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**RECLAMATION DISTRICT NO. 1000
BOARD OF TRUSTEES
ACTION SUMMARY
SACRAMENTO, CA
July 13, 2018
8:00 A.M.
1633 Garden Highway
Sacramento, CA 95833**

Trustees Present: Smith, Barandas, Burns, Harris

President Smith presided at the meeting.

Public Comments: There were no public comments

1. Approval of the Minutes of the Board of Trustees

There were no changes to the Minutes. A motion was made by Trustee Harris to approve the Minutes, seconded by Trustee Barandas, and carried by a unanimous vote.

2. Administrative Items

A. Treasurer's Report for June 2018

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

Treasurer's reports were included in the board packet. President Smith asked for clarification about property assessment projection for the 2018-2019 Budget. A motion was made by Trustee Burns to approve the report, seconded by Trustee Barandas, and carried by a unanimous vote.

3. Committee Reports

A. SAFCA

Trustee Barandas reported the May SAFCA Executive Committee meeting was cancelled. GM Devereux reported about the recent historic \$1.8 Billion appropriation by the Federal government for Sacramento area flood protection. This funding will aid several projects: 2016 WRDA work in the Pocket, Sacramento and American Rivers, North Sacramento, Folsom Dam raise, Yolo Bypass and widening of the weir. No appropriations were made for the Natomas Project. GM assures there is still work plan money to fund Natomas Projects - Reach I and Reach H have funds obligated by the Army Corps and work will begin this year. The Reach D contract will be awarded this year.

B. Executive Committee

The Executive Committee met on July 6, 2018. In attendance were Trustee Jeff Smith, Tom Barandas, Fred Harris and GM Devereux. The Committee set the agenda for the July 13 Board

meeting and discussed the federal government's recent \$1.8 Billion appropriation for Sacramento flood protection, FY 18-19 Budget, public hearing for the assessment, and several contracts. A board meeting quorum check was also conducted.

C. Personnel Committee

The Personnel Committee met on June 22. In attendance were Trustees Fred Harris, David Christophel and Chris Burns. General Manager (GM) Devereux; Admin Service Manager Gutierrez attended the CalPERS discussion. The Committee discussed the District's FY 2018-2019 Budget and recommended salary and merit adjustments; existing nepotism policy; succession plan/RFP for the GM's position, and the status of CalPERS benefits for the Admin Service Manager J. Gutierrez.

D. Operations Committee

The Operations Committee met on June 15, 2018 to discuss the proposed FY 2018-19 Budget. In attendance were Trustee Barandas, Chair, Trustee Jeff Smith, and GM Paul Devereux; Trustee Christophel participated by phone. The Committee discussed the proposed FY 2018-19 Budget, budgeted Capital Improvements and pursuing grant funding opportunities. After discussion, the Committee voted to recommend Board approval of the revised Operations and Capital Improvement portion of the budget. The Committee also reviewed the status of the Asset management Plan Roadmap initiatives, and GM proposed a schedule for items that still need to be implemented. A suggestion was made by Trustee Smith to look to CH2M (Jacobs) for templates used for SOP's. Trustee Barandas recommended having our field crew visit other similar organizations to share experiences and efficiencies with maintenance activities.

E. Finance Committee

The Finance Committee met on June 15 to discuss the preliminary FY 2018-19 Budget. In attendance at the meeting were Trustees Thom Gilbert, Fred Harris and Trustee Chris Burns sat in on this meeting. Trustee Smith was not available to attend. Staff in attendance were GM Devereux and Admin Service Manager Gutierrez. The Committee discussed a new education line item, rising healthcare costs and new provider possibilities. They extensively reviewed the projected operations Capital expenditures and discussed how best to track reimbursable expenditures on the District's budget document. The meeting ended with discussion of the accountant and auditor consultant tasks/duties and the Committee seeking approval to extend the Cropper Accountancy audit renewal for one more year.

4. Board Business

A. O&M Assessment Rate

A public hearing formally opened by Trustee Smith and asked if there were any questions, if anyone would like to testify, if anyone had any comments. There were none. Trustee Burns inquired about the assessments and whether collection of monies triggers a Prop 218 election. Counsel Day explained District has a pre-Prop 218 assessment provides for an adjustment when there is a change in land use or land parcel splits. There are set adjustments set in accordance with formula adopted by Assessment Valuation Commissioners which is the equivalent to an Engineer's Report.

