflict of Interest

There were no conflicts of interest identified.

2. PRESENTATIONS

No presentations were scheduled.

3. PUBLIC COMMENT (NON-AGENDA ITEMS)

There were no public comments during the meeting or received before the meeting.

4. INFORMATIONAL ITEMS

4.1. GENERAL MANAGER'S REPORT:

General Manager Kevin King spoke about the two successful outreach events held in October. He thanked ASM Gutierrez for her exceptional work organizing and attending these events.

GM King and OM Gabe attended the NASFMA conference in Colorado Springs. This conference provided valuable insights into flood management, flood insurance, and national trends. Counsel Scott Shapiro represented multiple agencies, including ours, at the conference.

Trustee Lee Reeder spoke about how the Highwater Jamboree was a success. The event was positive, and the children were enthusiastic about the activities. The team's interaction with the kids was excellent, and their efforts in educating the next generation of Natomas residents are commendable.

4.2. OPERATIONS MANAGER'S REPORT:

EV Charging Stations

Operations Manager Gabe Holleman provided an update regarding the EV charging stations for the Corp Yard. Contract drafting is underway, and installation is anticipated within the next few months. He also excitedly spoke about electric vehicles expected to arrive within three months. GM Holleman stated that we are moving in the right direction on the EV Front.

Pump Plant Maintenance

The crew has performed routine maintenance, including pumping, at all pump stations to ensure optimal performance.

4.3. DISTRICT COUNSEL'S REPORT:

District Counsel Rebecca Smith verbally updated her activities in the past month.

5. CONSENT CALENDAR

The Board considers all Consent Calendar items to be routine and will adopt them in one motion. These items will not be discussed 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.

MOVED/SECOND: Trustee Avdis/Smith

AYES: Trustee Lee Reeder, Avdis, Gilbert, Bains, Barandas, Perez, Smith

NOES: None

ABSENT: None

ABSTAIN: None

ACTION: The motion to approve the Consent Calendar items 5.1 - 5.5 is approved.

5.1. APPROVAL OF MINUTES: Approval of Minutes from the November 8, 2024 Board Meeting.

5.2. TREASURER'S REPORT: Approve Treasurer's Report for November 2024.

5.3. EXPENDITURE REPORT: Review and Accept Report for November 2024.

5.4. BUDGET TO ACTUAL REPORT: Review and Accept Report for November 2024.

5.5. INVESTMENT REPORT: Review and Accept Report for October 2024.

6. SCHEDULED ITEMS

6.1. TRUSTEE VACANCY: Review and Consider Recommendation for Appointment of Trustee.

GM King stated that a social media post was made to announce the vacancy and encourage applications. The board previously decided against conducting formal interviews for candidates. The County Board of Supervisors will appoint three incumbent trustees. A new trustee vacancy remains, and the board will consider potential candidates during the public comment period. The board will recommend the appointment of a new trustee to the county.

MOVED/SECOND: Trustee Avdis/ Trustee Smith

AYES: Lee Reeder, Avdis, Gilbert, Bains, Barandas, Perez, Smith

NOES: None

ABSENT: None

ABSTAIN: None

ACTION: The motion to recommend Eva Hill to the Sacramento County Board of Supervisors for appointment to the RD1000 Board of Trustees is approved.

Trustee Gilbert invited Eva Hill, a potential Trustee Candidate, to address the Board.

Eva Hill, a long-time district resident since 1987, expressed interest in serving as a Trustee. She highlighted her qualifications, including her professional experience as a certified public accountant, commercial real estate developer, hotel projects, and agriculture. She continued her Community Involvement on the Railroad Museum Foundation Board and local charity work. Ms. Hill resides near the levee and understands the importance of flood protection as her father was an almond farmer in Chico. She understands the point of view of a farmer and a developer.

Trustee Avdis was impressed with the potential Trustee Candidate Hill and stated that he was impressed by her diverse background, which extends beyond finance and accounting to encompass a range of experiences. Candidate Hill's understanding of land development and business operations would be an asset to the board. Trustee Avdis believes the unique perspective will significantly contribute to our decision-making process.

Trustee Barandas, stated his support of Ms. Eva Hill as a suitable candidate, citing her strong qualifications and potential contributions to the board.

Trustee Lee Reeder appreciated her farming background for the community.

6.2. DEVELOPMENT PROJECT PROCESSING: Review and Consider Authorizing the General Manager to Execute and Amend Various Development Project Processing Agreements.

General Manager King gave feedback from the Finance Committee's meeting with the development community regarding the district's 42% indirect cost charge on outside consultant invoices within Development Project Processing Agreements.

The current 42% rate aligns with the district's overall cost allocation plan. However, the development community expressed concerns, citing industry norms of 2-5% for similar fees. GM King recommends amending three existing agreements to lower the administrative charge to 5% and negotiating two new contracts with a 5% administrative

fee. Future contracts would include direct billing rates and a rate sheet for transparency. This approach balances the district's cost recovery needs while addressing developer concerns.

Trustee Smith shared that closer to 20% is the standard rate in private practice.

While reducing the administrative rate from 42% to 5%, the district will still recover administrative costs not previously accounted for. The potential savings could range from minimal to substantial, depending on the project. Many agencies utilize two distinct rates for development projects: one for in-house work and another for work performed by outside consultants. As we rely heavily on outside consultants due to limited in-house engineering staff, we often apply our direct billing charges and the 42% indirect cost allocation, potentially resulting in a perceived double charge.

It is important to note that the district is not losing revenue. We will continue to recover administrative overhead costs through direct billing and invoice processing.

MOVED/SECOND: Trustee Smith/ Trustee Lee Reeder

AYES: Lee Reeder, Avdis, Gilbert, Bains, Barandas, Perez, Smith

NOES: None

ABSENT: Trustee Avdis

ABSTAIN: None

ACTION: The motion to authorize the general manager to execute and amend various Development Processing Agreements with lower negotiated administrative fees is approved.

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

7.1. BOARD ACTIVITY:

Committee Meetings Since Last Board Meeting

- Finance Committee (Gilbert, Avdis & Barandas) October 11, 2024
- Executive Committee (Lee Reeder & Gilbert) November 1, 2024

8. ADJOURN

MOVED/SECOND: Trustee Barandas/Perez

AYES: Trustee Barandas, Gilbert, Smith, Lee Reeder, Perez, Bains

NOES: None

ABSENT: Trustee Avdis

ABSTAIN: None

ACTION: The motion to adjourn the meeting is approved.



RECLAMATION DISTRICT NO. 1000

DATE: DECEMBER 19, 2024

AGENDA ITEM NO. 5.2

TITLE: Treasurer’s Report

SUBJECT: Approve Treasurer's Report for November 2024

EXECUTIVE SUMMARY:

This Staff Report aims 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 attached report provides monthly beginning and ending balances for operations and maintenance cash flow. It includes the current month’s receipts, fund-to-fund transfers, accounts payable, and payroll. The Treasurer’s Report also features notable fund and cash flow items for November 2024.

The District maintains funds in the California State Controller Local Agency Investment Fund (LAIF), the Sacramento County Treasurer, and River City Bank. In the fiscal year 2024-2025, the District will primarily rely on levied property assessments and the newly approved Stormwater Fee for its income. Sacramento and Sutter County property tax bills collect these assessments and fees.

The Board of Trustees approves a resolution annually that designates 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. In contrast, 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 November 2024 Treasurer's Report.

ATTACHMENTS:

- 1. Treasurer's Report November 2024

STAFF RESPONSIBLE FOR REPORT:



 Joleen Gutierrez, Administrative Services Manager

Date: 12/12/2024



 Kevin L. King, General Manager

Date: 12/12/2024

Reclamation District 1000
Treasurer's Report
November 2024

AGENDA ITEM 5.2
ATTACHMENT NO. 1

Treasurer's Report for November 2024

November 2024		Ending Balance @ 11/30/24
Total Funds at 11/30/24		8,679,511.30
River City Operating*	Included in O&M cash flow below	156,393.89
River City Money Market	Included in O&M cash flow below	5,461,737.98
River City Grants	Included in O&M cash flow below	476,762.78
Sacramento County Treasurer		468,016.96
Sacramento County Treasurer - Stormwater Fund		20,343.00
State Treasurer - Local Agency Investment Fund		1,264,242.70
California Class		529,192.64
City of Sacramento - Pool A		302,821.35

November 2024 - Operations and Maintenance Cash Flow	River City Operating	River City Money Market	River City Grants	Combined O&M
Beginning Balance at 11/1/24	143,405.39	4,321,585.96	384,434.87	4,849,426.22
Transfers from RCB money market account	877,028.59	(877,028.59)	-	0.00
Transfers from RCB operating account	(611.29)	611.29	-	0.00
Transfers from California Class	-	2,000,000.00	-	2,000,000.00
Current months receipts	404.99	-	90,664.70	91,069.69
Monthly interest	-	16,569.32	1,663.21	18,232.53
Accounts Payable*	(742,603.31)	-	-	(742,603.31)
Payroll	(121,230.48)	-	-	(121,230.48)
Ending Balance at 11/30/24	156,393.89	5,461,737.98	476,762.78	6,094,894.65

*See Attached Check Register

Current months receipts are made up of the following

Scrap metal sales	254.03
Property tax refund	150.96
Cal OES 2023 storm reimbursement	90,664.70
Total	91,069.69



RECLAMATION DISTRICT NO. 1000

DATE: DECEMBER 13, 2024

AGENDA ITEM NO. 5.3

TITLE: Expenditure Report

SUBJECT: Review and Accept Reports for November 2024

EXECUTIVE SUMMARY:

This Staff Report informs the Board of monthly expenditures and explains any expenses outside the usual course of business. Staff recommends that the Board review and accept the Expenditure Report for November 2024.

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) notes a few items: \$325,924.58 and \$137,700.85 to Nordic Industries for FSRP gravel road [advance payment with grant-funded reimbursement], \$23,446.71 to Kleinfelder for QC testing of AB paving, \$30,995.21 Security & Asset Management for Installation of Intrusion System at Plant #3, and \$35,606.46 to SMUD for power.

RECOMMENDATION:

Staff recommends that the Board review and accept the Expenditure Reports for November 2024.

ATTACHMENTS:

1. November 2024 Expenditure Report

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Services Manager

Date: 12/12/2024



Kevin L. King, General Manager

Date: 12/12/2024

**Reclamation District 1000
Transaction Report
November 2024**

Cash and Investments
River City Operating

Date	Name	Memo/Description	Amount	Balance
	Beginning Balance			143,405.39
11/01/2024	Cal Pers		18,186.35	125,219.04
11/04/2024	City of Sacramento		184.49	125,034.55
11/04/2024	Verizon	972466087-00001	69.28	124,965.27
11/04/2024	City of Sacramento		5.64	124,959.63
11/05/2024		11/5/24 payroll	40,028.10	84,931.53
11/05/2024		11/5/24 payroll	16,779.96	68,151.57
11/05/2024		11/5/24 payroll (U. Guitierrez Correction)	670.23	67,481.34
11/05/2024		11/5/24 payroll (U. Guitierrez Correction)		68,097.28
11/05/2024	MBK Engineers		5,501.00	62,596.28
11/05/2024	Kleinfelder, Inc.	17316	5,390.50	57,205.78
11/05/2024	Roth Staffing Services		2,828.80	54,376.98
11/05/2024	Downey Brand LLP		2,000.00	52,376.98
11/05/2024	Blue Ribbon Maintenance		895.00	51,481.98
11/05/2024	Carson Landscape Industries	1080	560.00	50,921.98
11/05/2024	Smile Business Products	103404	395.82	50,526.16
11/05/2024	Streamline		249.00	50,277.16
11/05/2024	Downey Brand LLP		190.00	50,087.16
11/05/2024	Jose Ramirez		150.00	49,937.16
11/05/2024	Oscar Mendoza		150.00	49,787.16
11/05/2024	Bryan B Hall		150.00	49,637.16
11/05/2024	Smile Business Products	103404	94.38	49,542.78
11/06/2024	Interstate Oil Company	41-0068266	277.09	49,265.69
11/06/2024	Cal Pers		11,464.25	37,801.44
11/06/2024	Cal Pers		1,280.66	36,520.78
11/06/2024	City of Sacramento - Revenue Division		197.00	36,323.78
11/06/2024	Cintas		117.45	36,206.33
11/06/2024	Cintas		116.37	36,089.96
11/06/2024	Cintas		86.93	36,003.03
11/07/2024	ACWA		1,925.76	34,077.27
11/07/2024	Robert G Merritt		4,155.00	29,922.27
11/07/2024	Terra Realty Advisors, Inc.		4,012.84	25,909.43
11/07/2024	AT&T	9391052144	2,668.75	23,240.68
11/07/2024	Terrapin Technology Group		1,973.79	21,266.89
11/07/2024	Tesco Controls, Inc.		1,350.00	19,916.89
11/07/2024	Waste Management of Sacramento		1,176.26	18,740.63
11/07/2024	Carson Landscape Industries	1080	940.00	17,800.63
11/07/2024	Sacramento LAFCO		435.00	17,365.63
11/07/2024	Waste Management of Sacramento		278.60	17,087.03
11/07/2024	Alhambra & Sierra Springs	33167566169212	157.03	16,930.00
11/07/2024	City of Sacramento		103.00	16,827.00
11/07/2024	City of Sacramento		87.15	16,739.85
11/07/2024	City of Sacramento		64.72	16,675.13
11/07/2024	City of Sacramento		53.04	16,622.09
11/07/2024	Cintas		7.78	16,614.31
11/07/2024	Fast Track -Invoice Processing Department		7.00	16,607.31
11/08/2024	Nordic Industries, Inc.	4616	325,924.58	-309,317.27
11/08/2024	Nordic Industries, Inc.	4616	137,700.85	-447,018.12
11/08/2024	Emerald Site Services, Inc		16,800.00	-463,818.12
11/08/2024	Kimball Midwest	424719	2,186.57	-466,004.69
11/08/2024	Napa Auto Parts	20906137	794.40	-466,799.09
11/10/2024	Verizon	972466087-00001	199.46	-466,998.55
11/11/2024	Airgas NCN	2140381	535.35	-467,533.90
11/11/2024	City of Sacramento		74.16	-467,608.06
11/11/2024	City of Sacramento		19.12	-467,627.18
11/12/2024	Blankenship & Associates, Inc.		3,102.79	-470,729.97
11/12/2024	Blankenship & Associates, Inc.		2,344.00	-473,073.97
11/12/2024	Blankenship & Associates, Inc.		194.45	-473,268.42
11/12/2024	T-Mobile	987329339	92.86	-473,361.28
11/12/2024	Kleinfelder, Inc.	17316	23,446.71	-496,807.99
11/12/2024	Roth Staffing Services		1,768.00	-498,575.99
11/12/2024	Valley Hydraulics & Machine, Inc.		417.88	-498,993.87
11/12/2024	Sacramento County Utilities		126.70	-499,120.57
11/12/2024	Sacramento County Utilities		126.70	-499,247.27
11/12/2024	Alhambra & Sierra Springs	33167566169212	91.33	-499,338.60
11/12/2024	PG&E		32.94	-499,371.54

