



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

1633 GARDEN HIGHWAY
SACRAMENTO, CA 95833

**FRIDAY, DECEMBER 10, 2021
8:00 A.M.**

WEB & TELEPHONE MEETING ONLY

MODIFIED BROWN ACT REQUIREMENTS IN LIGHT OF STATE OF EMERGENCY

In compliance with CA Assembly Bill 361, members of the Board of Trustees and members of the public will participate in this meeting by teleconference. The call-in information for the Board of Trustees and the public is as follows:

Join the meeting from your computer, tablet or smartphone.

<https://www.gotomeet.me/rd1000>

You can also dial in using your phone.

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

United States: [+1 \(571\) 317-3116](tel:+15713173116)

Access Code: 539-716-757

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

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

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

1. PRELIMINARY

- 1.1. Call Meeting to Order
- 1.2. Roll Call
- 1.3. Approval of Agenda
- 1.4. Pledge of Allegiance
- 1.5. Election of Board President and Vice President
- 1.6. Designation of Board Secretary
- 1.7. Conflict of Interest (*Any Agenda items that might be a conflict of interest to any Trustee should be identified at this time by the Trustee involved*)

2. PRESENTATIONS

- 2.1. No Scheduled Presentations

3. PUBLIC COMMENT (NON-AGENDA ITEMS)

Any person desiring to speak on a matter which is not scheduled on this agenda may do so under the Public Comments section. Speaker times are limited to three (3) minutes per person on any matter within RD 1000's jurisdiction, not on the Agenda.

Public comments on agenda or non-agenda items during the Board of Trustees meeting are for the purpose of informing the Board to assist Trustees in making decisions. Please address your comments to the President of the Board. The Board President will request responses from staff, if appropriate. Please be aware the California Government Code prohibits the Board from taking any immediate action on an item which does not appear on the agenda unless the item meets stringent statutory requirements (see California Government Code Section 54954.2 (a)).

Public comments during Board meetings are not for question and answers. Should you have questions, please do not ask them as part of your public comments to the Board. Answers will not be provided during Board meetings. Please present your questions to any member of RD 1000 staff via e-mail, telephone, letter, or in-person at a time other than during a Board meeting.

4. INFORMATIONAL ITEMS

- 4.1. **GENERAL MANAGER'S REPORT:** Update on activities since the November 2021 Board Meeting.
- 4.2. **OPERATIONS MANAGER'S REPORT:** Update on activities since the Nov. 2021 Board Meeting.
- 4.3. **DISTRICT COUNSEL'S REPORT:** Update on activities since the November 2021 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 November 12, 2021 Regular Board Meeting.
- 5.2. **TREASURER'S REPORT:** Approve Treasurer's Report for November 2021.
- 5.3. **EXPENDITURE REPORT:** Review and Accept Report for November 2021.

- 5.4. BUDGET TO ACTUAL REPORT: Review and Accept Report for November 2021.
- 5.5. ASSEMBLY BILL 361: Review and Consider Adoption of Resolution No. 2021-12-01 - Proclaiming a Local Emergency, Ratifying the Covid-19 State of Emergency, and Authorizing Remote Teleconference Meetings of Reclamation District No. 1000 Pursuant to The Ralph M. Brown Act

6. SCHEDULED ITEMS

- 6.1. AUDITED FINANCIAL STATEMENTS: Review and Receive the Audited Financial Statements for Year End June 30, 2021.
- 6.2. COMPREHENSIVE FINANCIAL PLAN PHASE 2.1: Review and Consider Approval of Phase 2.1 of the District's Comprehensive Financial Plan and Authorize General Manager to Proceed with Phase 2.2.
- 6.3. COST ALLOCATION PLAN: Review and Consider Adoption of Resolution 2021-12-02, District's Cost Allocation Plan and Implementation of Full Cost and OMB Compliant Rates.
- 6.4. NATOMAS BASIN INTERIOR LEVEE RE-CERTIFICATION: Review and Consider Authorizing the General Manager to Negotiate a Reimbursement Agreement with the City of Sacramento for Funding Geo-Technical Investigations.

7. BOARD OF TRUSTEE'S COMMENTS/REPORTS

7.1. BOARD ACTIVITY UPDATES:

7.1.1. RD 1000 Committee Meetings Since Last Board Meeting

- Finance Committee (Gilbert, Bains & Burns) November 23, 2021
- Executive Committee (Gilbert & Lee Reeder) December 1, 2021

7.1.2. RD 1000 Committees No Meetings Since Last Board Meeting

- Legal Committee (Avdis, Barandas & Lee Reeder)
- Operations Committee (Bains, Barandas & Burns)
- Personnel Committee (Jones, Bains & Barandas)
- Urbanization Committee (Lee Reeder, Avdis & Jones)

8. CLOSED SESSION

- 8.1. No Scheduled Closed Session Items

9. ADJOURN



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 4.1

TITLE: General Manager's Report – December 2021

SUBJECT: Update on Activities Since the November 2021 Board of Trustees Meeting

EXECUTIVE SUMMARY:

This Staff Report is intended to report the noteworthy activities and events of the District. Noteworthy activity from November 2021 included continued coordination on Natomas Levee Improvement Project with the United States Army USACE of Engineers, SAFCA and others, District Financial Plan Development, Coordination with the City of Sacramento on the Natomas Basin Interior Levee Re-Certification, Development of District's Cost Allocation Plan, Processing of Multiple Developer Requests, Coordination with Consultants on SWIF Encroachment Remediation, Engineering Design on Pumping Plant 8, and Recruitment of Flood Operations Specialist. In summary, the District had a productive and successful month. Our key activities and achievements are presented below:

BACKGROUND:

1. Administration Services

a. Human Resources

- i. Recruitment of Flood Operations Specialist began November 1, 2021
- ii. Interviews scheduled for December 8, 2021

b. Fiscal Year 2021-2022 Budget

- i. Budget approved at June 11, 2021 Board of Trustees meeting.

c. Fiscal Year 2020-2021 Audit

- i. The District's FY 2020-2021 Audit is underway. Since July 2021, staff has provided various financial transactions information and documentation to the District's Auditor. Simultaneously, the District's consultant accountant prepared and provided financial-related schedules to the Auditor for review. Currently, the District's audit remains on schedule and is currently under review. The next steps include audit fieldwork to verify information provided, and staff anticipates receiving a Draft Audit for the Finance Committee to review by mid-November 2021.
- ii. Audited Financial Reports were made available to the District on November 16, 2021. Finance Committee reviewed the Audit Reports on November 23, 2021. (See Agenda Item 7.1.1 for more information on the Committee's review and Agenda Item 6.1 for more information regarding the FY 2020/2021 Audit).