A motion was made by Trustee Harris to adopt the 2018-19 Assessment Rate at .75 per \$100 of assessed value, seconded by Trustee Barandas, all in favor, no opposition, motion carries, and hearing was closed.

B. Approve FY 18-19 Budget

A copy of the proposed Fiscal Year 2018-19 Budget was included in the board packet. The proposed budget has been reviewed by the Operations, Personnel and Finance Committees. GM Devereux presented the Proposed FY 2018-19 Budget and answered questions from Trustees about District revenues, fund balances and proposed budget line item increases, decreases and newly budgeted line items. GM took time to explain the existing state of our fund balances (restricted and unrestricted funds), how each fund is used, and forecasted projected balances at 6/30/19. A motion was made by Trustee Harris to adopt the FY 2018-19 Budget, seconded by Trustee Barandas, all in favor, motion carries.

C. Adoption of Official Pay Rate Schedule for 2018-2019 (CCR §570.5)

Per the California Code of Regulations §570.5 the Board is required to adopt an Official Pay Rate Schedule and have it available for the public to review. This pay schedule is for the Fiscal Year 2018-19 and is based upon the 2018-19 adopted Budget, which includes approved payrates for employees. A copy of the Official Pay Rate schedule was included in the board packet. A motion was made by Trustee Harris to adopt the 2018-19 Official Pay Rate Schedule as prepared, seconded by Trustee Smith, by unanimous vote, motion carries.

D. Banking and Finance Authorizations

Annually or as necessary, banking and finance authorizations must be updated.

1. Adopt Banking Resolution 2018-07-2 (County of Sacramento)
2. Adopt Banking Resolution 2018-07-3 (Bank of the West Checking/Money market)
3. Adopt City of Sacramento Pool A Investment Fund Authority Resolution 2018-7-4
4. Adopt State Treasury Local Agency Investment Fund Authority Resolution 2018-7-5

Trustees shared some concern and he asked for clarification of controls in place for the LAIF and City Pool A accounts. ASM Gutierrez and GM Devereux explained controls. A motion was made by Trustee Burns to authorize banking and finance authorizations for Resolutions 2018-07-2, 2018-07-03, 2018-7-4, 2018-7-5; seconded by Trustee Barandas, by unanimous vote, motion carries.

E. Sutter County Assessment Certification Resolution 2018-7-6

Sutter County requires an annually certification of the District's legal process used to place direct charges (special assessments) on the County's Secured Tax Roll. Resolution 2018-7-6 is a Resolution of the Board of Trustees of Reclamation District No. 1000 certifying to the County of Sutter the validity of the legal process used to place direct charges on the County's Secured Tax Roll. A motion was made by Trustee Burns, seconded by Trustee Barandas, by unanimous vote, motion carries.

F. SCADA

GM Devereux reported there are two items: Awarding contract for the Phase 1 project and the second is amending the contract with A.T.E.E.M. He explained we advertised, had a walk-thru, opened bids and received two bids. Tesco Controls Inc. as the lowest responsible and responsive

bidder in the amount of \$448,000 for Project 18-SCADA-01. GM Devereux is recommending only awarding the base bid; which does not include Plants 4, 5, or 6 due to expected Corps work. The project will construct SCADA Improvements at various District facilities. Alan Bradley equipment will be used to avoid sole source issues down the road. Trustee Smith and Burns inquired about the contract and would like to view all contracts in the future (signing page, terms and conditions, specs, invitation to bid, and bid). The format will be determined. Trustee Smith inquired about a contingency for project changes. Trustee Burns made a motion to approve the contract with Tesco Controls Inc., authorizing GX Devereux to make change orders subject to the maximum allowed by law, not to exceed 15%; seconded by Trustee Harris, by unanimous vote, motion carries.