11/13/2024	Stillwater Sciences		3,932.61	-503,304.15
11/14/2024	Interstate Oil Company	41-0068266	6,014.01	-509,318.16
11/14/2024	US Bank Corp		2,784.29	-512,102.45
11/14/2024	4imprint, Inc.		2,183.61	-514,286.06
11/14/2024	Sutter County Tax Collector		1,754.00	-516,040.06
11/14/2024	PAPE Kenworth	5256205	818.62	-516,858.68
11/15/2024		11/15/24 payroll activity	35,205.71	-552,064.39
11/15/2024		11/15/24 payroll activity	15,900.62	-567,965.01
11/15/2024		ADP Fees	124.45	-568,089.46
11/15/2024	Yolo County Public Works	51	4,003.08	-572,092.54
11/15/2024	PAPE Kenworth	5256205	700.56	-572,793.10
11/19/2024		Nov 2024 longevity bonus	8,004.08	-580,797.18
11/19/2024		Nov 2024 longevity bonus	5,257.72	-586,054.90
11/19/2024		Refund from County for property taxes		-585,903.94
11/19/2024	Aqua Terra LLC		9,556.00	-595,459.94
11/19/2024	County of Sacramento - Municipal Services		1,241.95	-596,701.89
11/19/2024	Tesco Controls, Inc.		892.50	-597,594.39
11/19/2024	J Franko Electric		799.15	-598,393.54
11/19/2024	Valley Tire Center, Inc.	218041	2,018.10	-600,411.64
11/19/2024	Security & Asset Management, LP	4REC0003	1,180.88	-601,592.52
11/19/2024	PAPE Kenworth	5256205	365.99	-601,958.51
11/19/2024	Smile Business Products	103404	283.86	-602,242.37
11/19/2024	Valley Hydraulics & Machine, Inc.		212.83	-602,455.20
11/19/2024	California Department of Tax and Fee Adm	Act 094-022084	184.42	-602,639.62
11/19/2024	PG&E		35.43	-602,675.05
11/20/2024	SMUD	7000000317	35,606.46	-638,281.51
11/20/2024	Napa Auto Parts	20906137	684.70	-638,966.21
11/20/2024	City of Sacramento		69.14	-639,035.35
11/21/2024		Scrap metal sales		-638,913.62
11/21/2024		Scrap metal sales		-638,781.32
11/22/2024	Security & Asset Management, LP	4REC0003	30,995.21	-669,776.53
11/25/2024	Liebert Cassidy Whitmore		11,017.50	-680,794.03
11/25/2024	Municipal Resources Group		2,500.00	-683,294.03
11/25/2024	Downey Brand LLP		2,000.00	-685,294.03
11/25/2024	NAFSMA		2,000.00	-687,294.03
11/25/2024	Security & Asset Management, LP	4REC0003	498.66	-687,792.69
11/25/2024	Larsen Wurzel & Associates		459.00	-688,251.69
11/25/2024	Rey's Air		320.00	-688,571.69
11/25/2024	Cal Pers		17,995.40	-706,567.09
11/25/2024	City of Sacramento		220.82	-706,787.91
11/25/2024	Gabriel Holleman		165.00	-706,952.91
11/25/2024	City of Sacramento		9.39	-706,962.30
11/26/2024	Mead & Hunt		7,151.00	-714,113.30
11/26/2024	Downey Brand LLP		5,405.00	-719,518.30
11/26/2024	Cintas		303.01	-719,821.31
11/29/2024		ADP fees	202.10	-720,023.41
11/30/2024		Nov 2024 transfers from RCB ops to RCB MM	611.29	-720,634.70
11/30/2024		Nov 2024 transfers from RCB MM to RCB ops		156,393.89
			\$	865,061.02
Total for River City Operating			\$	865,061.02
Total for Cash and Investments			\$	865,061.02
TOTAL			\$	865,061.02

Net Activity

Receipts	404.99
Vendor Payments	-742,603.31
Payroll	-121,230.48
Transfers Out	-611.29
Transfers In	877,028.59

12,988.50



RECLAMATION DISTRICT NO. 1000

DATE: DECEMBER 19, 2024

AGENDA ITEM NO. 5.4

TITLE: Budget to Actual Report

SUBJECT: Review and Accept Report for November 2024

EXECUTIVE SUMMARY:

The Budget to Actual report provides a monthly snapshot of how well the district meets its budget goals for the fiscal year. The monthly report contains a three-column presentation of actual expenditures, budgeted expenditures, and the budget percentage. Each line item compares budgeted amounts against real-to-date expenses. Significant budgeted line item variances (if any) will be explained below.

Attachment 1 provides a report for the month ending November 2024. The most significant Administrative expenditures to date include annual Worker’s Compensation Insurance, Mitigation Land Expenses, Property Taxes, and Annual Memberships. The most significant Operations expenditures include Herbicides, Shop Equipment, Equipment Parts and supplies, and Security Patrol.

BACKGROUND:

Annually, the Board of Trustees adopts the district’s annual budget in June. Typically, three board committees review the draft budget prepared by staff. 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 regarding the budget, the final draft is prepared for the Finance Committee to consider. After review by the Finance Committee, the final Proposed Budget is presented to the entire Board for review and thirty days later for adoption at a regular Board meeting.

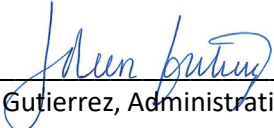
RECOMMENDATION:

Staff recommends the Board review and accept the Budget to Actual Report for November 2024.

ATTACHMENTS:

- 1. Budget to Actual Report November 2024

STAFF RESPONSIBLE FOR REPORT:



 Joleen Gutierrez, Administrative Services Manager

Date: 12/01/2024



 Kevin L. King, General Manager

Date: 12/01/2024

**Reclamation District No. 1000
Budget to Actual Comparison
July 1, 2024 to November 30, 2024 (Five Months Ending of Fiscal 2025)**

Note

	Year to Date July 1, 2024 to November 30, 2024	Budget	Percent of Budget
Operation & Maintenance Income			
Property Assessments	11,674	4,070,141	0.29%
Rents	12,454	24,000	51.89%
Interest Income	139,850	154,919	90.27%
SAFCA - O/M Assessment	-	1,485,909	0.00%
Misc Income	29,265	Not Budgeted	N/A
FMAP Grant	-	442,900	0.00%
Community Project Fund (BERA/FEMA)	-	3,000,000	0.00%
DWR Reimbursement Grant (District Patrol Road)	424,583	484,683	87.60%
FEMA/OES Reimbursement	7,282	3,745,966	0.19%
Total	625,108	13,408,518	4.66%
Restricted Fund			
Metro Airpark Groundwater Pumping	-	40,000	0.00%
Total Combined Income	625,108	13,448,518	4.65%
Administration, Operations and Maintenance - Expenses			
Administration			
Government Fees/Permits	381	36,950	1.03%
Legal	35,665	102,500	34.80%
Liability/Auto Insurance	107,651	415,000	25.94%
Office Supplies	2,478	25,000	9.91%
Computer Costs (Information Technology)	11,775	42,600	27.64%
Accounting/Audit	40,975	63,000	65.04%
Admin. Services	10,792	25,250	42.74%
Utilities (Phone/Water/Sewer)	14,268	32,850	43.43%
Mit. Land Expenses	5,205	5,500	94.64%
Administrative Consultants	41,121	101,500	40.51%
Assessment/Property Taxes (SAFCA - CAD)	12,803	20,000	64.02%
Admin - Misc./Other Expenses	1,911	6,250	30.58%
Memberships	44,478	43,215	102.92%
Office Maintenance & Repair	11,797	35,961	32.80%
Payroll Service	1,231	4,500	27.36%
Public Relations	9,428	90,000	10.48%
Small Office & Computer Equipment	-	20,750	0.00%
Election	-	121,000	0.00%
Conference/Travel/Professional Development	4,016	50,000	8.03%
Unbudgeted Administration	7,218	-	N/A
Sub Total	363,193	1,241,826	29.25%
Personnel/Labor			
Wages	567,605	1,358,830	41.77%
Group Insurance	57,477	159,298	36.08%
Worker's Compensation Insurance	32,835	40,000	82.09%
OPEB - ARC	-	84,724	0.00%
Dental/Vision/Life	12,820	24,079	53.24%
Payroll Taxes	40,597	101,912	39.84%
Pension	121,097	422,969	28.63%
Continuing Education	2,285	10,000	22.85%
Trustee Fees	11,025	25,000	44.10%
Annuitant Health Care	37,775	70,930	53.26%
Sub Total	883,516	2,297,742	38.45%

Operations			
Power	164,242	458,032	35.86%
Supplies/Materials	12,674	23,000	55.10%
Herbicide	-	160,000	0.00%
Fuel	28,481	82,917	34.35%
Field Services	112,643	236,500	47.63%
Field Operations Consultants	7,899	16,500	47.87%
Equipment Rental	-	5,000	0.00%
Refuse Collection	22,128	50,000	44.26%
Equipment Repair/Service	12,515	30,000	41.72%
Equipment Parts/Supplies	15,186	35,000	43.39%
Facility Repairs (includes FSRP grant expenses)	817,664	5,171,861	15.81%
Shop Equipment (not vehicles)	-	27,500	0.00%
Field Equipment	185	9,500	1.95%
Misc/Other 2	142	4,500	3.16%
Utilities - Field	12,219	21,876	55.86%
Government Fees/Permits - Field	5,696	11,500	49.53%
Sub Total	1,211,674	6,343,686	19.10%
Equipment			
Equipment	117,538	530,000	22.18%
Sub Total	117,538	530,000	
Consulting/Contracts/Memberships			
Engineering/Technical Consultants	74,715	99,000	75.47%
Security Patrol	57,819	270,000	21.41%
Temporary Admin	30,454	7,500	406.05%
Sub Total	162,988	376,500	43.29%
FMAP Expenditures			
LOI/SWIF (Consultants)	16,906	-	Not budgeted
Equipment	-	-	Not budgeted
Operations & Maintenance (Field)	353,929	442,900	79.91%
Administrative	-	-	Not budgeted
Sub Total	370,835	442,900	83.73%
Total A, O & M Expenses	3,109,744	11,232,654	27.68%
Capital Expenses			
Capital Office Upgrades	-	30,000	0.00%
Capital Facilities	46,004	4,650,000	0.99%
Sub Total	46,004	4,680,000	0.98%
Total All Expenditures	3,155,748	15,912,654	19.83%

Note A

Included in facility repairs are \$536,680 in costs for the 2024 gravel road project. These costs were offset by \$424,583 in reimbursements from Sacramento County DWR.