TITLE: General Manager's Report – December 2021

d. Comprehensive Financial Plan

- i. Worked with NBS to prepare draft Comprehensive Financial Plan for review by Finance Committee. Draft report was presented to the Board in December 2020. Staff received comments and worked with NBS to revise the report. A final draft was presented to the Finance Committee on January 5, 2021.
- ii. The Board of Trustees approved the Financial Plan at the January 2021 Regular Meeting and directed staff to work on developing a scope of work for Phase 2.
- iii. The District worked with NBS to develop Phase 2 of the Financial Plan; the Board of Trustees approved the Professional Services Agreement (PSA) with NBS on March 12, 2021 for Phase 2.
- iv. GM King executed the PSA with NBS on May 4, 2021.
- v. Phase 2 Kickoff Meeting occurred in June 2021.
- vi. Held team meeting with NBS on September 1, 2021, to discuss progress on Phase 2.1.
- vii. Check-in call to review Report 1st draft scheduled on September 22 has been rescheduled to October 6 to allow NBS more time to prepare the report.
- viii. District received the draft Phase 2.1 Report from NBS on November 19, 2021. Finance Committee reviewed the Phase 2.1 Report on November 23, 2021. (See Agenda Item 7.1.1 for more information on the Committee's review and Agenda Item 6.2 for more information regarding Phase 2.1 of the Comprehensive Financial Plan).

e. Indirect Cost Allocation Plan

- i. GM King issued a Request for Qualifications (RFQ) for an Indirect Cost Allocation Plan on March 31, 2021.
- ii. The District is seeking a qualified financial consultant to develop the Plan, thereby ensuring the District is utilizing comprehensive indirect cost rates, and accurately accounting for the true cost of providing services to the District's partners and the public. The District's goal is to have a well-documented and defensible cost allocation plan; identifying overhead rates that can be used in the calculation of billable hourly rates for grants, and other District billings.
- iii. Submittals were due May 14, 2021 at 4:00 pm. GM King scheduled a Finance Committee Meeting to review submittals and performed interviews of three (3) respondents on May 25, 2021.
- iv. Following the Finance Committee meetings, a recommendation from the

TITLE: General Manager's Report – December 2021

Committee was made to award the contract to Matrix Consulting Group.

- v. PSA was executed on June 30, 2021.
 - vi. Staff met with Matrix Consulting Project Team on July 29 for a Cost Allocation Plan Kick-off Meeting.
 - vii. Throughout August and September, staff fulfilled several complex data collection requests from Matrix. The project team will analyze information to understand district departments, services, line items, activities, and funding sources to determine which services should be allocated toward overhead costs.
 - viii. District received the draft Cost Allocation Plan from Matrix Consulting Group on November 19, 2021. Finance Committee reviewed the Phase 2.1 Report on November 23, 2021. (See Agenda Item 7.1.1 for more information on the Committee's review and Agenda Item 6.3 for more information regarding the FY 2020/2021 Audit).
- f. Strategic Communication Services
- i. GM King issued a Request for Qualifications for Strategic Communication Services on June 15, 2021.
 - ii. District received four (4) qualified submittals on July 30, 2021.
 - iii. Board of Trustees approved award of contract with Allen Strategic at the August 2021 Board meeting. Professional Services Agreement was executed with Allen Strategic on August 17, 2021.
 - iv. Board President Gilbert approved the revised Scope of Services for Financial Plan Outreach and Education on December 1, as authorized by the Board in November 2021. GM King distributed the approved Scope to the Trustees as requested.

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 2021.

3. Capital Improvement Projects

a. CIP Update

- i. District entered into Professional Services Agreement with KSN, Inc. on November 12, 2019. A kickoff meeting was held on December 2, 2019.
- ii. Condition Assessment and Facility Inventory finalized in December 2019.
- iii. KSN prepared Draft Final Report and presented the aforementioned report to the Board of Trustees on June 12, 2020.

TITLE: General Manager's Report – December 2021

- iv. On August 14, 2020, the Board of Trustees adopted the Capital Improvement Plan Update with minor revisions to the draft presented. The Final adopted CIP was provided to the Board on September 11, 2020.
- v. Staff met with KSN in April to discuss a Scope of Services for pre-engineering work for planned Capital Improvement Projects for Fiscal Year 2021/2022.
- vi. KSN is currently working on Pumping Plant #8 Preliminary Design and construction phasing plan.

4. Natomas Levee Improvement Projects

The Corps continues to work with the State and SAFCA to identify borrow sources. A potential new site near the Sacramento Regional Sanitation District treatment plant has been identified, the Corps and SAFCA are coordinating on testing/permits. The Corps continues with steps necessary for material from their Lower American River bank protection sites as well as a levee site in the Pocket area to be delivered for use on the Natomas Project. They are also drafting a contract modification for Reach A to use a commercial borrow source. This would allow borrow from the Kaufmann property to be used for Reaches E, F and G.

a. Reach A

- i. The Contract was awarded on September 23 to Ahtna-Great Lakes (joint venture) for the base contract. Construction is still scheduled to commence in 2022 for three years.
- ii. Work at Plants 1A and 1B are options for Reach A contract to be awarded following resolution of an issue the Corps has with the SAFCA/RD 1000 agreement for work at Plant 1. The District is working with SAFCA and Corps Counsel to resolve the issue to ensure Plant 1A and 1B are operational during the flood season.
- iii. Tree removal work started in November. SAFCA/State continue coordinating with the Corps on SMUD, AT&T and PGE relocations. The Corps sent flyers to area residents providing information on the tree removal work.

b. Reach B

- i. Construction continued on Reach B including relocation of the Riverside Canal and replacement of other Natomas Water Company facilities. The Corps is working on logistics to have borrow for Reach B to be delivered from work on the Lower American River sites and Pocket Area levee in 2022.
- ii. Work at Plant 3 was impacted by the storm in October delaying completion. District staff has been coordinating with Corps Project Management team to monitor construction on outfall, discharge pipes, pumps and electrical to get plant operational. Current schedule is to have Plant 3 operational for emergencies by late December and fully

TITLE: General Manager's Report – December 2021

operational by late January 2022. Garden Highway will remain closed between San Juan Rd and Powerline Rd until the discharge pipe construction is complete.

