

RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
ACTION SUMMARY
SACRAMENTO, CA
February 9, 2018
8:00 A.M.
1633 Garden Highway
Sacramento, CA 95833

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

President Smith presided at the meeting.

1. Approval of the Minutes – February 9, 2018

It was moved by Trustee Smith to adopt the minutes of January 12, 2018 with changes. The motion was seconded by Trustee Harris, and carried by a unanimous vote.

2. Administrative Items

A. Treasurer's Report for January 2018

Checking:	\$ 341,733.15
Money Market:	\$ 818,202.59
County Treasurer:	\$ 834,300.72
LAIF:	\$ 1,736,452.38
City Pool A:	\$ 2,025,027.83

ASM Gutierrez presented the Board with monthly reports and answered questions concerning various accounts payable items. Trustee Christophel made a motion to approve the Treasurer's Report as presented, seconded by Trustee Harris, by a unanimous vote, motion carries.

3. COMMITTEE REPORTS

A. SAFCA Representatives

Trustee Barandas announced that by unanimous vote Trustee Nick Avdis was elected the SAFCA Board Chairman. Barandas also discussed SACFA's continued federal and state funding issues which he describes as "A funding gap that SAFCA is trying to solve." SAFCA will continue to seek out federal funds and possibly state funding through the general fund.

Trustee Barandas provided updates on the Corps Natomas Basin Project. The Reach H (along Natomas East Mail Drain) contract was awarded and protested. He noted that 11 of the past 12 contracts awarded by the Sacramento Corps District have been protested. The Corps will now cancel that award and consider other options to avoid future protests. Reach I: Trustee Barandas reported the Corps anticipates a new award which will be the third by the end of February. Reach D: Complete funding is not available without a federal budget and will be out for bid on April 5. It may be a smaller scope unless a federal budget is approved.

Trustee Barandas gave a Washington D.C. update on a \$1.5 Trillion infrastructure Bill in Congress which will include flood projects but proposes only a 20% federal share. He mentioned Mr. RD James has been confirmed as head of Army Corps of Engineers. He announced there was a Dam raise meeting for Folsom Dam and the project is expected to begin in 2020 and be completed in 2025. He provided an update on the Bryte Landfill Project; reporting the purchase of landfill property was completed and purchase of property for relocation is underway. This is an essential element for the proposed Sacramento Weir and By-pass widening project.

B. Executive Committee

The Executive Committee met on January 31, 2018. All committee members were present. President Smith provided an overview of the meeting and mentioned spending specific time on discussion of the agenda, work on the Plant, asset management plan and a few other items on agenda.

C. Personnel Committee

The Personnel Committee met on February 2, 2018. In attendance were Trustees Fred Harris, David Christophel, Chris Burns and General Manager Paul Devereux. The Committee discussed the GM's quarterly review under a streamlined format highlighting more strategic and higher priority tasks. The Committee also addressed succession planning for the GM position. He provided the Committee a draft recruitment and transition plan for his position. There's an item in the agenda for a contract to update the GM's job description and to develop a procedures manual. Still needing to be addressed is a Professional Engineer requirement, pay scale and CalPERS benefits. President Smith asked if a schedule of the GM's existing workload was put together. President Smith would like to see this information shared at next Board meeting. Varied opinions by Board members pointed toward use of a professional search firm to aid the recruitment process. The Board discussed the potential process and its involvement. It is likely that the full Board may want to review applicant materials for screening. The Board would like the Personnel Committee to conduct initial reviews. It is the sense of the Board to be included in the second and final screening. The Grace contract may need to be amended.

D. Operations Committee

The Operations Committee met on February 2. In attendance were Trustees Tom Barandas, Chair, Committee members David Christophel, Jeff Smith; General Manager Paul Devereux, Administrative Services Manager Joleen Gutierrez, and consultants Scott Brown from Larsen Wurzel, and Tim Hill and Nick Pealy (via phone) from CH2M. The Committee discussed the proposed RD 1000 Asset Management Plan, and a plan to implement the plan's initiatives in 2018-2018. This item is scheduled to go before the Board for approval at the February Board meeting. The Committee also discussed the Plant 1 transformer issue and phase 1 of SCADA improvements.

4. Board Business

A. Briefing by Natomas Central Mutual Water Company Manager on Activities and Projects of the Water Company

This item was removed from the agenda. It is scheduled to be heard at the March Board meeting.