Agreement with A.T.E.E.M. Electrical Engineering for Consultant Construction Services for Supervisory Control and Data Acquisition (SCADA) Improvements

Scott Brown from Larsen Wurzel provided background information of the District's consulting services with A.T.E.E.M. related to the preparation of a SCADA Masterplan and design. As we move toward the projects construction phase, staff proposed to amend the agreement with A.T.E.E.M. for services related to construction oversight of SCADA improvements associated with the Reclamation Grant. ATEEM's proposal for services was included in the board packet. Staff recommended the Board authorize the General Manager to execute an amendment to the consultant services agreement with A.T.E.E.M. Electrical Engineering Consultants to include SCADA Design Services and amend the not-to-exceed contract amount to \$220,000. Trustee asked if this amount was factored into the FY 2018-19 Budget. GM Devereux clarified he overbudgeted in the Capital line item, so this should cover costs. Trustee Smith moved to approve an agreement with A.T.E.E.M. for SCADA improvements, seconded by Trustee Burns, by unanimous vote, motion carries.

G. Executive Search Firm

The District's General Manager anticipates retiring in 2019. The Board has directed staff to secure the services of an Executive Search Consultant to assist them in selecting a new General Manager. Staff prepared and sent out a Request for Proposal to five firms. Four firms submitted proposal by the July 6 deadline. GM is seeking authorization to the Personnel Committee to hire a new executive search firm to assign the contract, not to exceed \$35,000. Trustee Barandas requested that the Board be notified of the firm selected prior to the August Board meeting. Trustee Harris moved to approve authorization for the Personnel Committee to hire an executive search firm, seconded by Trustee Barandas, by unanimous vote, motion carries.

H. Contract Amendment with LWA for Project Management Services

GM Devereux explained this item is a contract amendment (extension) to extend authority with Larsen Wurzel (Scott Brown's) for recent project management services with SCADA, SMUD Transformer/Plant 1 issues and ongoing project management services that he assists GM with. The original contract was set at \$80k, to date approximately \$32K has been used as the effort was less than anticipated. This extension will be necessary to cover Scott Brown's continued work through the end of the fiscal year. GM also suggested the District take a look at ongoing project management services for the future. A motion was made by Trustee Barandas, seconded by Trustee Burns, all in favor, motion carries.

I. Engagement Letter with Cropper Accountancy for Audit Services

GM Devereux reported that the Finance Committee is recommending the District continue services of Cropper Accountancy for our district audit for one more year. An engagement letter and fee proposal from Cropper Accountancy was included in the board packet. Trustee Burns mentioned a \$900 fee for the State Controller Report was not included in the fee proposal – a possible oversight by Cropper Accountancy. GM Devereux will look into this. Trustee Harris moved to approve services with Cropper Accountancy for the next year, seconded by Trustee Burns, all in favor, motion approved.

5. General Manager's Report

A. Regional Flood Control Issues

Regional Flood Control Issues: Nothing new to report except state budget complimented the federal funding for Natomas Projects.

B. Update Corps Design Progress Natomas Levee project

Corps Natomas Levee Project Update: Reach D construction will start with work plan money that was available nationwide and allocated to this District.

C. Update on strategic Plan Implementation

Strategic Plan update will be available at the August board meeting.

D. Update on asset management plan roadmap

Update on asset management plan – handout was provided at the Board meeting; Trustee Smith would like GM to look into obtaining SOPs from our consultants.

E. Cleveland Street purchase offer (SAFCA)

Cleveland Street purchase SAFCA has made an offer to purchase the property. GM asked the Board if the District is interested in sharing a financial contribution.

F. PRA Request 7907 Garden Highway

We received a PRA request re 7907 Garden Highway from property owner's legal counsel – GM Devereux, Asm Gutierrez and Counsel Day assisted with complying with this request.

6. Public Outreach Report

Karen Pardieck provided a verbal report of her activities for the month of June.

7. District Counsel's Report

Counsel Jim Day provided a verbal report of his activities for the month of June.

8. Superintendent's Report

Superintendent Don Caldwell gave a verbal and visual presentation of related District activities for the month of June. A copy of the Superintendent's report was included in the Board packet.

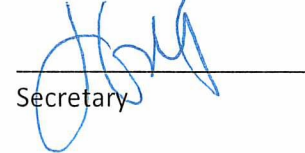
9. Correspondence/News/Information

GM Devereux provided information about Brookman Protection Services' quarterly summary; GM would like to invite John Roberts from the Conservancy to our August or September Board meeting to brief the Board; CSDA Annual Meeting and add to August agenda.

10. Meeting Adjourned



President



Secretary