- iii. Construction at the I-5 window crossing the Sacramento River south of Bayou Road consists of levee widening, construction of a seepage berm on the landside, and intersection modifications for North Bayou Way and Garden Highway. The contractor has winterized the site with coordination from District field staff. The Corps is evaluating the current contract as it relates to contractor selection for project completion next year.
- c. Reach C
 - i. The Reach C project is complete, and the District is providing the operation and maintenance.
- d. Reach D
 - i. The reconstruction of Pumping Plant 4, discharge pipes and outfall structure has entered month 8. The plant will not be operational this flood season as the contractor continues work with the Corps to procure electrical protection equipment. Completion target date of Plant 4 is August 2022.
 - ii. 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.
- e. Reach E
 - i. The State, SAFCA and RD 1000 continue to work with the design team to resolve our comments on the 95% plans. The Corps will schedule a “plans in hand meeting” for early 2022 when the 100% plans are expected to be complete. Currently, the proposed borrow site is the Kaufman property adjacent to the project. Critical issue continues to be securing right of way and coordination with PG&E to move their utility lines outside the proposed levee construction. The current scheduled contract award date is July 2022 with construction in 2023 and 2024.
 - ii. SAFCA and State DWR have initiated right of way acquisition based on the ROW Take letter from the Corps issued in July. Appraisals have been completed and offers made. SAFCA anticipates at least one property will go to eminent domain which could impact the contract award.
- f. Reach F
 - i. The Corps continues to work on the 65% design based on the revised Design Water Surface elevation and geotechnical information. The non-federal sponsors will review the 65% plans in late 2021 with a site visit to be scheduled in early 2022.

TITLE: General Manager's Report – December 2021

- ii. State and SAFCA continue working with the Corps on key issues affecting design; particularly the proposed takes on properties with existing structures, the work near Pumping Plant No. 6 and a borrow source. A portion of the borrow is proposed from the Kaufmann site sharing with Reach E. There is a deficit of 250,000 cy needed to complete Reach F and G. The Corps estimates it may take up to two years to get approval for a newly identified borrow site if needed. Contract Award still scheduled for 2022 and construction in 2023 and 2024 if a borrow site can be identified.
- g. Reach G
 - i. See notes above for Reach F as Reaches F and G are combined into a single design and construction contract.
- h. Reach H
 - i. The Corps is processing the contract modification to complete the fence relocations, patrol road and I-80 berm. SAFCA continues acquisition of rights needed to complete patrol road and fence relocations. This project will likely continue into 2023 as these contract modifications are negotiated and rights of way acquired. East Levee Road is now open.
- i. Reach I
 - i. Construction of the cutoff wall has been completed and project finalization and turnover to SAFCA and the District is in progress.
 - 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. Contract for tree removal to be awarded in January 2022 for public parcels pending right of way acquisition; trees on private parcels will be removed in late 2022. The levee construction is scheduled to be done in 2023.
- j. Other Projects
 - i. Plant 5 replacement—Design for Plant 5 replacement has been delayed to 2022 due to lack of funding. Corps is coordinating with SAFCA on the designer selection
 - ii. Highway 99 – HDR Engineers are doing the design for the closure of the Highway 99 crossing gap at the Natomas Cross Canal. The proposed fix is a slurry wall either across the freeway lanes from the top of the levee or along the waterside under the bridge with a clay cap placed on the waterside slope. The Corps and State will coordinate with Caltrans on the preferred alternative. The 35% plans have been submitted assuming the freeway crossing is the preferred alternative.
 - iii. A Value Engineering study has been scheduled for December 3-10.

5. Miscellaneous

- a. DWR Flood Maintenance Assistance Program (FMAP)
 - i. District was notified by DWR of approval of FMAP funds for 2021/2022. District will receive \$792K in award in FY 2021/2022.
 - ii. General Manager King signed the FMAP 2021/2022 Funding Agreement and submitted to DWR on October 7.
 - iii. Funding Agreement for FY 2021/2022 was executed on March 23, 2021.
 - iv. District submitted an application for FMAP 2022/2023 funds on May 28, 2021.
 - v. GM King awarded construction contract to Emerald Site Services on September 3, 2021 for Vegetation Removal. Emerald was the sole respondent to the District's Request for Proposals, as has been the case in the two previous FMAP Grants.
 - vi. Vegetation Removal has been completed for FMAP FY 2021/2022.
 - vii. General Manager King signed the Funding Agreement for FMAP FY2022/2023 on November 4, 2021.
- b. Sacramento Area Flood Control Agency (SAFCA)
 - i. Board Meeting – November 18, 2021 (Attachment No. 1)
- c. System Wide Improvement Framework (SWIF)
 - i. The District submitted a revised SWIF to the Central Valley Flood Protection Board and the United States Army USACE of Engineers on August 31, 2020, awaiting approval.
 - ii. Board of Trustees approved outreach Scope of Services with Allen Strategic in November 2021. GM King is working with Allen Strategic to implement the outreach before the end of the year, with an initial letter out to Garden Highway property owners with encroachments that need to be corrected in 2022.
- d. Natomas Basin Hydraulic Model
 - i. Board of Trustees approved contract with CESI on October 9, 2020.
 - ii. District held kick-off meeting on February 3, 2021.
 - iii. GM King is coordinating with City and County on funding agreement. City approved the agreement in April 2021 and Sacramento County approved the agreement on May 4, 2021. GM King is working to collect signatures to execute the agreement and subsequently invoice the City and County respectively.
 - iv. Project Schedule was provided to the Board in May.

TITLE: General Manager's Report – December 2021

ATTACHMENTS:

1. SAFCA Board Meeting – November 18, 2021

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/06/2021



Board of Directors Action Summary of November 18, 2021 - 3:00 PM

WEBEX MEETING

Directors/Alternates Present: Ashby, Avdis, Conant, Desmond, Harris, Hedges, Holloway, Jennings, Jones, Kennedy, Nottoli, Serna, and Shah.

ROLL CALL

PUBLIC COMMENTS

EXECUTIVE DIRECTOR'S REPORT

1. Information - Executive Director's Report for November 18, 2021 (Johnson)

CONSENT MATTERS

Motion by Director Conant and seconded by Director Nottoli to approve Resolution Nos. 2021-129; 2021-130; and 2021-131; of Consent Matters.

AYES: Ashby, Avdis, Conant, Desmond, Harris, Hedges, Holloway, Jennings, Jones, Kennedy, Nottoli, Serna, and Shah.