B. Approve District Asset Management Implementation Plan Prepared by CH2M-Jacobs

CH2M was in attendance to answer questions. The GM explained that after speaking with staff, management, visiting facilities, Tim Hill from CH2M-Jacobs produced a list of 15 initiatives with planning level costs – emphasizing costs are very preliminary and not being approved as part of this action. The initiatives serve more as a policy direction that the District should head in the coming months/years. GM Devereux asked the Board to consider the presented list of initiatives. A memorandum discussing each was included in the Board packet. The GM mentioned that if the Board decides to implement some of the initiatives, budgeting will need to occur. He listed top priorities and expenditures as timekeeping, training for employees, Standard Operating Procedures, and CIP methodologies. After extended discussion, it was determined this item is not yet ready for action by the Board due to concerns over funding and the many priority initiatives scheduled to be completed by next year. Trustees Harris and Christophel were concerned with staff time to handle this additional work. Trustee Burns had concerns about connected items – technology and Strategic Plan implementation tracking. He expressed concern about forecasted Asset Management Plan expenditures. The Board requested time to address concerns about staff time availability and ongoing staff time requirements as well as consultant project management usage (if needed) and to better understand the deliverables for each task. GM stated he would like to see a commitment of initiatives for 2018 as this will provide GM with direction in which to take the District. A revised plan to address the comments will be prepared and brought to the March Board meeting. GM reiterated he would like the Board to view this plan as more of a guide to direct the District's activities rather than a concrete plan and implementation of suggested initiatives. The Asset Management Plan will come back before the Board in March when staff time concerns are addressed, a 2-year schedule is detailed, and deliverables are more clearly stated. No action was taken.

C. Approve Contract Amendment with CH2M-Jacobs to provide SCADA Quality Assurance consulting services

President Smith recused himself. Trustee Christophel recused himself. GM Devereux provided information about the Scope of Work contract amendment with CH2M-Jacobs to provide SCADA Quality Assurance consulting services. GM provided background information about ATEEM's planned SCADA design (radio towers/hardware/software – monitor pumping plants and drains) which was partially funded by cost share with Natomas Central Water Mutual and a grant from the Bureau of Reclamation. Known costs will exceed available grant funds. Because of the complicated nature of SCADA, it is necessary to engage a consultant from CH2M-Jacobs to conduct a peer review. Scott Brown from Larsen Wurzel notes CH2M-Jacobs will be able to help with technical questions and discussions in areas that GM and Scott Brown do not have expertise. Motion made by Trustee Harris to move, seconded by Trustee Avdis to approve contract amendment with CH2M-Jacobs. After a vote, there were 5 ayes, Trustees Smith and Christophel abstained, motion passed.

D. Wickland Oil Request to Encumber Pipeline Permit and Agreement for Crossings of District Facilities

Counsel Jim Day presented. Wickland Pipelines owns the jet fuel line that supplies Sacramento International Airport. The Pipeline runs under the Sacramento River levees as well as several other District drainage facilities (M8 Drain, West Drain and Meister Drain). Part of the encroachment Permit and Agreement signed by the District in 2003 approved the pipeline crossings and requires that Wickland Pipelines does not encumber the easement without prior permission of the District. Counsel Day explained Wickland's request today is fairly standard and that Wickland Oil has requested similar consents in the past that were approved by the District. Wickland is refinancing their project and there is a need to encumber their entire system. There is no impact to District's rights. A motion was made by Trustee Harris to approve consent to

execute documents approving consent to encumber. Motion was seconded by Trustee Gilbert and by unanimous vote, motion carries.

E. Grant of Easement to State of California through the Sacramento San Joaquin Drainage District for Construction of the Natomas Levee project by the Corps of Engineers on Reach H

GM Devereux briefed the Board about construction of the Natomas Federal Levee Project improvements along the Natomas East Main Drain Canal (NEMDC) - Reach H. He discussed a need for a permanent 25-foot flood control easement which should be granted to the State of California and SAFCA. The easement parcel is described as Parcel 13858 (Rosen Court Property). The easement is necessary for construction of a seepage cutoff wall, landside slope stability, and landside access and patrol road. The easement will be dedicated to SAFCA along with the Sacramento-San Joaquin Drainage District which is the property holding interest for the CVFPB. Since easement is being used for levee improvements benefitting the District, staff is not recommending there be any compensation for the easement. District counsel has reviewed easement documents. Item was moved by Trustee Avdis to approve signing of easement deed, seconded by Trustee Christophel, by unanimous vote, motion carries.

F. Contract with Grace consulting for Human Resources Consulting Services – Review and Update Job Description and Develop Procedure Manual for General Manager position

GM Devereux explained succession planning for the GM position is necessary as he is considering his retirement in 2019. In anticipation, a contract with Grace Consulting is necessary to review and update the current GM job description, develop a procedures manual, and provide guidance on the tasks and processes to meet responsibilities of the GM position. The contract would be done on a time and material basis estimated at \$7400, with a 15% contingency fee not to exceed \$8500. Trustee Smith, Harris, and Burns addressed items that were not in the contract such as verifying salary range, outside search firm process, and study of a possible District retirement disincentive under the District's 2011 Agreement with CalPERS, currently affecting newly hired Classic CalPERS members. After discussion, it was determined these items would fall under the 15% contingency fee. Trustee Harris moved the approval of a contract with Grace Consulting for Human Resources Consulting Services, seconded by Trustee Gilbert, motion carries.