RECLAMATION DISTRICT NO. 1000

DATE: DECEMBER 19, 2024

AGENDA ITEM NO. 5.5

TITLE: Investment Report

SUBJECT: Monthly District Investment Report – November 2024

INTRODUCTION:

The Monthly Investment Report informs the Board of the District's investment activity to ensure alignment with the District's Investment Policy, focusing on "Security, Liquidity, and Yield."

The monthly investment reporting lags by one month due to the release timing of monthly yields for all investment accounts.

EXECUTIVE SUMMARY:

1. Investment Holdings Summary:

The District holds investment funds in Sacramento City Pool A, Sacramento County Treasury, LAIF, California Class, and River City Bank.

2. Performance Metrics:

City Pool A distributes the lowest yield during this reporting period and the second-highest fee structure at .26% basis points. The Pool's most recent monthly yield reported is 2.84% for November 2024.

Sacramento County Treasury's month-over-month yield dipped from 4.690% to 4.590% during this reporting period. The County Treasury maintains the third-lowest management fee structure at .06% basis points.

LAIF distributed a monthly reporting yield of 4.480% in November, lower than the previous month's 4.518%. LAIF has the highest monthly management fee structure at .34% basis points.

The California Class is down, with a monthly yield of 4.707%, down from 4.989% the previous month. CA Class offers a steady 0.1% management fee.

River City Bank's monthly yield remains steady at 4.99%, the highest investment yield the district receives with zero management fees.

3. Compliance and Policy Adherence:

The District's investments adhere to the District's investment policy.

The District invests in the County Treasury, LAIF, and Sacramento City Pool. Additionally, the District holds funds in stable money market accounts with California Class and River City Bank.

INFORMATIONAL:

Since the November Board Meeting, the Administrative Services and General Manager have rebalanced the current distribution funds, moving \$2 million from California Class to River City Bank's collateralized money market account to take advantage of a fixed yield vs. CA Class on active decline.

Economic conditions should continue to be closely monitored.

RECOMMENDATION:

Staff recommend that the Board review the attached Investment Report. Economic conditions should continue to be closely monitored.

ATTACHMENTS:

1. Monthly Investment Report (November 2024)

Note: The “current reporting yield” may be one month behind. Because of this, it may not accurately represent the actual to-date yield or account balances for the “current reporting period.”

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Service Manager

Date: 12/11/2024



Kevin L. King, General Manager

Date: 12/11/2024

Investment Report (November 2024)

AGENDA ITEM 5.5
ATTACHMENT NO. 1

FY 24/25	City Pool A Reported Interest	Sacramento County Treasury	LAIF	CA Class (Prime)	River City Bank**
Average Reported Interest	2.887%	4.748%	4.213%	5.449%	4.990%

11/30/2024	2.840%	4.590%	4.480%	4.707%	4.990%
10/31/2024	2.850%	4.690%	4.518%	4.989%	4.990%
9/30/2024	2.990%	4.558%	4.575%	5.405%	4.990%
8/31/2024	3.000%	4.597%	4.579%	5.406%	4.990%
7/31/2024	3.070%	4.714%	4.516%	5.420%	4.990%
6/30/2024	3.050%	4.744%	4.480%	5.401%	4.990%
5/31/2024	2.930%	4.753%	4.332%	5.394%	4.990%
4/30/2024	2.870%	4.788%	4.272%	5.405%	4.990%
3/31/2024	2.760%	4.792%	4.232%	5.421%	4.990%
2/29/2024	2.900%	4.867%	4.122%	5.439%	4.990%
1/31/2024	2.790%	4.861%	4.012%	5.498%	4.990%
12/31/2023	2.600%	4.833%	3.929%	5.542%	4.990%
Management Fees (Basis Points)	0.26%	0.06%	0.34%*	0.1%	0%



RECLAMATION DISTRICT NO. 1000

DATE: DECEMBER 19, 2024

AGENDA ITEM NO. 6.1

TITLE: Audited Financial Statements Year End June 30, 2024

SUBJECT: Review and Receive the Audited Financial Statements for the Year End June 30, 2024.

EXECUTIVE SUMMARY:

This Staff Report is prepared to present Fiscal Year 2023/2024 Reclamation District No. 1000 (RD 1000; District) Audited Financial Statements for the year ended June 30, 2024 to the Board of Trustees, as provided in Attachment 1.

RD 1000 ended Fiscal Year 2023/2024 in a stable financial position and received the best possible audit opinion from Richardson & Company LLP (Auditor), indicating RD 1000 staff follows accounting rules and applies them correctly. The following is from page two of the Independent Auditor's Report to the Board of Trustees, signed by Richardson & Company LLP:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2024 and 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.. "

RECOMMENDATION:

Staff recommends the Board of Trustees review and receive the Reclamation District No. 1000 Audited Financial Statements for the year ended June 30, 2024.

ATTACHMENTS:

1. Audited Financial Statements for Year End June 30, 2024.
2. Governance Letter 2024
3. Management Letter 2024

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/12/2024

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

Audited Financial Statements
and Other Reports

June 30, 2024 and 2023

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RECLAMATION DISTRICT NO.1000, CALIFORNIA

Audited Financial Statements
and Other Reports

June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Reclamation District No. 1000
Sacramento, California

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Reclamation District No. 1000 (the District) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2024 and 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the Proportionate Share of the Net Pension Liability, Schedule of Contributions to the Pension Plan, Schedule of Changes in the Net OPEB Liability, Schedule of Contributions to the OPEB Plan and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

To the Board of Trustees
Reclamation District 1000

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures – budget and actual – is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richardson & Company, LLP

November 26, 2024

RECLAMATION DISTRICT 1000, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024 and 2023

Our discussion and analysis of the Reclamation District No. 1000, California (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024 and 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2024

- At the end of the year, the District's net position is \$50.0 million, of which \$39.9 million is invested in capital assets and \$10.1 million is unrestricted.
- As of June 30, 2024, the District's General Fund reported a total fund balance of \$10.7 million, of which \$10.6 million has been assigned by the Board.
- The District's capital asset balances were \$39.9 million at year-end, decreasing slightly due to \$263 thousand in capital additions, offset by \$1.3 million in depreciation expense.
- The District has no long-term debt.
- The District has recognized a net pension liability in the amount of \$1.8 million due to Governmental Accounting Standards Board Statement (GASB) 68. The liability increased approximately \$165 thousand from the prior year. See Note E of the basic financial statements.
- The District has recognized a liability in the amount of \$496 thousand for post employment benefits (OPEB) due to Governmental Accounting Standards Board Statement (GASB) 75. The liability decreased approximately \$38 thousand from the prior year. See Note F of the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government’s financial position over time. In the case of the District, assets and deferred outflows of resources less liabilities and deferred inflows of resources equaled \$50.0 million at the close of the most recent fiscal year.

The largest portion of the District’s net position (80%) reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery, and equipment) with the majority being levees, canals or pump stations. The District uses these capital assets to provide flood protection services. Consequently, these assets are not available for future spending. There is no related debt associated with the District’s investments in its capital assets.

TABLE 1
Condensed Statement of Net Position
 June 30, 2024, 2023 and 2022
 (in thousands)

	2024	2023	2022
Current and other assets	\$ 11,462	\$ 10,711	\$ 11,442
Capital assets	<u>39,909</u>	<u>40,897</u>	<u>42,192</u>
Total assets	<u>51,371</u>	<u>51,608</u>	<u>53,634</u>
Deferred outflows of resources	<u>1,644</u>	<u>1,613</u>	<u>1,112</u>
Current and other liabilities	<u>2,831</u>	<u>2,995</u>	<u>2,178</u>
Deferred inflows of resources	<u>194</u>	<u>261</u>	<u>795</u>
Net position:			
Net investment in capital assets	39,909	40,897	42,192
Unrestricted net position	<u>10,081</u>	<u>9,068</u>	<u>9,581</u>
Total net position	<u>\$ 49,990</u>	<u>\$ 49,965</u>	<u>\$ 51,773</u>

Current and other assets increased approximately \$751 thousand from June 30, 2023 to June 30, 2024. The primary reason for the increase was because of the increase in cash and investments, and assessments receivable balances. Interest and other receivables at June 30, 2024 were comparable to the prior year balances. At the end of the prior fiscal year, cash and investment balances were \$10.2 million compared

to \$10.7 million at the end of the current fiscal year. During 2024, the District recognized almost \$1.8 million more in overall revenues compared to 2023, and total flood protection expenses were \$6.6 million in 2024 compared to \$6.7 million in 2023. This activity resulted in an improvement in the change in net position from a deficit of \$1.8 million in 2023 to a surplus of \$26 thousand in 2024.

Capital Assets, Net of Related Debt

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

The 2023-2024 capital purchases and additions were:

- District facilities: security system, \$41,000
- Levee improvements: SCADA system improvements, \$2,500
- Equipment and vehicles: Utility tractor and light field truck, \$195,000
- Shop equipment: vehicle repair equipment, \$25,000

The 2022-2023 capital purchases and additions were:

- District facilities: audio and visual equipment for the district's boardroom, \$53,100
- Levee improvements: SCADA system improvements, \$12,600

Field equipment and vehicles with an original cost of \$171,000 was surplusd during fiscal 2022/23 resulting in a gain of \$107,000; these assets were fully depreciated at the time of sale.

The District depreciates capital assets using the straight-line method over the estimated lives of the assets. During the 2024 and 2023 fiscal year, \$1,250,876 and \$1,361,195 respectively in depreciation expense was recognized.

There is no associated debt with any capital assets.

Change in Net Position for Governmental Activities

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

TABLE 2
Condensed Statement of Activities
Years Ended June 30, 2024, 2023 and 2022
(in thousands)

	2024	2023	2022
Program Revenues:			
Charges for services	\$ 126	\$ 285	\$ 107
Operating grants and contributions	1,471	1,449	1,421
Developer impact fees	-	-	104
Capital contributions and grants	489	146	886
General Revenues:			
Assessment revenues	3,961	2,441	2,300
Investment earnings	518	182	(27)
Miscellaneous and other income	85	375	35
Total Revenues	<u>6,650</u>	<u>4,878</u>	<u>4,826</u>
Expenses:			
Flood Protection	<u>6,625</u>	<u>6,686</u>	<u>6,435</u>
Change in net position	25	(1,808)	(1,609)
Net position, beginning of year	<u>49,965</u>	<u>51,773</u>	<u>53,382</u>
Net position, end of year	<u>\$ 49,990</u>	<u>\$ 49,965</u>	<u>\$ 51,773</u>

The District's net position increased by \$25,899 during the current fiscal year; the increase was a result of total revenues exceeding flood protection expenses. Even though flood protection expenses were comparable to 2023, as stated above, overall revenues increased from \$4.9 million in 2023 to \$6.6 million in 2024. This resulted in an improvement in the change in net position from a deficit of \$1.8 million in 2023 to a modest deficit of \$25 thousand in 2024. The most significant change in revenues came from an increase in assessment revenues, which increased from \$2.4 million in 2023 to \$4.0 million in 2024. During 2023, the District successfully completed a Proposition 218 rate increase, and those rates became effective during 2024. This additional fee is used to fund the operation of the District's interior drainage system. Other revenue increases came from interest and investment earnings, which was offset by decreases in charges for services and miscellaneous income.

The most significant changes in revenues from fiscal years 2022 to 2023 was a decreases in capital contributions and grants of \$740 thousand primarily from FMAP activities, an increase of \$340 thousand in miscellaneous and other income primarily from the sale of capital assets resulting in a gain of \$106 thousand, and insurance proceeds of \$265 thousand from electrical damage at pumping plant II, and an increase in investment earnings of \$209 thousand. Flood protection expenses increased in the areas of employee related costs, power, security patrol, public relations, and election costs.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At fiscal year end, the District's governmental fund reported a combined fund balance of almost \$10.7 million, an increase of \$836,866 from the previous year's fund balance. The increase is due to current year revenues exceeding current year expenses. The combined fund balance at the end of fiscal 2022/23 was \$9.9 million, a decrease of \$436,467 from the June 30, 2022 fund balance. This decrease was due to prior year expenses exceeding prior year revenues. Total revenues increased from \$4.9 million in 2023 to \$6.4 million in 2024. Significant increases in revenues were from property assessments of \$1.4 million, capital grants and contributions of \$149 thousand, and use of money and property of \$333 thousand. Fees

for services and other revenues decreased \$160 thousand and \$183 thousand respectively. In the area of flood protection services, maintenance and operations expenses increased \$236 thousand from 2023 to 2024, and administration expenses decreased \$252 thousand. Increases in maintenance and operations were in security patrol expenses, FMAP activities, and capital facilities expenses. Administration expenses decreased in the areas of public relations and election costs. Of the total \$10.7 million in fund balances, approximately \$10.6 million has been assigned for specific purposes, and \$80 thousand in prepaid expenses are considered non-spendable.