NOES: (None)

ABSTAIN: (None)

ABSENT: (None)

RECUSAL: (None)

2. Approving the Action Summary for October 21, 2021 (Russell)

3. Resolution No. 2021-129 - Proclaiming a Local Emergency Persists, Re-Ratifying the COVID-19 State of Emergency, and Re-Authorizing Remote Teleconference Meetings of the Agency Pursuant to the Ralph M. Brown Act (Johnson)
4. Resolution No. 2021-130 - Authorizing the Executive Director to Execute Amendment 2 to Agreement No. 1482 with the Omuchumne-Hartnell Water District for Cooperation on Groundwater Recharge Activities in the Vicinity of the Cosumnes River in South Sacramento County (Bardini)
5. Resolution No. 2021-131 - Authorizing the Executive Director to Execute Amendment No. 1 to Contract No. 1502 with Psomas for Land Surveying and Mapping Services on an As-Needed Basis to Support Execution of SAFCA's Programs and Projects (Ghelfi)

SEPARATE MATTERS

6. Public Hearing - Resolution of Necessity No. 2021-107 - CONTINUED FROM THE OCTOBER 21, BOARD OF DIRECTOR'S MEETING - Authorizing an Eminent Domain Action to Condemn Real Property Interests for the Reach A Component of Phase 4b of the American River Watershed Program, Natomas Levee Improvement Project - Fee Interest Acquisition Over a Portion of APN 274-0220-073 at 2050 Garden Highway in Sacramento, CA 95833 - Property Owners: Linda Susan Parr, Trustee of the Trust for the Benefit of David Donald Parr Under the D. Donald and Alice E. Parr Revocable Trust Dated February 3, 1993, Linda Susan Parr, Trustee of the Linda S. Parr Revocable Trust Dated January 4, 2013, and David D. Parr

STAFF RECOMMENDS DROPPING THIS ITEM FROM THE AGENDA

Motion by Director Harris and seconded by Director Jennings to approve Staff's recommendation to Drop Resolution No. 2021-107 from the Agenda, as an Agreement has been Reached between SAFCA and the Property Owners.

AYES: Ashby, Avdis, Conant, Desmond, Harris, Hedges, Holloway, Jennings, Jones, Kennedy, Nottoli, Serna, and Shah.

NOES: (None)

ABSTAIN: (None)

ABSENT: (None)

RECUSAL: (None)

7. Public Hearing - Resolution of Necessity No. 2021-132 - Authorizing a Change in Public Use of Sacramento County Assessor's Parcel Numbers 225-0210-026,

225-0210-027, 225-0210-028 and 225-0210-029 - Property Owners: Alan Matsumoto and Colleen Matsumoto, as Trustees of the Alan Matsumoto and Colleen Matsumoto 2007 Trust; and Setsuo Masaki and Karen C. Masaki, as Trustees of the Setsuo Masaki and Karen C. Masaki 1992 Trust, et al. (DeGroot)

Presentation made by Matt Degroot. Chairman Harris opened the Public Hearing and asked if any written comments or requests to speak has been submitted to the Clerk, or if any members of the public were present and would like to speak. No comments were received. Chairman Harris closed the Public Hearing. Motion by Director Conant and seconded by Director Desmond to Approve Resolution No. 2021-132.

AYES: Ashby, Avdis, Conant, Desmond, Harris, Hedges, Holloway, Jennings, Jones, Kennedy, Nottoli, Serna, and Shah.

NOES: (None)

ABSTAIN: (None)

ABSENT: (None)

RECUSAL: (None)

ADJOURN

Respectfully submitted,
Lyndee Russell



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 4.2

TITLE: Operations Manager's Report – December 2021

SUBJECT: Update on Activities Since the November 2021 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 2021. As well as provide information regarding District facility use and local weather impacts on District facilities and river levels. Noteworthy activities include pumping plant maintenance along with pump motor oil replacement at PP#1B, #5, #6 and #8. District staff attended annual DWR flood fight training together with ARFCD and RD 900. Big Valley Divers performed sump dredging at Pumping Plant #6, which saw over 12ft of material removed from the sump. With Plant 3 and Plant 4 under construction, the District may need to rely on this plant during this year's flood season.

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: 12/02/2021



Kevin L. King, General Manager

Date: 12/02/2021

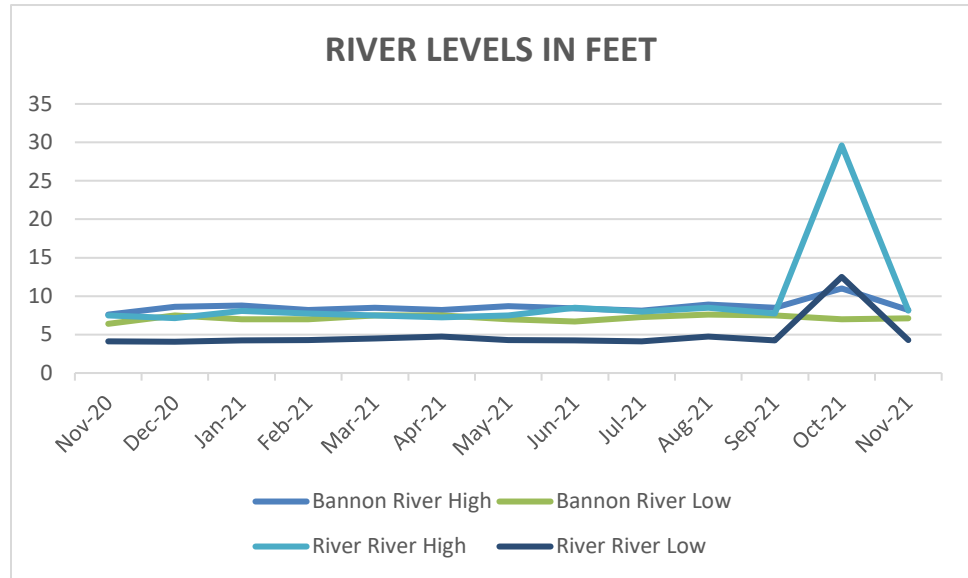


Operations Manager's Report November 2021

River Levels:

Bannon H: 8.2'
L: 7.1'