G. Reimbursement Agreement with SAFCA for Costs to Supply Power by Pacific Gas and Electric to Proposed Reconstructed Pumping Plant No. 4 as part of Federal Natomas Levee Project – Reach D Natomas Cross Canal

This item was removed from agenda and rescheduled to the March Board meeting.

5. GENERAL MANAGER'S REPORT

A. Regional Flood Control Issues

GM did not have anything new to report.

B. Flood Season Update

GM shared with the Board a weather forecast with below normal precipitation March - May. This is due to an existing high pressure system keeping the rain away. The reservoirs are 75% full, yet still below their allocation for flood control. Oroville lake levels are very low due to the spillway construction. Folsom is right where it should be.

GM Devereux asked Scott Brown from Larsen Wurzel to provide an update on the transformer at Plant 1. Scott recapped the transformer failures at the site. The Plant is now operational under the open-delta configuration – two transformers providing 3-phase power. This limits operations to just Plant 1B. The repaired third transformer to fully operate both plants will be delivered February 9; the plant should be operational by February 14. With facilities operational, we need to focus on where we go from here: do we refurbish the spare 4th transformer and bring it back, do we move to two three phase transformers, do we move to medium voltage standard service and away from Rule 2 charges that are going to increase if the District remains with a single phase transformer. He will begin vetting out these questions with SMUD including Rule 2 charges, monthly charges for recurring replacement costs of transformers when life expectancy is up, currently \$2000 per month; these costs are likely set to double. The review will be focused on electrical service and electrical facilities and would feed into the overall facility conditions report. Tim Hill clarified CH2M would train the district on how to assess the condition of its assets and make that part of how we operate. Two separate issues.

C. Update Corps Design Progress Natomas Levee Project

GM Devereux noted this was previously covered, but noted In Reach H, the Corps is looking at other contracting award processes to avoid future protests.

D. Update on Erosion Site at 7907 Garden Highway

GM informed the Board that this site is being actively monitored. There has been no change in erosion at 7907 Garden Highway. The state levee inspector is working with the District on a contingency plan. It will be a joint effort with DWR and the District. Trustee Barandas inquired about putting out stakes; Superintendent Caldwell indicated he is currently implementing a similar monitoring plan.

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

GM received positive news from FEMA that they will approve additional reimbursement request submitted approximately \$400,000; GM will share with the Board when letter is received.

F. Structure Encroachment 200 Cleveland Street (NEMDC)

GM Devereux revealed when survey work was conducted along NEMDC to determine the District's flood control easement, it was noted that an older building located at 200 Cleveland Street is encroaching our easement. There was an error when the Garden Land subdivision was developed and it is not consistent with our right of way. This information was shared with the property owner. Sacramento County would like to sell RD 1000 the landside parcel thereby allowing the District to adjust the lot line of 200 Cleveland encroachment that would allow access and levee work to be completed. GM Devereux will coordinate with SAFCA on an appraisal and acquiring this parcel from the County in fee title.

G. Acquiring title on parcel in Natomas Cross Canal Floodway

Using a map of the Natomas Cross Canal, GM Devereux showed the Board parcels within the floodway which the District has fee title. He referenced four parcels where the District has an easement, but not fee title. Three of these parcels are owned by the Natomas Water Company who has agreed to quitclaim to the District and/or the State. These parcels encumbered their intake facilities that have been abandoned with construction of the Sankey Diversion Canal. However, there is one parcel in private ownership, though the owner of record cannot be located. GM is recommending we go through the condemnation process to get title to the

SAFCA is willing to share the cost. GM Devereux would like to move forward with condemnation to clean this up. The Board agrees with this direction.

H. Encroachment permits Endorsed

GM Devereux notes there were no encroachment permits endorsed.

I. Status of District Audit FY 16-17

GM updated the Board the audit field work is complete. GM will make it a goal for Finance Committee to meet and review a draft audit in March.

6. PUBLIC OUTREACH UPDATE –K. Pardieck

K. Pardieck advised the Board of an upcoming event on March 19 State of Natomas; a luncheon of which the District is a sponsor; ACWA published Chris Burns' information; many of the neighborhood associations know the District very well and at this time there are no new meetings scheduled. Trustee Avdis mentioned residents are still asking about the proposed access road at the toe of the levee slope in Valley View Acres where trees were removed. He would like to convey to residents a good time to discuss future plans for safety, improvements, and access.

7. DISTRICT COUNSEL'S REPORT

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

8. SUPERINTENDENT'S REPORT

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

9. Correspondence/News/Information

None.

10. Closed Session—Conference with Legal Counsel Anticipated Litigation

Prior to going into Closed Session, District Counsel Jim Day noted facts and circumstances exist to anticipate litigation.

Upon adjourning from the Closed Session, District Counsel Jim Day reported that the Board discussed and consulted with legal counsel and no action was taken.

12. ADJOURN

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



President



Secretary