At the end of fiscal year 2023, the District’s governmental fund reported a combined fund balance of almost \$9.9 million, a decrease of \$436,467 from the previous year’s fund balance. This decrease was due to prior year expenses exceeding prior year revenues. Total revenues increased from \$4.5 million in 2022 to \$4.9 million in 2023. Significant increases in revenues were from property assessments of \$144 thousand, fees for services of \$177 thousand, use of money and property of \$221 thousand, and other revenues of \$233 thousand. Capital grants and contributions decreased \$432 thousand mainly due to a decrease in FMAP activity. Flood protection expenses increased \$423 thousand from \$4.9 million in 2022 to \$5.4 million in 2023. Flood protection expenses increased in the areas of employee related costs, power, security patrol, public relations, and election costs. Of the total \$9.9 million in fund balances, approximately \$9.7 million has been assigned for specific purposes, and \$177 thousand in prepaid expenses are considered non-spendable.

In 2024 revenues in the District’s governmental fund were \$6.4 million. Assessment revenue of \$3.8 million represents 60% of revenue for the governmental fund compared to 50% in 2023. Expenditures from governmental funds were \$5.6 million, which resulted in an increase in fund balance of \$836,866.

Fund Balances

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

Fund balances as of June 30, 2024, and 2023 are non-spendable and assigned as follows:

TABLE 3
Fund Balances
June 30, 2024 and 2023

<u>Fund Type</u>	<u>June 30, 2024 Fund Balance</u>	<u>June 30, 2023 Fund Balance</u>
Nonspendable fund balance	80,314	176,544
Assigned fund balances:		
Emergency Flood Fight	1,500,000	1,500,000
General capital	4,268,139	2,427,918
Operating reserve	<u>4,868,298</u>	<u>5,775,423</u>
Total assigned fund balances	<u>10,636,437</u>	<u>9,703,341</u>
Total fund balances	<u>\$10,716,751</u>	<u>\$ 9,879,885</u>

GENERAL BUDGETARY HIGHLIGHTS

The following is a summary of budget and actual results for the District’s General Fund revenues for the years ended June 30, 2024, and 2023:

TABLE 4
Fund Revenues - Budget to Actual Comparisons
Year Ended June 30, 2024

	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Property Assessments	\$ 4,025,874	\$ 3,844,424	\$ (181,450)
Capital contributions and grants	521,000	398,008	(122,992)
Fees for service	-	101,534	101,534
O & M reimbursement from SAFCA	1,463,950	1,471,161	7,211
Use of money and property	104,000	543,316	439,316
Other	-	85,331	85,331
Total	<u>\$ 6,114,824</u>	<u>\$ 6,443,774</u>	<u>\$ 328,950</u>

Fund Revenues - Budget to Actual Comparisons
Year Ended June 30, 2023

	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Property Assessments	\$ 2,250,000	\$ 2,443,436	\$ 193,436
Capital contributions and grants	-	249,493	249,493
Fees for service	-	261,392	261,392
O & M reimbursement from SAFCA	1,421,000	1,449,420	28,420
Use of money and property	59,000	210,525	151,525
Other	-	267,932	267,932
Total	<u>\$ 3,730,000</u>	<u>\$ 4,882,198</u>	<u>\$ 1,152,198</u>

Changes from the Amounts Originally Budgeted

There were no changes made to the original budgets.

Actual Revenues Compared with Final Budgeted Amounts

Total revenues recognized by the District’s Governmental Fund were \$328,950 more than budget in fiscal year 2023/24. Fees for service, and other revenues were not budgeted for in 2023/24 and totaled \$187,000; the same revenues were approximately \$342,000 less than the amounts in fiscal year 2022/23. Capital contributions and grants represent FMAP activities and FEMA/OES reimbursements for storm disaster reimbursements; fees for service represent District services for the Natomas Basin MOU and activities performed for developers, mainly engineering; use of money and property include facility rentals and interest income; and other revenues primarily represent insurance proceeds for facility damage during 2024.

Total revenues recognized by the District's Governmental Fund were \$1,152,198 more than budget in fiscal year 2022/23. Capital contributions and grants, fees for service, and other revenues were not budgeted for in 2022/23 and totaled \$779,000; the same revenues were approximately \$22,000 less than the amounts in fiscal year 2021/22.

Actual Expenditures/Other Financing Uses Compared with Final Budgeted Amounts

Following is a summary of current year and prior year budget and actual results for the District's General Fund expenditures.

TABLE 5
Fund Expenditures – Budget to Actual Comparisons
Year Ended June 30, 2024

	Budget	Actual	Favorable (Unfavorable) Variance
O & M	\$ 5,264,776	\$ 4,134,166	\$ 1,130,610
Administration	1,354,936	1,209,496	145,440
Capital outlay	<u>335,000</u>	<u>263,246</u>	<u>71,754</u>
Total expenditures	<u>\$ 6,954,712</u>	<u>\$ 5,606,908</u>	<u>\$ 1,347,804</u>

During the year, the District experienced approximately \$1.3 million in favorable budget variances for expenditures. For operations and maintenance, capital facilities, facility repairs, FMAP operations, and field services experienced the highest budget savings, while power, security patrol expenses, and employee compensation had unfavorable budget variances. For administration, office improvements, election costs, public relations and legal expenses had favorable budget variances of \$258 thousand, while annuitant healthcare and engineering and administrative consultants had unfavorable budget variances of \$192 thousand.

Fund Expenditures – Budget to Actual Comparisons
Year Ended June 30, 2023

	Budget	Actual	Favorable (Unfavorable) Variance
O & M	\$ 7,037,722	\$ 3,898,059	\$ 3,139,663
Administration	1,137,882	1,461,654	(323,772)
Capital outlay	<u>75,000</u>	<u>65,665</u>	<u>9,335</u>
Total expenditures	<u>\$ 8,250,604</u>	<u>\$ 5,425,378</u>	<u>\$ 2,825,226</u>

During the 2023 fiscal year, the District experienced approximately \$2.8 million in favorable budget variances for expenditures. For operations and maintenance, capital facilities, FMAP operations, and facility repairs experienced the highest budget savings, while employee related expenses and power had unfavorable budget variances. For administration, public relations related expenses had an unfavorable budget variance of \$341 thousand. These expenses were the result from the successful 218 activity which allowed the District to collect additional revenue starting in fiscal 2023/24.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the District has \$68.2 million invested in capital assets including land, buildings, infrastructure, and equipment before depreciation (See Table 6).

Table 6
Changes in Capital Assets

	As of June 30, 2024	As of June 30, 2023	Increase (Decrease)
Lands and rights of way	\$ 2,221,333	\$ 2,221,333	\$ -
Buildings, pump plants and improvements (including construction in progress)	33,698,850	33,655,021	43,829
Infrastructure	27,653,802	27,653,802	-
Equipment and vehicles	<u>4,597,894</u>	<u>4,378,477</u>	<u>219,417</u>
Total capital assets	<u>\$ 68,171,879</u>	<u>\$ 67,908,633</u>	<u>\$ 263,246</u>

During the year the District invested \$41 thousand into a security system for its facilities and an additional \$2,500 for the SCADA project. Also a utility tractor and light field truck was purchased for \$195 thousand and vehicle repair equipment for \$25 thousand. No assets were sold or disposed of during the 2023-24 fiscal year. Depreciation expense for the year amounted to \$1,250,876.

Table 7
Changes in Capital Assets

	As of June 30, 2023	As of June 30, 2022	Increase (Decrease)
Lands and rights of way	\$ 2,221,333	\$ 2,221,333	\$ -
Buildings, pump plants and improvements (including construction in progress)	33,655,021	33,642,423	12,598
Infrastructure	27,653,802	27,653,802	-
Equipment and vehicles	<u>4,378,477</u>	<u>4,496,142</u>	<u>(117,665)</u>
Total capital assets	<u>\$ 67,908,633</u>	<u>\$ 68,013,700</u>	<u>\$ (105,067)</u>

Capital asset activity for fiscal 2023 was modest compared to prior years. \$53 thousand in audio and visual equipment was purchased for the District’s boardroom, and another \$13 thousand was added to the SCADA project. A field excavator, two trucks, and a trailer were sold during the year resulting in a gain of \$107 thousand. At the time of sale, these assets were fully depreciated. Depreciation expense for the year amounted to \$1,361,195.

Debt Administration

As of June 30, 2024, the District had no long-term debt.

CAPITAL PROJECTS

- *Capital Improvement Plan (update)*

The Board of Trustees approved a Professional Services Agreement with Kjeldesn, Sinnock & Neudeck, INC. (KSN) on November 8, 2019 to update the District's Capital Improvement Plan. KSN completed the Capital Improvement Plan Update (CIP) in August 2020.

Focusing on the pumping system, to identify improvements to allow the District to carry out its mission of flood protection, the CIP was developed by the following methods:

- Ranking how critical a Pumping Plant is by the capacity to remove precipitation from the basin and the importance of the area it serves – a criticality rating or consequence of failure.
- Determining how likely a Pumping Plant is to fail to perform as designed, or likelihood of failure.
- Determining relative risk for each Pumping Plant, which is a combination of the consequence of failure and likelihood of failure.

Potential projects to address potential deficiencies were identified by the following methods:

- Field condition assessment of each Pumping Plant
- Establishing of the Level of Service each plant would optimally provide and comparing performance against the criteria
- Defining the typical life cycle for the major Pumping Plant components, including major cost-effective maintenance items to extend the useful life.

In several cases two or more of the above methods identified potential projects at pumping plants. The results of the Condition assessment, Level of Service, and Life Cycle Analysis showed that the system is overall in good working order, with several of its plants replaced within the last decade. Of the District's two most critical Pumping Plants, Plant 1B was found to be in very good working order, with some projects needed to maintain its condition, while Plant 8 has several life cycle replacements that are coming due concurrently resulting in a major overhaul project, plus the outfall pipe has premature wearing and is recommended for evaluation and remediation up to replacement.

Kjeldesn, Sinnock & Neudeck, INC. (KSN) is currently working on a Pumping Plant #8 preliminary design and construction phasing plan. The electrical and structural teams are in the process of determining site alternatives, which include pump operations and pump bay improvements.

As the most critical plants, major replacements are recommended for Plant 8 and a handful of smaller improvement and life cycle replacements for Plant 1B. Other replacements mostly tied to life cycle and upgrades such as backup power generation were recommended to increase the reliability of the overall system. Over a 30-year planning horizon, a program of upgrades to maintain reliability of the system resulted in the following un-escalated CIP expenditures for Pumping Plants:

- \$30.9 million (M) in the first decade 2021-2030, with \$28.1M planned in the first 6 years.
- \$8.1M over years 2031-2040
- \$26.9M over years 2041-2050, with several recently replaced critical components reaching the end of their useful lives.

In addition to \$65.9M for Pumping Plants over 30 years, the following expenditures are recommended to be budgeted:

- Annual budget of \$55,000 to perform cost-effective preventive maintenance is recommended for the duration of the CIP, or \$1.65M over 30 years.
- Annual budget of \$900,000 for life cycle replacement of culverts and drains, or \$27M over 30 years.

The net recommended budget for the portion evaluated is \$94.55M from 2021-2050, or an average of nearly \$3.2M per year. The above costs were left un-escalated so implementation can be modified and adjusted into the District's financial plan which is currently being formulated.

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

The Natomas Levee Improvement Project (NLIP):

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

The remaining work will be completed by the USACE as part of the Natomas Basin Levee Project authorized by Congress in the 2014 Water Resources Reform and Development Act (WRRDA). Construction by the USACE commenced in 2017 after delays due to construction contracting issues. As of June 30, 2022, approximately 50% of the remaining levee work has been completed. An additional 25% is currently under construction and the remaining 25% is in design with construction to commence in the next few years. In addition to levee work, the USACE Natomas Levee Project includes improvements to all of the RD 1000 Pumping Plants to meet USACE design standards and provide the 200-year flood protection. Pumping Plant No 2 was reconstructed during the SAFCA NLIP construction. Pumping Plants 4 and 5 will be fully reconstructed and the remaining plants (1A, 1B, 3, 6 and 8) will have significant modifications. During the fiscal year ending June 30, 2024, significant work was done on the Natomas East Main Drain Canal and Sacramento River levees. The contract to complete the levee work on the Sacramento River was awarded in September of 2021 with construction commencing in June 2022. In addition, during the past fiscal year significant work was done to the RD 1000 Pumping Plant Nos. 3 and 4.

Completion of the entire project is anticipated by 2026 or 2027. However, this schedule is dependent on annual federal appropriations, the timely acquisition of necessary rights of way, relocation of utilities, and acquisition of specialized equipment particularly related to the pumping plant modifications.

OPERATIONS AND MAINTENANCE

The District experienced normal rainfall during the 2023-2024 flood season. The District experienced a modest decrease in stormwater pumping as compared to the previous year, resulting in reduced utility expenses and overtime for field personnel.