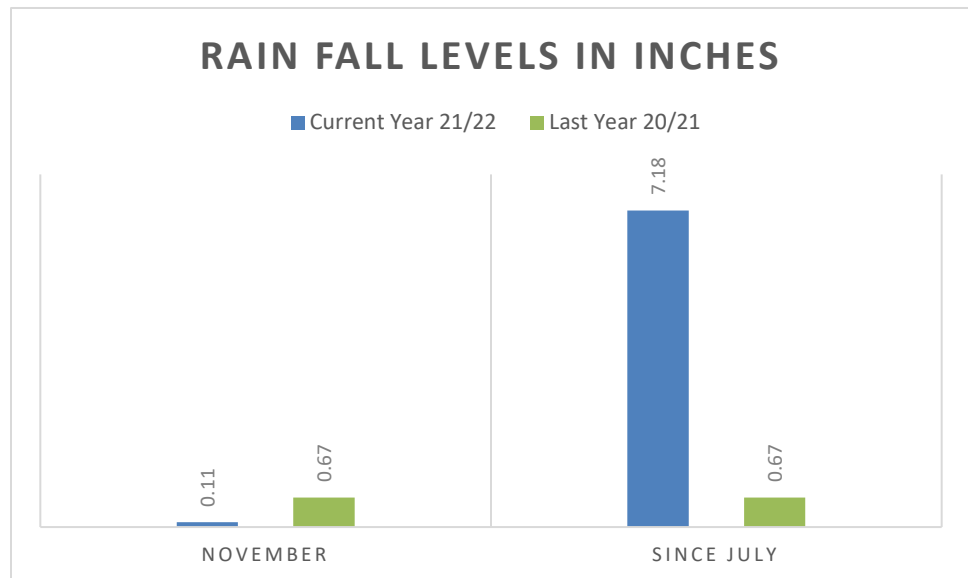
River H: 8.1'
L: 4.3'



Rain Fall Totals:

November 2021
Rain Totals = .11"

Rain Totals Since
July 1, 2021 = 7.18"



Safety Topics for the Month of November

- Clarifying Two Key Definitions in the OSHA Excavation Standards
- The Role Of The Competent Person On An Excavation Site
- Avoiding Ground Level Hazards Lurking At Excavation Sites
- Working Safely Around Underground Utilities at Excavation Sites

District Requests Received

The District received multiple requests related to trash, debris and abandoned vehicles along District facilities. Staff and local law enforcement were deployed to remove these items within District boundaries.

The chart below represents various activities the field crew spent their time working on during the month of November, 2021.

RD 1000 Field Crew	*Field Hours Worked	Activity
	257	Grounds Maintenance
	256	Pumping Plant Maintenance
	144	Equipment Maintenance
	133	Garbage Removal

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

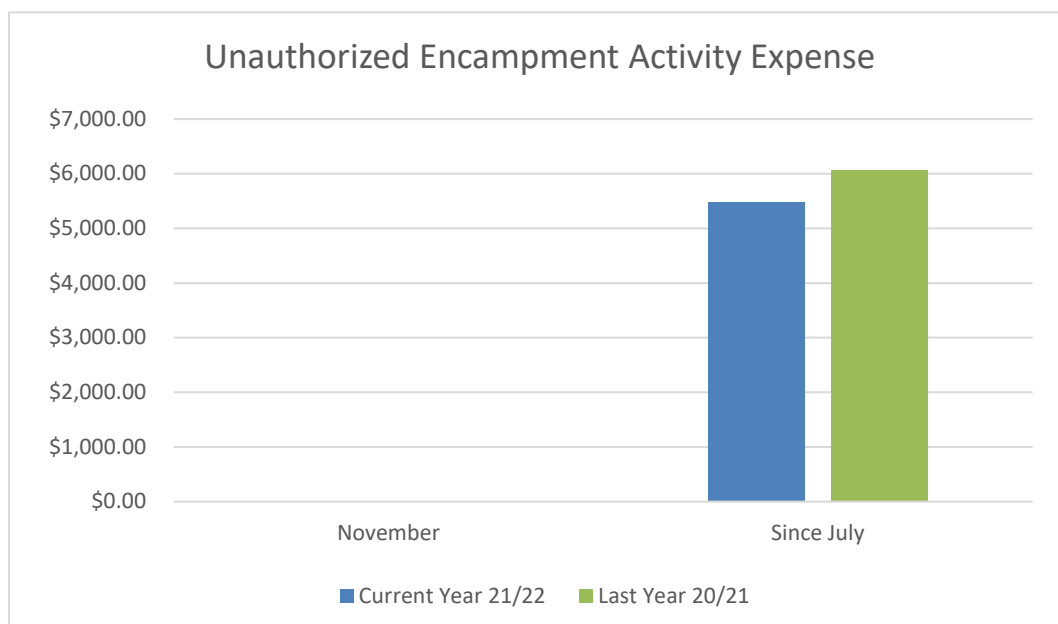
Pumping

Please see the pumping data below as it relates to the month of November within the Basin. Pump totals in the month of November were 1052.52 Ac-ft.

Pumping Plant	Pump	Hours / Ac-ft
Plant 1B	Pump #6	80.9 Hrs / 792.82 Ac-ft
Plant 2	Pump #2	29.8 Hrs / 86.42 Ac-ft
Plant 8	Pump #3	45.6 Hrs / 173.28 Ac-ft

Unauthorized Encampment Activity There were no unauthorized encampment activities in the month of November.

Unauthorized Encampment Activity – Year to Date This fiscal year to date the District has spent a total of 69 crew hours on unauthorized encampment activity for a total cost to the district of \$5472.03. This total includes labor,* equipment costs, materials and dump fees.





RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 4.3

TITLE: District Counsel's Report – December 2021

SUBJECT: Update on Activities Since the November 2021 Board of Trustees Meeting

EXECUTIVE SUMMARY:

Reclamation District 1000's (RD 1000; District) General Counsel, Rebecca Smith and/or Scott Shapiro to provide verbal report of work performed during the month of November 2021.

ATTACHMENTS:

None

STAFF RESPONSIBLE FOR REPORT:

Kevin L. King, General Manager

Date: 12/06/2021



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 5.1

TITLE: Approval of Minutes

SUBJECT: Approval of Minutes from November 12, 2021 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 discussion, and the Board's actions. Staff recommends Board approval of meeting minutes from November 12, 2021 (Attachment No. 1).

BACKGROUND:

The Ralph M. Brown Act (Gov. Code §54950 et seq.) governs meetings by public commissions, boards and councils, and public agencies in California. The Act facilitates public transparency and public participation in local government decisions. The Act also contains specific exemptions from the open meeting requirements where governmental agencies have a demonstrated need for confidentiality. To further comply with transparency, Reclamation District No. 1000 documents meetings of the Board of Trustees through Board Minutes.

RECOMMENDATION:

Staff recommends the Board approve the Minutes from November 12, 2021, Regular Board Meeting.

ATTACHMENTS:

1. November 12, 2021 Board Meeting Minutes

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Service Manager

Date: 11/29/2021



Kevin L. King, General Manager

Date: 11/30/2021



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

**NOVEMBER 12, 2021
MEETING MINUTES**

In compliance with CA Assembly Bill 361, members of the Board of Trustees and members of the public will participate in this meeting by teleconference. This meeting was recorded without objection. Present were Board President Thom Gilbert; Board Vice President Elena Lee Reeder; Trustee Nick Avdis; Trustee Jag Bains; Trustee Tom Barandas; Trustee Chris Burns; Trustee Debra G. Jones; Co-General Counsel Scott Shapiro; General Manager Kevin King; Operations Manager Gabriel Holleman; Administrative Services Manager Joleen Gutierrez.

1. PRELIMINARY

1.1. Call Meeting to Order

Board President Thom Gilbert called the meeting to order.

1.2. Roll Call

Present: Board President Thom Gilbert; Board Vice President Elena Lee Reeder; Trustee Nick Avdis; Trustee Jag Bains; Trustee Tom Barandas; Trustee Chris Burns; Trustee Debra G. Jones

1.3. Approval of Agenda

Motion: Trustee Chris Burns/Trustee Elena Lee Reeder

Ayes: Trustee Thom Gilbert; Trustee Elena Lee Reeder; Trustee Nick Avdis; Trustee Jag Bains; Trustee Tom Barandas; Trustee Chris Burns; Trustee Debra G. Jones

Noes: None

Abstain: None

Absent: None

1.4. Pledge of Allegiance

Trustee Thom Gilbert led the Pledge of Allegiance.

1.5. Conflict of Interest (*Any Agenda items that might be a conflict of interest to any Trustee should be identified at this time by the Trustee involved*)

- Trustee Nick Avdis recused himself from Agenda Consent Item 5.5. The Trustees identified no other conflicts.

2. PRESENTATIONS

2.1. No Scheduled Presentations

There were no scheduled presentations.

3. PUBLIC COMMENT (NON-AGENDA ITEMS)

There were no public comments made.

4. INFORMATIONAL ITEMS

4.1. GENERAL MANAGER'S REPORT: Update on activities since the October 2021 Board Meeting. A copy of the General Manager's report is included in the November 12, 2021 Board packet. General Manager Kevin King reports he has signed the FMAP Funding Agreement for next year. He is hopeful to have the Agreement executed by the state and receive funding earlier to implement the abatement of Garden Highway encroachments.

4.2. OPERATIONS MANAGER'S REPORT: Update on activities since the Oct. 2021 Board Meeting. General Manager King provided an update on the Operations Manager's Report.

The District helped in the Steelhead Creek cleanup effort coordinated by the Central Valley Flood Protection Board and American River Flood Control, removing 48 thousand pounds of debris.

Trustee Avdis reported receiving complaints from concerned neighbors in the Valley View Acres community (East Levee Road at Main Avenue). There is a significant amount of debris and camps in the channel. General Manager King will work a cleanup into the District's budget and possibly formulate a cleanup coalition to help fund a portion of the cleanup. GM King will address this issue along the levee prism and coordinate with DWR or Central Valley Flood Protection. Trustee Avdis requested updates on these conversations.

General Manager King stated he met with GNNA, whose members shared similar concerns about visual blight on top of the levee. Sacramento Police Department has a good rapport with this group, and the District will work with the police department to address debris and encampment-related neighborhood concerns.

4.3. DISTRICT COUNSEL'S REPORT: Update on activities since the October 2021 Board Meeting.

Counsel Scott Shapiro provided a verbal report of counsel's activities since the October 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.

Approval of the Consent Calendar has been split into two separate motions.

Trustee Nick Avdis recused himself and abstained from voting on Consent Calendar Item 5.5.

5.1. APPROVAL OF MINUTES: Approval of Minutes from October 8, 2021 Regular Board Meeting and November 3, 2021 Special Board Meeting.

5.2. TREASURER'S REPORT: Approve Treasurer's Report for October 2021.

5.3. EXPENDITURE REPORT: Review and Accept Report for October 2021.

5.4. BUDGET TO ACTUAL REPORT: Review and Accept Report for October 2021.

5.5. GREENBRIAR DEVELOPMENT: Review and Consider Adoption of Resolution No. 2021-11-02 Authorizing General Manager to Quit Claim Grant of Easement Deeds

(APNs: 201-0300-079 and 201-0300-081).

- 5.6. ASSEMBLY BILL 361: Review and Consider Adoption of Resolution No. 2021-11-03 - Proclaiming a Local Emergency, Ratifying the Covid-19 State of Emergency, and Authorizing Remote Teleconference Meetings of Reclamation District No. 1000 Pursuant to The Ralph M. Brown Act

Motion to Approve Consent Calendar Items 5.1 through 5.4, and 5.6

Moved/Seconded: Trustee Chris Burns/Trustee Debra G. Jones

Ayes: Trustee Thom Gilbert; Trustee Elena Lee Reeder; Trustee Nick Avdis; Trustee Jag Bains; Trustee Tom Barandas; Trustee Chris Burns; Trustee Debra G. Jones

Noes: None

Absent: None

Abstain: None

Action: Motion to approve Consent Calendar Items 5.1 through 5.4 and 5.6 is approved.

Motion to Approve Consent Calendar Item 5.5

Moved/Seconded: Trustee Chris Burns / Trustee Jag Bains

Ayes: Trustee Thom Gilbert; Trustee Elena Lee Reeder; Trustee Jag Bains; Trustee Tom Barandas; Trustee Chris Burns; Trustee Debra G. Jones

Noes: None

Absent: Trustee Nick Avdis (recusal- turned off his video and microphone)

Action: Motion to approve Consent Calendar Item 5.5 is approved

Trustee Nick Avdis rejoined the meeting after the vote on item 5.5

6. SCHEDULED ITEMS

- 6.1. FISCAL YEAR 2021/2022 BUDGET AMENDMENT: Review and Consider Fiscal Year 2021/2022 Budget Amendment and Authorize General Manager to Execute Contracts.

Item 6.1 has been split up into three separate Board motions for approval.

1) Budget Amendment - Allen Strategic RD1000 2022 CIP Funding Initiative Communications Plan Authorization (\$150k)

The District needs to secure approval for its plan to fund its CIP through a comprehensive community education campaign. The Board has not voted on a path forward (a Fee or Assessment); the District Funding Initiative contract is set up on a time and materials basis. Trustee Chris Burns is concerned with the proposed language that, as written, leaves the impression of using ratepayer money to advocate for a fee or Assessment. Trustee Nick Avdis shares Trustee Burns' same concern about advocacy. Counsel Scott Shapiro offered language to move forward with public educational outreach and remove terms related to advocacy.

Trustee Debra G. Jones requested the Board Secretary to record the Board approved a draft scope only, not a final draft of the RD1000 2022 CIP Funding Initiative Communications Plan. It should be noted that the motion made and approved, delegated Board President Thom Gilbert to approve the final scope once revised.