Outside of the flood season, the District performed normal operations and maintenance activities including canal erosion repairs, road repairs, mowing canals/levees; spraying both terrestrial and aquatic pesticides to manage vegetation, minor repairs to facilities, garbage/debris removal and pump station maintenance. Since 2019, the District continues to experience a considerable increase in unauthorized encampment activity within its floodways. This activity resulted in a significant increase in trash and debris removal, which impacted the District's efficiency in other operations due to the presence of unauthorized encampments within the floodway.

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

PLANNING

The District solicited requests for qualifications for a 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. On May 8, 2020 the Board of Trustees approved retention of NBS, Inc. to perform a comprehensive financial plan in 2020-2021.

In general, the District was seeking a qualified financial consultant to evaluate the District's current and forecasted financial position, develop a comprehensive financial plan, evaluate existing assessment rate structure, and if needed based on results of the comprehensive financial plan, develop legally defensible assessment rates. The broad objective of the study is to ensure the financial stability to fund operations and needed capital investments, including rehabilitation, replacement and modernization of the District's infrastructure.

1. Conduct a detailed review of the District's operating and capital improvement budgets and develop a Comprehensive (10-year) Finance Plan that promotes financial sustainability and maintains adequate reserve levels.
2. Evaluate the existing assessment rate structure and model assessment rate structure.
3. Meet and/or confer with staff as needed and attend up to three daytime meetings/workshops with the Financial Committee and three evening meetings/workshops with the District Board of Directors to present and discuss results of the studies and obtain their input. Attend the public hearing where the water rates are considered for adoption.
4. Obtain all necessary records, data, and statistics from District and conduct analyses as required to address the scope of work.
5. Preliminary Reports
 - a. Prepare preliminary finance plan.
 - b. Prepare a comprehensive administrative record that shows the calculations for cost of service and allocation of costs;
 - c. Prepare preliminary reports of assumptions for assessment rate, and provide tentative rate recommendations; and
 - d. Present preliminary reports and tentative rates to the Financial Committee and the District's Board of Directors.

6. Draft Final Reports
 - a. Incorporate changes pursuant to comments received from the District's Board; and
 - b. Present revised reports and rate recommendations to the District Board of Trustees at a regularly scheduled Board meeting.
7. Final Reports
 - a. Incorporate changes pursuant to comments received at the Board meeting presentation;
 - b. Provide an electronic copy of the report, with spreadsheets in Excel format; and
 - c. Present the final reports and recommended rates to the Board of Trustees and members of the public at a formal public hearing.
8. Supply a schedule for deliverables.
9. Provide an easy-to-use rate model of the final rate structure for the District to use in rate forecasting.

NBS completed Phase 1 of the Financial Plan which was subsequently adopted by the Board of Trustees on January 15, 2021. Subsequently, the District awarded a contract to NBS for Phase 2 of the project on May 4, 2021. Phase 2 evaluated funding options for the District and was presented to the Board of Trustees in May 2022. The District published a Public Draft of the Fee Study for Public Comment during September 2022. The Proposition 218 process was completed in March 2023. The new fee was approved by the property owners and certified by the board in April 2023. The new Stormwater Fee was applied to the Fiscal Year 2023/2024 Secured Tax Bills, generating approximately \$3 million in new revenue to the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

Submitted by:

Kevin L. King
General Manager

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and investments	\$ 10,727,720	\$ 10,182,191
Receivables:		
Assessments	248,306	16,000
Interest	116,624	127,861
Amounts due from FEMA	90,665	-
Other receivables	23,984	34,475
Prepaid expenses and other assets	80,314	176,544
Inventory	174,241	174,241
Capital assets, net	<u>39,909,197</u>	<u>40,896,827</u>
TOTAL ASSETS	<u>51,371,051</u>	<u>51,608,139</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	789,336	788,974
Other postemployment benefits	<u>854,712</u>	<u>823,527</u>
	<u>1,644,048</u>	<u>1,612,501</u>
LIABILITIES		
Accounts payable	271,815	145,464
Accrued payroll expense	66,287	48,850
Deposits	9,752	25,872
Unearned revenues	-	421,000
Accrued vacation	161,864	159,873
Net pension liability	1,824,988	1,659,681
Net OPEB liability	<u>496,040</u>	<u>534,130</u>
TOTAL LIABILITIES	<u>2,830,746</u>	<u>2,994,870</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	60,435	106,052
Other postemployment benefits	<u>133,474</u>	<u>155,173</u>
	<u>193,909</u>	<u>261,225</u>
NET POSITION		
Net investment in capital assets	39,909,197	40,896,827
Unrestricted	<u>10,081,247</u>	<u>9,067,718</u>
TOTAL NET POSITION	<u>\$ 49,990,444</u>	<u>\$ 49,964,545</u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
PROGRAM EXPENSES		
Governmental activities:		
Flood protection	\$ 6,624,883	\$ 6,685,857
PROGRAM REVENUES		
Charges for services	126,443	284,499
Operating grants and contributions	1,471,161	1,449,420
Capital grants and contributions	<u>488,673</u>	<u>145,634</u>
NET PROGRAM EXPENSES	(4,538,606)	(4,806,304)
GENERAL REVENUES		
Assessments	3,960,767	2,441,436
Investment earnings	518,407	181,821
Gain on sale of capital assets	-	106,713
Miscellaneous	85,331	267,932
TOTAL GENERAL REVENUES	<u>4,564,505</u>	<u>2,997,902</u>
CHANGE IN NET POSITION	25,899	(1,808,402)
Net position at beginning of year	<u>49,964,545</u>	<u>51,772,947</u>
NET POSITION AT END OF YEAR	<u><u>\$ 49,990,444</u></u>	<u><u>\$ 49,964,545</u></u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

BALANCE SHEETS – GENERAL FUND

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 10,727,720	\$ 10,182,191
Receivables:		
Assessments	248,306	16,000
Interest	116,624	127,861
Amounts due from FEMA	90,665	-
Other	23,984	34,475
Other assets	<u>80,314</u>	<u>176,544</u>
TOTAL ASSETS	<u><u>\$ 11,287,613</u></u>	<u><u>\$ 10,537,071</u></u>
 LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 271,815	\$ 145,464
Accrued payroll expense	66,287	48,850
Deposits	9,752	25,872
Unearned revenues	<u>-</u>	<u>421,000</u>
TOTAL LIABILITIES	<u>347,854</u>	<u>641,186</u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	<u>223,008</u>	<u>16,000</u>
 FUND BALANCES		
Nonspendable	80,314	176,544
Assigned	10,636,437	9,703,341
TOTAL FUND BALANCES	<u>10,716,751</u>	<u>9,879,885</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 11,287,613</u></u>	<u><u>\$ 10,537,071</u></u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

RECONCILIATIONS OF THE BALANCE SHEETS – GENERAL FUND TO THE
GOVERNMENT-WIDE STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Fund balance - total governmental funds, June 30,	\$ 10,716,751	\$ 9,879,885
Amounts reported for governmental activities in the statement of net position are different because:		
Assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Capital assets, net of accumulated depreciation	39,909,197	40,896,827
Inventory	174,241	174,241
Deferred outflows related to pensions and OPEB are not reported in the government funds	1,644,048	1,612,501
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued vacation	(161,864)	(159,873)
Net pension liability	(1,824,988)	(1,659,681)
Net OPEB liability	(496,040)	(534,130)
Deferred inflows related to pensions and OPEB are not reported in the government funds	(193,909)	(261,225)
Some revenues are not recognized in governmental funds because they do not represent current financial resources that are recognized in the Statement of Activities:		
Unavailable revenue	<u>223,008</u>	<u>16,000</u>
Net position - governmental activities, June 30,	<u>\$ 49,990,444</u>	<u>\$ 49,964,545</u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GENERAL FUND

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
REVENUES		
Property assessments	\$ 3,844,424	\$ 2,443,436
O & M reimbursements	1,471,161	1,449,420
Capital grants and contributions	398,008	249,493
Fees for services	101,534	261,392
Use of money and property	543,316	210,525
Other revenues	85,331	267,932
TOTAL REVENUES	<u>6,443,774</u>	<u>4,882,198</u>
EXPENDITURES		
Current:		
Flood protection		
Maintenance and operations	4,134,166	3,898,059
Administration	1,209,496	1,461,654
Capital outlay	263,246	65,665
TOTAL EXPENDITURES	<u>5,606,908</u>	<u>5,425,378</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	836,866	(543,180)
OTHER FINANCING SOURCES		
Proceeds from sale of capital assets	-	106,713
OTHER FINANCING SOURCES	<u>-</u>	<u>106,713</u>
NET CHANGE IN FUND BALANCE	836,866	(436,467)
Fund balance at beginning of year	<u>9,879,885</u>	<u>10,316,352</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,716,751</u>	<u>\$ 9,879,885</u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

RECONCILIATIONS OF THE STATEMENTS OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net change in fund balance - total governmental funds for the year ended June 30	\$ 836,866	\$ (436,467)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital outlay	263,246	65,665
Depreciation expense	(1,250,876)	(1,361,195)
Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the statement of activities		
Change in unavailable revenue	207,008	(111,456)
Some expenses in the Government-wide Statement of Activities that do not require the use of current financial resources are not reported as expenses in the governmental funds.		
Change in accrued vacation	(1,991)	(19,948)
Change in deferred outflows of resources related to employee pensions and OPEB	31,547	500,109
Change in deferred inflows of resources related to employee pensions and OPEB	67,316	534,333
Change in the net pension liability	(165,307)	(949,171)
Change in the OPEB liability	38,090	(30,272)
Change in net position - governmental activities for the year ended June 30	<u>\$ 25,899</u>	<u>\$ (1,808,402)</u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Reclamation District No. 1000 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

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

Basis of Presentation – Government-wide financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest and other items were properly excluded from program revenues and were reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of property assessments. Property assessments are considered to be available if they are collected within 60 days of the current fiscal period. Amounts not received within the availability period are reported as unavailable revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Payable balances consist primarily of payables to vendors.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax assessment revenues, reimbursement revenues, grants, fees for services and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District, or collected within the availability period.

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District and accounts for revenues collected to provide services and finance the fundamental operations of the District. The Fund is charged with all costs of operations.

Budgets: Budgets are adopted on a basis consistent with generally accepted accounting principles and in accordance with the District’s policies and procedures. Budgetary control is exercised by major object. Budgetary changes, if any, during the fiscal year require the approval of the District’s Board of Trustees. Unencumbered budget appropriations lapse at the end of the fiscal year.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported in the fund financial statements as nonspendable fund balance to indicate they do not constitute resources available for appropriation.

Inventory: The District has on-hand significant amounts of large rock for emergency levee repair. Estimated remaining balances are recorded at cost on a first-in, first-out basis. During the years ended June 30, 2024, and 2023, inventory was not included in the fund financial statements as these are not considered current financial resources.

Capital Assets: Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are capitalized and reported in the government-wide financial statements. Capital assets owned by the District are stated at historical cost or estimated historical cost, if actual historical cost is not available. Contributed capital assets are recorded at their estimated fair market value at the time received. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Infrastructure	100 years
Building and improvements	20-40 years
Pumping equipment and improvements	7-50 years
Equipment and vehicles	5-10 years

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

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Vacation and Sick Leave: The District’s policies regarding vacation and sick leave permit employees to accumulate earned, but unused vacation and sick leave. The District’s policy for sick-pay states that upon retirement, an employee may be paid one-third (up to a maximum of 400 hours) of their accumulated unused sick leave balance. The remaining balance of the employees’ sick leave is then available for service credit under the District’s pension plan. Alternatively, the employees may elect to use their entire balance of accumulated unused sick leave for service credit under the District’s pension plan. All vacation and an estimate of the probable sick leave pay-out is accrued when incurred. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate compensated absences. All of the accrued vacation and sick leave is considered long-term.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and any outstanding debt related to the purchase of capital assets reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The District does not have any restricted net position.

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

Fund Equity: In the General Fund financial statements, the District reports the following fund balances:

Non-spendable fund balances – This category presents amounts not expected to be converted to cash within the next operating cycle and are typically comprised of prepaid costs and deposits.

Committed fund balances – This category includes amounts that can be used only for specific purposes determined by a formal action of the Board. The Board has authority to establish, modify, or rescind a fund balance commitment through a resolution of the Board. The District does not have committed fund balances.

Assigned funds balances – This category includes amounts constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance – This category represents the residual classification for the District’s funds and includes all spendable amounts not contained in the other classifications.

The Board establishes, modifies or rescinds fund balance commitments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The District’s committed, assigned or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A resolution of the Board delegates authority to management to establish various reserves, which are considered assigned fund balances. Assigned fund balances consist of the following at June 30:

	2024	2023
Emergency Flood Fight Fund – Funds designated to fight flood emergencies and to help prevent the need for future special assessments.	\$ 1,500,000	\$ 1,500,000
General Capital Fund – To accumulate funds for future capital projects. Such projects represent capital improvement projects to repair damaged levees, improve the reliability of the system and/or increase in the District’s ability to monitor the system and respond in a flood	4,268,139	2,427,918
Operation and Maintenance (O&M) Fund - Reserve balance set at 70% of the current year annual expenditure budget.	4,868,298	5,775,423
	\$ 10,636,437	\$ 9,703,341

Assessments: The District made assessments against properties within the District in accordance with requirements of State law. Assessments are processed through Sacramento and Sutter Counties based on the parcel size and designated land use of the parcels. Assessments are payable with the property owner’s property taxes. The assessments are typically levied on or before the first day of September each year and become a lien on real property upon levy. Assessments are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. The District recognizes assessments when the individual installments are due provided they are collected within 60 days after year end.

The Counties use the Alternative Method of Property Tax Apportionment (Teeter). Under this method of property tax apportionment for assessments collected as part of property taxes, the County purchases the delinquent secured property taxes at June 30 of each fiscal year and guarantees the District 100% of its annual assessment.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statements of net position and balance sheets – General Fund reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources in the statements of net position and balance sheets – General Fund represent amounts deferred related to the District’s pension and OPEB plans as described in Notes E and F, and for revenue not received within the availability period.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District’s

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note E.

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deletions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note F.

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

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for the year ended June 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement will implement changes to the financial reporting model including the Management's Discussion and Analysis, Unusual or Infrequent Items, and Budgetary Comparison Information. The provisions of this Statement are effective for the year ended June 30, 2026.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In October 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale. This statement is effective for the year ended June 30, 2026.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND INVESTMENTS

As of June 30, 2024 and 2023, cash and investments consisted of the following:

	2024	2023
Deposits in financial institutions	\$ 3,251,012	\$ 940,064
Sacramento County Pooled Investment Fund	3,474,740	4,467,956
City of Sacramento Pool A	294,978	2,146,093
Local Agency Investment Fund (LAIF)	1,229,330	2,628,078
California Class	2,477,660	-
Total cash and investments	<u>\$ 10,727,720</u>	<u>\$ 10,182,191</u>

Investment policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentrations of credit risk. During the years ended June 30, 2024 and 2023, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
Local agency bonds	5 years	None	None
U.S. Treasury securities	5 years	None	None
U.S. Agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates and time deposits	5 years	30%	None
Repurchase agreements	92 days	20%	None
Medium term corporate notes	5 years	30%	None
Money market mutual funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
Pooled investment funds	N/A	None	None

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS (Continued)

Investment in the Sacramento County Pooled Fund: The District maintains a portion of its cash in Sacramento County’s cash investment pool, which is managed by the Sacramento County Treasurer. The amount invested by all public agencies in Sacramento County’s cash and investment pool is \$7,792,158,009 and \$7,269,768,765 at June 30, 2024 and 2023, respectively. Sacramento County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Sacramento County’s cash and investment pool. The Committee consists of ten members as designated by State law. The value of pool shares in Sacramento County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District’s position in the pool. Investments held in the County’s investment pool are available on demand to the District and are stated at cost, which approximates fair value.

Investment in the City of Sacramento’s Investment Pool: The District maintains a portion of its cash in the City of Sacramento’s cash and investment pool which is managed by the City Treasurer. The District’s cash balances invested in the City Treasurer’s cash and investment pool are stated at fair value. The amount invested by all public agencies in the City’s cash and investment pool is \$1,701,779,718 and \$1,634,696,639 at June 30, 2024 and 2023, respectively. The City does not invest in any derivative financial products directly. However, they do invest in investment pools, which may invest in derivative financial products. The City Council has oversight responsibility for the cash and investment pool. The value of pool shares in the City that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District’s position in the pool.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasurer through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$179,046,993,600 and \$177,045,532,802 at June 30, 2024 and 2023, respectively, managed by the State Treasurer. Of that amount, 2.76% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in California CLASS: The California Liquid Asset Securities System (California CLASS) is a Joint Powers Authority (JPA) Local Government Investment Pool. The sponsors of the JPA were the California Special Districts Association (CSDA) and the League of California Cities. California CLASS Prime is a money market style, liquid cash management fund with a stable net asset value and a variable yield that is reflective of short term, fixed income rates.

The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has appointed U.S. Bank as the Custodian. California CLASS currently has assets under management of \$1.7 billion. Investments held in the pool are recorded at fair value. The fund is rated AAAM by Standard and Poor and has a weighted average maturity of less than 60 days.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2024 and 2023, the weighted average maturity of the investments contained in the County's investment pool was approximately 274 days and 267 days, respectively. As of June 30, 2024 and 2023, the weighted average maturity of the investments contained in the City's investment pool was approximately 1.19 and 1.78 years, respectively. As of June 30, 2024 and 2023, the weighted average maturity of the investment in LAIF was approximately 217 and 260 days, respectively.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating issued by a nationally recognized statistical rating organization. The County's investment pool, City's investment pool and LAIF do not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2024 and 2023, the carrying amount of the District's deposits were \$3,251,012 and \$940,064 and the balances in financial institutions were \$3,708,817 and \$1,217,215, respectively. Of the balance in financial institutions, \$250,000 at June 30, 2024 and 2023 was covered by federal depository insurance and amounts in excess of this balance are covered by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE C – CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2024 and 2023 was as follows:

	Balance July 1, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 2,221,333				\$ 2,221,333
Construction in progress	12,598	\$ 2,469	-		15,067
Total capital assets, not being depreciated	<u>2,233,931</u>	<u>2,469</u>	<u>-</u>	<u>-</u>	<u>2,236,400</u>
Capital assets being depreciated:					
Infrastructure	27,653,802				27,653,802
Building and improvements	2,508,856	41,360			2,550,216
Pump equipment and improvements	31,133,567				31,133,567
Equipment and vehicles	4,378,477	219,417			4,597,894
Total capital assets, being depreciated	<u>65,674,702</u>	<u>260,777</u>	<u>-</u>	<u>-</u>	<u>65,935,479</u>
Less accumulated depreciation for:					
Infrastructure	(5,851,510)	(275,466)			(6,126,976)
Building and improvements	(1,212,706)	(77,554)			(1,290,260)
Pump equipment and improvements	(16,746,249)	(487,715)			(17,233,964)
Equipment and vehicles	(3,201,341)	(410,141)			(3,611,482)
Total accumulated depreciation	<u>(27,011,806)</u>	<u>(1,250,876)</u>	<u>-</u>	<u>-</u>	<u>(28,262,682)</u>
Total capital assets, being depreciated, net	<u>38,662,896</u>	<u>(990,099)</u>	<u>-</u>	<u>-</u>	<u>37,672,797</u>
Capital assets, net	<u>\$ 40,896,827</u>	<u>\$ (987,630)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,909,197</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE C – CAPITAL ASSETS (Continued)

	Balance July 1, 2022	Additions	Disposals	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 2,221,333				\$ 2,221,333
Construction in progress	-	\$ 12,598			12,598
Total capital assets, not being depreciated	<u>2,221,333</u>	<u>12,598</u>	<u>-</u>	<u>-</u>	<u>2,233,931</u>
Capital assets being depreciated:					
Infrastructure	27,653,802				27,653,802
Building and improvements	2,508,856				2,508,856
Pump equipment and improvements	31,133,567				31,133,567
Equipment and vehicles	4,496,142	53,067	\$ (170,732)		4,378,477
Total capital assets, being depreciated	<u>65,792,367</u>	<u>53,067</u>	<u>(170,732)</u>	<u>-</u>	<u>65,674,702</u>
Less accumulated depreciation for:					
Infrastructure	(5,576,045)	(275,465)			(5,851,510)
Building and improvements	(1,138,134)	(74,572)			(1,212,706)
Pump equipment and improvements	(16,248,253)	(497,996)			(16,746,249)
Equipment and vehicles	(2,858,911)	(513,162)	170,732		(3,201,341)
Total accumulated depreciation	<u>(25,821,343)</u>	<u>(1,361,195)</u>	<u>170,732</u>	<u>-</u>	<u>(27,011,806)</u>
Total capital assets, being depreciated, net	<u>39,971,024</u>	<u>(1,308,128)</u>	<u>-</u>	<u>-</u>	<u>38,662,896</u>
Capital assets, net	<u>\$ 42,192,357</u>	<u>\$ (1,295,530)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,896,827</u>

Depreciation expense of \$1,250,876 and \$1,361,195 for the years ended June 30, 2024 and 2023, respectively, was charged to the flood protection function.

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the years ended June 30, 2024 and 2023:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Accrued vacation	\$ 159,873	\$ 1,991	\$ -	\$ 161,864
Net pension liability	1,659,681	165,307	-	1,824,988
Net OPEB liability	534,130	-	(38,090)	496,040
	<u>\$ 2,353,684</u>	<u>\$ 167,298</u>	<u>\$ (38,090)</u>	<u>\$ 2,482,892</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE D – LONG-TERM LIABILITIES (Continued)

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Accrued vacation	\$ 139,925	\$ 19,948	\$ -	\$ 159,873
Net pension liability	710,510	949,171	-	1,659,681
Net OPEB liability	503,858	30,272	-	534,130
	<u>\$ 1,354,293</u>	<u>\$ 999,391</u>	<u>\$ -</u>	<u>\$ 2,353,684</u>

NOTE E – PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the District’s cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). The District has the following cost-sharing Plans:

- Miscellaneous Rate Plan
- Miscellaneous Second Tier Rate Plan
- PEPRAs Miscellaneous Rate Plan

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRAs Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

The Plans’ provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

Hire date	Miscellaneous	Miscellaneous	PEPRA
	Rate Plan	Second tier Rate Plan	Miscellaneous Rate Plan
	Prior to August 30, 2011	August 30, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	52-67	52-67	52 - 67
Monthly benefits, as a % of eligible compensation	1.0% to 2.5%	1.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates:			
2024	7.00%	7.00%	7.75%
2023	7.00%	7.00%	6.75%
Required employer contribution rates:			
2024	12.47%	10.10%	7.68%
2023	10.87%	8.63%	7.47%

In addition to the contribution rates above, the District was also required to make payments of \$113,161 and \$123,378 towards its unfunded actuarial liability during the years ended June 30, 2024 and 2023, respectively. The Miscellaneous rate plans are closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2024 and 2023, the contributions made to the Plan were \$231,565 and \$221,710 respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2024 and 2023, the District reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan of \$1,824,988 and \$1,659,681, respectively.

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2024 is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The net pension liability as of June 30, 2023 is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of the measurement dates was as follows:

Proportion - June 30, 2023	0.01437%
Proportion - June 30, 2024	0.01463%
Change - Increase	0.00026%
Proportion - June 30, 2022	0.01314%
Proportion - June 30, 2023	0.01437%
Change - Increase	0.00123%

For the years ended June 30, 2024 and 2023, the District recognized pension expense of \$350,892 and \$122,466, respectively. At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	<u>2024</u>		<u>2023</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 231,565		\$ 221,710	
Differences between actual and expected experience	93,230	\$ (14,462)	33,330	\$ (22,323)
Changes in assumptions	110,183		170,069	
Change in employer's proportion	58,876		59,856	
Differences between the employer's contribution and the employer's proportionate share of contributions		(45,973)		(83,729)
Net differences between projected and actual earnings on plan investments	<u>295,482</u>		<u>304,009</u>	
Total	<u>\$ 789,336</u>	<u>\$ (60,435)</u>	<u>\$ 788,974</u>	<u>\$ (106,052)</u>

The \$231,565 and \$221,710 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

RECLAMATION DISTRICT 1000, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

<u>Year Ended June 30</u>	
2025	\$ 153,272
2026	106,027
2027	229,558
2028	<u>8,479</u>
	<u>\$ 497,336</u>

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90% (2)	6.90% (2)
Inflation	2.30%	2.30%
Projected Salary Increase	(1)	(1)
Mortality	Developed using CalPERS Membership Data for all funds	Developed using CalPERS Membership Data for all funds
Post-retirement benefit	Contract COLA up to 2.50% until purchasing power protection allowance applies	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used for the June 30, 2023 and 2022 measurement date include 15 years of projected on-going mortality improvement using 80% and 90% respectively of Scale MP 2020 and MP 2016 respectively published by the Society of Actuaries. For more details on this table, please refer to the 2021 and 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90% at June 30, 2024 and 2023. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

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

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

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

Asset Class	2024	
	New Strategic Allocation	Real Return Years 1 - 10(a)
Global Equity -Cap Weighted	30.0%	4.54%
Global Equity Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.3% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

RECLAMATION DISTRICT 1000, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

Asset Class	2023	
	New Strategic Allocation	Real Return Years 1 - 10(a)
Global Equity -Cap Weighted	30.0%	4.45%
Global Equity Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.3% used for this period.