Motion: Trustee Nick Avdis /Trustee Debra G. Jones

Ayes: Trustee Thom Gilbert; Trustee Elena Lee Reeder; Trustee Nick Avdis; Trustee Jag Bains; Trustee Tom Barandas; Trustee Debra G. Jones

Noes: Trustee Chris Burns

Abstain: None

Absent: None

Action: Motion to approve task item with the understanding that there is additional refinement needed to the language of the scope so the District does not run afoul of rules against advocacy, and delegate the authority to sign off on the final language to Trustee Thom Gilbert with Counsel Scott Shapiro's oversight is approved.

2) Budget Amendment – Authorization for General Manager to Award and Execute Contract for Allen Strategic SWIF Communications Plan (\$45k)

General Manager King reports staff determined a Public Relations Budget increase is needed for Allen Strategic for their work on the District's SWIF Outreach Program. Staff requested the FY 2021/2022 increase by \$45k and General Manager King requested authorization to execute the contract.

Motion: Trustee Nick Avdis/Trustee Elena Lee Reeder

Ayes: Trustee Thom Gilbert; Trustee Elena Lee Reeder; Trustee Nick Avdis; Trustee Jag Bains; Trustee Tom Barandas; Trustee Chris Burns; Trustee Debra G. Jones

Noes: None

Abstain: None

Absent: None

Action: Motion to approve the Allen Strategic contract and authorize the General Manager to award the SWIF outreach and implementation contract.

3) Authorization to Execute \$305k Contract with KSN for Pumping Plant 8 Preliminary Design

General Manager King reports staff is requesting approval to execute the contract with KSN for the Preliminary Design of Pumping Plant 8 at a not-to-exceed cost of \$305k, which is within the adopted FY 2021/2022 Capital Project Design budgeted amount of \$1M.

Motion: Trustee Nick Avdis/Trustee Jag Bains

Ayes: Trustee Thom Gilbert; Trustee Elena Lee Reeder; Trustee Nick Avdis; Trustee Jag Bains; Trustee Tom Barandas; Trustee Chris Burns; Trustee Debra G. Jones

Noes: None

Abstain: None

Absent: None

Action: Motion to approve the General Manager to execute the \$305k contract with KSN is approved.

6.2. SACRAMENTO LOCAL AGENCY FORMATION COMMISSION: Review and Consider Selection of Special District Commissioner and Alternate Special District Commissioner for Sacramento Local Agency Formation Commission and Authorize General Manager to Cast Ballot.

No action was taken on this item.

6.3. ASSOCIATION OF CALIFORNIA WATER AGENCIES: Review and Consider Selection of ACWA President and Vice President and Authorize General Manager to Cast Ballot.

No action was taken on this item.

7. BOARD OF TRUSTEE’S COMMENTS/REPORTS

7.1. BOARD ACTIVITY UPDATES:

7.1.1. RD 1000 Committee Meetings Since Last Board Meeting

- Urbanization Committee (Lee Reeder, Avdis & Jones) October 26, 2021
 - Executive Committee (Gilbert & Lee Reeder) November 3, 2021
 - Executive Committee (Gilbert & Lee Reeder) November 11, 2021
- Meeting minutes from the Executive Committee meeting held on November 11, 2021 will be available in the December 10, 2021 Board Meeting packet.

7.1.2. RD 1000 Committees No Meetings Since Last Board Meeting

- Legal Committee (Avdis, Barandas & Lee Reeder)
- Finance Committee (Gilbert, Bains & Burns)
- Operations Committee (Bains, Barandas & Burns)
- Personnel Committee (Jones, Bains & Barandas)

8. CLOSED SESSION

8.1. No Scheduled Closed Session Items

9. ADJOURN

Misc. Comment

Trustee Nick Avdis extended his appreciation to our crew for their work during the October storm event. He also expressed concern over the precarious position the District has been put in and our ability to use pump plants due to the Corps work. He encouraged General Manager King to work with the Corps and SAFCA about the timing of bringing our pumping plants down during scheduled levee improvements.

Motion: Trustee Chris Burns / Trustee Nick Avdis

Ayes: Trustee Thom Gilbert; Trustee Elena Lee Reeder; Trustee Nick Avdis; Trustee Jag Bains; Trustee Tom Barandas; Trustee Chris Burns; Trustee Debra G. Jones

Noes: None

Abstain: None

Absent: None

Action: Motion to adjourn is approved.



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 5.2

TITLE: Treasurer's Report

SUBJECT: Approve Treasurer's Report for November 2021

EXECUTIVE SUMMARY:

This Staff Report is intended to inform the Board of the current total funds in the District's checking and money market accounts, Sacramento County Treasurer Fund, State Treasurer Local Agency Investment Fund (LAIF), and the City of Sacramento Pooled Investment Fund.

The Staff Report attachment provides the monthly beginning and ending balances of its Operations and Maintenance cash flow. The report considers the current month's receipts, fund to fund transfers, accounts payable, and payroll. Notable fund and cash flow items during October 2021 are featured in the attached Treasurer's Report.

The District maintains funds in the California State Controller Local Agency Investment Fund (LAIF), the Sacramento County Treasurer, and Bank of the West. The District's primary source of income is property assessments. Assessments are collected through respective Sacramento and Sutter County tax bills.

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

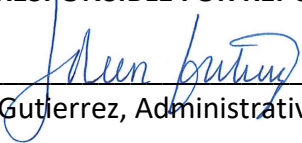
RECOMMENDATION:

Staff recommends the Board approve the November 2021 Treasurer's Report.

ATTACHMENTS:

1. Treasurer's Report November 2021

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Services Manager

Date: 11/29/2021



Kevin L. King, General Manager

Date: 11/30/2021

Reclamation District 1000
Treasurer's Report
November 2021

Treasurer's Report for November 2021

November 2021		Ending Balance @ 11/30/21
Total Funds at 11/30/21		10,114,470.28
Bank of the West - Checking*		146,916.95
Bank of the West - Money Market		160,552.16
Bank of the West FMAP		93,800.23
Sacramento County Treasurer		5,685,046.58
State Treasurer - Local Agency Investment Fund		1,843,655.63
City of Sacramento - Pool A		2,184,498.73

Included in O&M cash flow below
Included in O&M cash flow below

November 2021 - Operations and Maintenance Cash Flow	Money Market	Operating Checking *	Combined O&M
Beginning Balance at 11/1/21	160,552.16	214,923.16	375,475.32
Transfers from money market to operating account	(250,000.00)	250,000.00	-
Transfers from LAIF to money market account	250,000.00	-	250,000.00
Transfer from FMAP account to operating account	-	164,319.81	164,319.81
Current months receipts	-	2,859.65	2,859.65
Accounts Payable*	-	(379,497.17)	(379,497.17)
Payroll	-	(105,688.50)	(105,688.50)
Ending Balance at 11/30/21	160,552.16	146,916.95	307,469.11

*See Attached Check Register

Current months receipts are made up of the following:

Refund of bank fee from Bank of the West	40.00
Refund from OHC	48.00
Credit card incentive payment	102.25
Proceeds from scrap metal sales	2,669.40
	<u>2,859.65</u>



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 5.3

TITLE: Expenditure Report

SUBJECT: Review and Accept Report for November 2021

EXECUTIVE SUMMARY:

This Staff Report advises the Board of monthly expenditures and explains any expenses outside of the usual course of business. Staff recommends the Board review and accept the Expenditure Report for November 2021.