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability, calculated using the discount rate, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2024	2023
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 2,812,648	\$ 2,585,714
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 1,824,988	\$ 1,659,681
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 1,012,059	\$ 897,785

Pension Plan Fiduciary Net Position: Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2024, the District had \$12,728 payable to the pension plan. At June 30, 2023, the District had no amounts outstanding in contributions payable to the pension plan.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description: The District’s defined benefit postemployment healthcare plan provides medical benefits to employees who have attained age 50 with five years of service, or under PEPR after 10 years of service, increasing 2% per year up to 100% of the benefit after 20 years of service. The plan also provides for dependent coverage. In fiscal year 2012/13, the District modified its contract with CalPERS Public Employees Healthcare to a 75%/25% employer/employee cost share for current employees and retirees. Employees hired after January 1, 2013 cost share under the State Vesting Plan as contracted by the District, which is 50% contribution at 10 years of service plus 5% per additional year of service to 100% at 20 or more years.

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

Contributions: The Board grants the authority to establish and amend the contribution requirements of the District. During the year ended June 30, 2024, the District’s cash contributions to the trust were \$218,684, benefit payments were \$81,600 and the implied subsidy was \$16,000, resulting in total payments of \$316,284. During the year ended June 30, 2023, the District’s cash contributions to the trust were \$75,205, benefit payments were \$84,416 and the implied subsidy was \$28,000, resulting in total payments of \$187,621.

Employees Covered by Benefit Terms: As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	<u>12</u>
Total	<u><u>22</u></u>

Total OPEB Liability: The District’s total OPEB liability as of June 30, 2024 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. The District’s total OPEB liability as of June 30, 2023 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions and Other Inputs: The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	2024	2023
Valuation date	June 30, 2023	June 30, 2021
Measurement date	June 30, 2023	June 30, 2022
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	6.25%	6.25%
Inflation	2.5%	2.5%
Salary increases	2.75% per year	2.75% per year
Investment rate of return	6.25	5.5%
Mortality rate	Derived using CalPERS membership data	Derived using CalPERS membership data
Pre-retirement turnover	Derived using CalPERS membership data	Derived using CalPERS membership data
Healthcare trend rate non-Medicare	8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076	6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Healthcare trend rate Medicare	Non-Kaiser 7.5% and Kaiser 6.25% for 2025, both decreasing to an ultimate rate of 3.45% in 2076	Non-Kaiser 5.85% and Kaiser 4.75% for 2022, both decreasing to an ultimate rate of 3.75% in 2076

Mortality information was based on the CalPERS 2000-2019 Experience Study for the 2023 valuation and CalPERS 1997-2015 Experience Study for the 2021 valuation. The experience study report may be accessed on the CalPERS website at <https://www.calpers.ca.gov>. Mortality is projected fully generational with Scale MP-2021 and Scale MP-2020 for the 2023 and 2024 valuations, respectively.

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

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	49.0%	4.56%
All Fixed Income	23.0%	1.56%
Real Estate Investment Trusts	20.0%	4.06%
All Commodities	3.0%	1.22%
Treasury Inflation Protected Securities (TIPS)	5.0%	(0.08%)
	<u>100.0%</u>	

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate: The discount rate used to measure the total OPEB liability was 6.25% for June 30, 2024 and June 30, 2023. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current and active employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Total OPEB Liability: The change in the total OPEB liability for the plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at July 1, 2023	\$ 1,750,337	\$ 1,216,207	\$ 534,130
Changes in the year:			
Service cost	101,767		101,767
Interest	112,254		112,254
Contributions - employer		187,621	(187,621)
Net investment income		77,502	(77,502)
Experience losses	14,606		14,606
Assumption changes	(2,296)		(2,296)
Expected benefit payments to retirees (estimate)	(112,067)	(112,067)	
Administrative expenses		(702)	702
Net changes	<u>114,264</u>	<u>152,354</u>	<u>(38,090)</u>
Balance at June 30, 2024	<u>\$ 1,864,601</u>	<u>\$ 1,368,561</u>	<u>\$ 496,040</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at July 1, 2022	\$ 1,823,515	\$ 1,319,657	\$ 503,858
Changes in the year:			
Service cost	114,722		114,722
Interest	103,371		103,371
Contributions - employer		198,672	(198,672)
Net investment income		(183,986)	183,986
Assumption changes	(173,753)		(173,753)
Expected benefit payments to retirees (estimate)	(117,518)	(117,518)	
Administrative expenses		(618)	618
Net changes	<u>(73,178)</u>	<u>(103,450)</u>	<u>30,272</u>
Balance at June 30, 2023	<u>\$ 1,750,337</u>	<u>\$ 1,216,207</u>	<u>\$ 534,130</u>

The following changes in assumptions were made in the June 30, 2023 valuation, June 30, 2023 measurement date: medical trend was increased, demographic assumptions and salary merit increase were updated to CalPERS 2000-2019 Experience Study, and experience and mortality improvement scale was updated to Scale MP-2020.

The following changes in the June 30, 2021 valuation, June 30, 2022 measurement date: The District moved assets from CERBT Strategy 2 to CERBT Strategy 1. As a result, a higher discount rate was used. In addition, CalPERS approved new CERBT asset allocations in March 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	2024		
	Current		
	1% Decrease 5.25%	Discount Rate 6.25%	1% Increase 7.25%
Net OPEB liability	\$ 756,246	\$ 496,040	\$ 280,102

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	2023		
	Current		
	1% Decrease 5.25%	Discount Rate 6.25%	1% Increase 7.25%
Net OPEB liability	\$ 771,603	\$ 534,130	\$ 337,256

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	2024		
	Current Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Net OPEB liability	\$ 241,535	\$ 496,040	\$ 815,688

	2023		
	Current Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Net OPEB liability (asset)	\$ 290,678	\$ 534,130	\$ 838,945

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued CERBT financial report at www.calpers.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of \$225,310 and \$231,866, respectively. At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 316,284		\$ 187,621	
Difference between expected and actual experience	162,204	\$ (2,846)	175,851	\$ (3,985)
Changes in assumptions	279,977	(130,628)	339,546	(151,188)
Net differences between projected and actual earnings on plan investments	96,247		120,509	
Total	<u>\$ 854,712</u>	<u>\$(133,474)</u>	<u>\$ 823,527</u>	<u>\$(155,173)</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	
2025	\$ 87,664
2026	85,527
2027	115,408
2028	64,666
2029	45,995
Thereafter	<u>5,694</u>
	<u>\$ 404,954</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in the total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. The net difference between expected and actual experience is recognized over the expended average remaining service lifetime (EARS�), which was 8.2 years at the June 30, 2023 valuation date and 7.7 years at the June 30, 2021 valuation date.

NOTE G – RISK MANAGEMENT

The District participates in the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA), a joint powers agency providing the water and wastewater industry with general, property, automobile, employment practices and public officials’ errors and omissions insurance. Loss contingency reserves established by the JPRIMA are funded by contributions from member agencies. The District pays an annual contribution to the JPRIMA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the JPRIMA.

RECLAMATION DISTRICT 1000, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE G – RISK MANAGEMENT (Continued)

The District’s self-insured retention level and maximum coverage under the JPRIMA are as follows:

	Pool Coverage	Self-Insured Retention
General	\$ 10,000,000	
Property	33,905,306	\$ 5,000
Automobile liability	1,000,000	
Employers liability	1,000,000	
Public officials	10,000,000	
Cyber liability	1,000,000	
Commercial crime	250,000	

NOTE H – CONTINGENCIES

Prop 218: Proposition 218, which was approved by the voters in November 1996, regulates the District’s ability to impose, increase, and extend assessments and fees. Any new or increased assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the District’s ability to finance the services for which the property assessments were imposed may be significantly impaired. However, the District may also have the ability to assess certain government owned properties which were previously rendered exempt. The effect Proposition 218 will have on the District’s ability to maintain or increase the revenue it receives from assessments and fees in the future is unknown.

REQUIRED SUPPLEMENTAL INFORMATION

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RECLAMATION DISTRICT NO. 1000, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023 and 2022

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN
Last 10 Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.01463%	0.01437%	0.01314%	0.01257%	0.01251%	0.01235%	0.01256%	0.12560%	0.01240%	0.01360%
Proportionate share of the net pension liability	\$ 1,824,988	\$ 1,659,681	\$ 710,510	\$ 1,368,174	\$ 1,281,711	\$ 1,189,937	\$ 1,245,857	\$ 1,086,420	\$ 848,318	\$ 846,161
Covered payroll - measurement period	\$ 1,161,215	\$ 1,085,593	\$ 1,035,417	\$ 1,004,351	\$ 926,881	\$ 889,262	\$ 826,547	\$ 858,126	\$ 852,087	\$ 630,170
Proportionate share of the net pension liability as a percentage of covered payroll	157.16%	152.88%	68.62%	136.22%	138.28%	133.81%	150.73%	126.60%	99.56%	134.27%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	75.31%	74.06%	78.40%	79.21%

Notes to Schedule:

Reporting valuation date: June 30, 2022 June 30, 2021 June 30, 2020 June 30, 2019 June 30, 2018 June 30, 2017 June 30, 2016 June 30, 2015 June 30, 2014 June 30, 2013
 Reporting measurement date: June 30, 2023 June 30, 2022 June 30, 2021 June 30, 2020 June 30, 2019 June 30, 2018 June 30, 2017 June 30, 2016 June 30, 2015 June 30, 2014
 Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes in assumptions: The discount rate was changed from 7.5% in 2015 to 7.65% in 2016 and 2017, and to 7.15% in 2018. In 2023, the discount rate was reduced from 7.15% to 6.90%.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN
Last 10 Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 231,565	\$ 221,710	\$ 195,167	\$ 172,665	\$ 155,951	\$ 174,925	\$ 150,162	\$ 139,989	\$ 130,747	\$ 100,907
Contributions in relation to the actuarially determined contributions	(231,565)	(221,710)	(195,167)	(172,665)	(155,951)	(174,925)	(150,162)	(139,989)	(130,747)	(100,907)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 1,219,474	\$ 1,161,215	\$ 1,085,593	\$ 1,035,417	\$ 1,004,351	\$ 926,881	\$ 889,262	\$ 826,547	\$ 858,126	\$ 630,170
Contributions as a percentage of covered payroll	18.99%	19.09%	17.98%	16.68%	15.53%	18.87%	16.89%	16.94%	15.24%	16.01%

Notes to Schedule:

Valuation date: June 30, 2021 June 30, 2020 June 30, 2019 June 30, 2018 June 30, 2017 June 30, 2016 June 30, 2015 June 30, 2014 June 30, 2013 June 30, 2012

Methods and assumptions used to determine contribution rates:

	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Amortization method					Entry age normal					
Remaining amortization period					Level percentage of payroll, closed					
Asset valuation method					Varies by rate plan, not more than 30 years					
Inflation	2.30%	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases					Varies by entry age and service					
Payroll growth	2.40%	2.75%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	6.80%	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

For the Year Ended June 30

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 101,767	\$ 114,722	\$ 36,990	\$ 36,000	\$ 30,024	\$ 29,220	\$ 28,438
Interest	112,254	103,371	83,852	79,958	61,951	59,499	57,189
Experience (gains)/losses	14,606	-	28,377	3,981	241,370	-	-
Assumption changes	(2,296)	(173,753)	458,684	-	-	-	-
Benefit payments	(112,067)	(117,518)	(74,859)	(79,186)	(43,424)	(59,354)	(42,393)
Net change in total OPEB liability	114,264	(73,178)	533,044	40,753	289,921	29,365	43,234
Total OPEB liability - beginning	1,750,337	1,823,515	1,290,471	1,249,718	959,797	930,432	887,198
Total OPEB liability - ending (a)	\$ 1,864,601	\$ 1,750,337	\$ 1,823,515	\$ 1,290,471	\$ 1,249,718	\$ 959,797	\$ 930,432
Plan fiduciary net position							
Contributions - employer	\$ 187,621	\$ 198,672	\$ 75,205	\$ 49,497	\$ 43,424	\$ 28,000	\$ 38,795
Net investment income	77,502	(183,986)	218,171	58,110	70,619	60,324	66,639
Benefit payments (estimate)	(112,067)	(117,518)	(74,859)	(79,186)	(43,424)	(59,354)	(42,393)
Administrative expenses	(702)	(618)	(642)	(530)	(216)	(912)	(801)
Net change in plan fiduciary net position	152,354	(103,450)	217,875	27,891	70,403	28,058	62,240
Plan fiduciary net position - beginning	1,216,207	1,319,657	1,101,782	1,073,891	1,003,488	975,430	913,190
Plan fiduciary net position - ending (b)	\$ 1,368,561	\$ 1,216,207	\$ 1,319,657	\$ 1,101,782	\$ 1,073,891	\$ 1,003,488	\$ 975,430
Net OPEB liability (asset) - ending (a)-(b)	\$ 496,040	\$ 534,130	\$ 503,858	\$ 188,689	\$ 175,827	\$ (43,691)	\$ (44,998)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	73.40%	69.48%	72.37%	85.38%	85.93%	104.55%	104.84%
Covered-employee payroll - measurement period	\$ 1,161,215	\$ 1,085,593	\$ 1,035,417	\$ 1,004,351	\$ 926,881	\$ 826,547	\$ 861,202
Net OPEB liability (asset) as percentage of covered-employee payroll	42.72%	49.20%	48.66%	18.79%	18.97%	(5.29%)	(5.23%)
Notes to schedule:							
Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Discount Rate	6.25%	6.25%	5.50%	6.50%	6.50%	6.50%	6.50%

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Benefit changes. None.

Changes in assumptions. None.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution - employer fiscal year	\$ 174,657	\$ 171,634	\$ 75,205	\$ 49,497	\$ 79,186	\$ 65,512	\$ 59,354
Contributions in relation to the statutorily required contributions	(316,284)	(187,621)	(198,672)	(75,205)	(128,683)	(65,512)	(87,354)
Contribution deficiency (excess)	\$ (141,627)	\$ (15,987)	\$ (123,467)	\$ (25,708)	\$ (49,497)	\$ -	\$ (28,000)
Covered-employee payroll - employer fiscal year	\$ 1,219,474	\$ 1,161,215	\$ 1,085,593	\$ 1,035,417	\$ 1,004,351	\$ 926,881	\$ 889,262
Contributions as a percentage of covered-employee payroll	25.94%	16.16%	18.30%	7.26%	12.81%	7.07%	9.82%

Notes to Schedule:

Valuation date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-age normal, level % of pay						
Amortization method	Level dollar						
Asset valuation method	Market value of assets						
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Medical trend	6.75% to 3.75%	6.75% to 3.75%	6.75% to 3.75%	4.00%	4.00%	4.00%	4.00%
Discount rate	6.25%	6.25%	5.50%	6.50%	6.50%	6.50%	6.50%

An actuarially determined contribution rate was not calculated. The required contributions reported represent retiree premium payments.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Property assessments	\$ 4,025,874	\$ 4,025,874	\$ 3,844,424	\$ (181,450)
O & M reimbursement revenue from SAFCA	1,463,950	1,463,950	1,471,161	7,211
Capital contributions and grants	521,000	521,000	398,008	(122,992)
Fees for services	-	-	101,534	101,534
Use of money and property	104,000	104,000	543,316	439,316
Other revenues	-	-	85,331	85,331
TOTAL REVENUES	6,114,824	6,114,824	6,443,774	328,950
EXPENDITURES				
Current				
Flood protection:				
Maintenance and operations	5,264,776	5,264,776	4,134,166	1,130,610
Administration	1,354,936	1,354,936	1,209,496	145,440
Capital outlay	335,000	335,000	263,246	71,754
TOTAL EXPENDITURES	6,954,712	6,954,712	5,606,908	1,347,804
NET CHANGE IN FUND BALANCE	(839,888)	(839,888)	836,866	1,676,754
Fund balance at beginning of year	9,879,885	9,879,885	9,879,885	-
FUND BALANCE AT END OF YEAR	\$ 9,039,997	\$ 9,039,997	\$ 10,716,751	\$ 1,676,754

The accompanying notes are an integral part of these financial statements.

OTHER SUPPLEMENTARY INFORMATION

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RECLAMATION DISTRICT NO. 1000, CALIFORNIA

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2024

	Final Budget	Actual	Variance
Maintenance and Operations:			
Power	\$ 460,000	\$ 594,115	\$ (134,115)
Herbicides	160,000	223,586	(63,586)
Field services	260,500	129,589	130,911
Field operations consultants	16,200	18,247	(2,047)
Materials and supplies	23,000	23,248	(248)
Refuse collection	50,000	41,179	8,821
Compensation	1,264,664	1,332,780	(68,116)
Payroll taxes	93,356	98,777	(5,421)
Group insurance	161,096	146,947	14,149
Dental/vision insurance	28,628	23,277	5,351
Workers' compensation insurance	35,000	23,889	11,111
Pension - defined benefit and 457 plans	340,941	243,932	97,009
Fuel	85,000	75,334	9,666
Equipment repairs and services	40,000	25,767	14,233
Equipment parts and supplies	35,000	49,837	(14,837)
Shop equipment (not vehicles)	30,000	12,224	17,776
Government fees and permits	3,500	12,897	(9,397)
Facility repairs	561,000	334,195	226,805
Assessments/CAD	11,500	13,834	(2,334)
Field utilities	16,891	27,347	(10,456)
Equipment rental and other	4,000	2,800	1,200
Field equipment	17,000	529	16,471
Security patrol	155,000	247,020	(92,020)
FMAP - operations and maintenance	421,000	283,341	137,659
Capital - facilities	975,000	128,745	846,255
FEMA permits	11,500	-	11,500
Other	5,000	20,730	(15,730)
	<u>\$ 5,264,776</u>	<u>\$ 4,134,166</u>	<u>\$ 1,130,610</u>
Administration:			
Office supplies	\$ 25,000	\$ 9,111	\$ 15,889
Computer	42,600	40,024	2,576
Liability and auto insurance	197,000	201,901	(4,901)
Annuitant healthcare	172,836	300,284	(127,448)
Memberships	37,600	40,783	(3,183)
Legal	102,500	58,451	44,049
Engineering/Administrative consultants	188,500	253,447	(64,947)
Public relations, legislative analyst	90,000	24,286	65,714
Accounting and audit services	57,000	52,388	4,612

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL -
GENERAL FUND (Continued)

For the Year Ended June 30, 2024

	Final Budget	Actual	Variance
Administration (continued):			
Administrative services	\$ 24,500	\$ 16,983	\$ 7,517
Trustee fees	30,000	25,219	4,781
Mitigation land taxes	5,500	4,995	505
Election costs	45,500	5,466	40,034
Utilities	35,700	28,375	7,325
Office maintenance and repair	33,700	22,172	11,528
Continuing education	12,000	7,259	4,741
Payroll service	4,500	2,921	1,579
Small office and computer equipment	20,750	19,565	1,185
Government fees and permits	21,950	5,186	16,764
Assessment management fees	-	42,213	(42,213)
Professional development	60,000	23,092	36,908
Temporary administration	20,000	5,736	14,264
Office improvements	125,000	17,005	107,995
Other	2,800	2,634	166
	<u>\$ 1,354,936</u>	<u>\$ 1,209,496</u>	<u>\$ 145,440</u>
Capital outlay:			
Capital - office facility repair	\$ 75,000	\$ 41,360	\$ 33,640
Capital equipment	260,000	221,886	38,114
	<u>335,000</u>	<u>263,246</u>	<u>71,754</u>
Total expenditures	<u>\$ 6,954,712</u>	<u>\$ 5,606,908</u>	<u>\$ 1,347,804</u>

OTHER REPORTS

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

To the Board of Trustees
Reclamation District No. 1000
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Reclamation District No. 1000 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

To the Board of Trustees
Reclamation District No. 1000

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Richardson & Company, LLP

November 26, 2024



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

GOVERNANCE LETTER

To the Board of Trustees
Reclamation District 1000
Sacramento, California

We have audited the financial statements of the Reclamation District 1000 (the District) for the year ended June 30, 2024, and have issued our report thereon dated November 26, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 29, 2020. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*

As stated in our engagement letter dated April 29, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the District. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we also performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no internal control related matters that are required to be communicated under professional standards.

We are required by the audit standards to identify potential risks of material misstatement during the audit process. We have identified the following significant risks of material misstatement as part of our audit planning: Management override of internal control and revenue recognition. These are the areas that the audit standards require at a minimum to be identified as significant risks.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated April 29, 2020.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2023/24. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were: depreciable lives and method used to depreciate capital assets, the amount receivable from the County for delinquent assessments, and the accruals for postemployment and pension benefits. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The accrual for postemployment benefits was determined by an actuarial valuation, which is required to be performed every two years. The accrual for the unfunded pension liability was determined by an actuarial valuation performed by CalPERS, which is performed annually.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were:

Pension Liability: Information on the District's pension plans, including the District's share of the unfunded pension liability, is shown in Note E. The District's share of the unfunded pension liability at June 30, 2023, the most recent measurement date, was \$1,824,988 which is reflected as a liability in the District's financial statements as of June 30, 2024. As a result of the changes in the net pension liability and related deferred inflows and outflows, the District's pension expense is \$350,892 primarily because of the Plan's difference between projected and actual investment earnings on pension investments.

Liability for Other Postemployment Benefits: The postemployment benefit (OPEB) disclosure in Note F shows that the District's share of the unfunded OPEB liability at June 30, 2023, the most recent measurement date, was \$496,040 which is reflected as a liability in the District's financial statements as of June 30, 2024. As a result of the recording of the net OPEB liability and related deferred inflows and outflows, the District's OPEB expense is \$225,310 primarily to record changes in the net OPEB liability and deferred outflows and inflows.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. No adjustments were identified during the audit process. The District's accountant identified two adjustments based on additional information that became available during the audit process.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 26, 2024.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, schedule of change in net OPEB liability and related ratios, schedule of contributions to the OPEB plan and schedule of revenue, expenditures and changes in fund balance- budget and actual, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures – budget and actual which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Richardson & Company, LLP

November 26, 2024



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MANAGEMENT LETTER

To the Board of Trustees
Reclamation District 1000
Sacramento, California

In planning and performing our audit of the financial statements of the Reclamation District 1000 (the District) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

During our audit, we became aware of the following matters that have been included in this letter for your consideration:

Tracking System for FEMA/OES Funding: Since the timing of when contracts with FEMA/OES are established and when expenditures are incurred and reimbursements are received, we recommend that the District develop a tracking system. This system should be used for the FMAP grants as well. By tracking when FEMA/OES obligates the funding and what expenditures that will be reimbursed with those funds are incurred, this will ensure the revenue is recorded in the same fiscal year the expenditures are incurred or when the funds have been obligated, whichever is later. The District's accountant noted a reimbursement that was received in November 2024 that should have been accrued at June 30, 2024. An adjustment was made in the June 30, 2024 financial statements after the audit was completed, but if a tracking system were in place, the need for this accrual would have been identified during the closing process.

Capital Asset System Difference: The District identified an unreconciled difference of \$73,562 between the capital asset detail list and the general ledger that appears to be related to the system conversion. We recommend the District determine the cause of this difference.

We became aware of the following matter in a previous audit that has been included in this letter for your further consideration:

Remote Work Policy: We noted the District does not have a remote work policy. A formal policy should be established to define employees' responsibilities for working remotely and provide a mechanism to track the employee's hours worked. We recommend the District adopt written policies outlining remote work.

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the examination. This report is intended solely for the information and use of the Board of Trustees, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

November 26, 2024



RECLAMATION DISTRICT NO. 1000

DATE: DECEMBER 19, 2024

AGENDA ITEM NO. 7.1

TITLE: Committee Meeting Minutes

SUBJECT: Committee Meeting Minutes since the November Board Meeting

Finance Committee Meeting – November 26, 2024

A meeting of the Reclamation District No. 1000 Finance Committee was held on Tuesday, November 26, 2024, at 10:30 a.m. at the District's office. In attendance were Trustees Gilbert and Barandas. Staff in attendance were General Manager King, Administrative Services Manager Gutierrez, Operations Manager Holleman, District Accountant and District Auditors.

The Finance Committee performed the following item:

1. Finance Committee Meeting

1.1. Review and Discuss Draft Audit Report FY 2023-2024

After presentation by District Auditors, the Finance Committee discussed the FY 2023/2024 Audit reports and unanimously recommended the finalization of the audit reports and directed staff to present the final audit reports to the Board of Trustees at the December 19, 2024 Board of Trustees meeting.

2. Public Comment

There were no members of the public present, therefore no public comments were received.

3. Adjournment

With no further business on the agenda, the meeting adjourned at 11:15 a.m.

Executive Committee Meeting – December 4, 2024

A meeting of the Reclamation District No. 1000 Executive Committee was held on Wednesday, December 4, 2024, at 9:00 a.m. at the District's office. In attendance were Trustees Lee Reeder and Gilbert. Staff in attendance were General Manager King, Operations Manager Holleman and District Counsel Shapiro.

The Executive Committee performed the following items:

1. Executive Committee Meeting

1.1. Review Agenda for December 19, 2024 - Regular Board of Trustees Meeting

TITLE: *Committee Meeting Minutes*

The Committee reviewed and discussed the proposed agenda and approved as presented.

1.2. General Manager's Report

General Manager King provided an update to the Executive Committee about various District activities and upcoming events.

2. Public Comment

No public comments were received.

3. Adjournment

With no further business on the agenda, the meeting adjourned at 9:41 a.m.