Expenses

The Administrative Services Manager reviews and the General Manager approves expenditures. This activity is disclosed monthly as an attachment to this staff report. The Expenditure Report (Attachment 1) has a few note items \$148,900 to Emerald Site Services for the FMAP vegetation maintenance project, \$54,650 to Waterworks Industries, Inc. for vegetation management, \$9,676 to Nutrien for herbicides.

RECOMMENDATION:

Staff recommends the Board review and accept the Expenditure Report for November 2021.

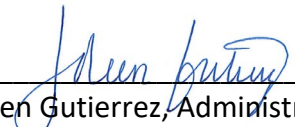
FINANCIAL IMPACT:

None.

ATTACHMENTS:

1. November 2021 Expenditure Report

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Services Manager

Date: 12/02/2021



Kevin L. King, General Manager

Date: 12/03/2021

November 2021 Expenditure Report

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Cash and Investments							214,923.16
1010.00 - Bank of the West Checking Acct							214,923.16
General Journal	11/01/2021		Bank of the West	Bank fee credit	40.00		214,963.16
General Journal	11/01/2021		Bank of the West	Monthly bank fee		40.00	214,923.16
Bill Pmt - Check	11/03/2021	50802	Bare Bones Workwear	Inv 41053933		1,282.63	213,640.53
Bill Pmt - Check	11/03/2021	50803	Brookman Protection Services, Inc.	Inv 21-108		7,800.00	205,840.53
Bill Pmt - Check	11/03/2021	50804	Emerald Site Services, Inc	FMAP		148,900.00	56,940.53
Bill Pmt - Check	11/03/2021	50805	Holt of California	Inv 0110009851		154.29	56,786.24
Bill Pmt - Check	11/03/2021	50806	Interstate Oil Company	Inv 0764735		2,890.37	53,895.87
Bill Pmt - Check	11/03/2021	50807	J Franko Electric	Inv 21197		2,800.00	51,095.87
Bill Pmt - Check	11/03/2021	50808	Jani-King	Inv 11210157		649.82	50,446.05
Bill Pmt - Check	11/03/2021	50809	Smile Business Products			227.14	50,218.91
Bill Pmt - Check	11/03/2021	50810	Streamline	A14C0AB6-0012		200.00	50,018.91
Bill Pmt - Check	11/03/2021	30742208567	City of Sacramento	Acct 1905200485		19.12	49,999.79
Bill Pmt - Check	11/03/2021	11448597261	Comcast	Acct 8155600381146169		220.01	49,779.78
Transfer General Journal	11/03/2021		Occupational Health Centers of CA	Funds Transfer	100,000.00		149,779.78
Transfer General Journal	11/03/2021			Refund from OHC	48.00		149,827.78
Transfer General Journal	11/03/2021			Funds Transfer	164,319.81		314,147.59
Transfer General Journal	11/05/2021			11/5/21 payroll activity		49,107.75	265,039.84
Bill Pmt - Check	11/12/2021	50811	ACWA JPIA	December 2021		1,390.63	263,649.21
Bill Pmt - Check	11/12/2021	50812	Airgas NCN	Inv 9984024885		406.12	263,243.09
Bill Pmt - Check	11/12/2021	50813	Allenstrategic	PR Consultant		5,530.50	257,712.59
Bill Pmt - Check	11/12/2021	50814	Appeal - Democrat	Inv 00273141		216.00	257,496.59
Bill Pmt - Check	11/12/2021	50815	AT&T	Inv 00017272149		395.15	257,101.44
Bill Pmt - Check	11/12/2021	50816	Bartel Associates,LLC	Inv 21-821		4,716.00	252,385.44
Bill Pmt - Check	11/12/2021	50817	Blankinship & Associates, Inc.	Inv 7788		2,500.00	249,885.44
Bill Pmt - Check	11/12/2021	50818	Carson Landscape Industries	Inv 254307		765.00	249,120.44
Bill Pmt - Check	11/12/2021	50819	Cintas			222.22	248,898.22
Bill Pmt - Check	11/12/2021	50820	Green Light Termite and Pest	Inv 012417145		75.00	248,823.22
Bill Pmt - Check	11/12/2021	50821	Loewen Pump Maintenance	Inv 3209		2,800.00	246,023.22
Bill Pmt - Check	11/12/2021	50822	Matrix Consulting Group	Inv 21-44 #2		6,800.00	239,223.22
Bill Pmt - Check	11/12/2021	50823	Stillwater Sciences	Inv 1679700		2,651.25	236,571.97
Bill Pmt - Check	11/12/2021	50824	The Natomas Buzz	Inv 0048		750.00	235,821.97
Bill Pmt - Check	11/12/2021	50825	US Bank Corp	Acct ending 5312		594.03	235,227.94
Bill Pmt - Check	11/12/2021	50826	Yolo County Public Works	October 2021		823.25	234,404.69
Bill Pmt - Check	11/12/2021	50827	US Bank Corp	Acct ending 1282		156.24	234,248.45

Bill Pmt - Check	11/12/2021	50828	US Bank Corp	Acct ending 1506		372.34	233,876.11
Bill Pmt - Check	11/12/2021	31660824445	City of Sacramento	Acct 7029676079		4.65	233,871.46
Bill Pmt - Check	11/12/2021	2736217	Napa Auto Parts			43.83	233,827.63
Bill Pmt - Check	11/12/2021	11122021	Sacramento County Utilities			227.40	233,600.23
Bill Pmt - Check	11/12/2021	80039426117	Waste Management of Sacramento			661.11	232,939.12
Check General Journal	11/12/2021	EFT	ADP			92.72	232,846.40
	11/15/2021			11/15/21 payroll		56,580.75	176,265.65
Check	11/16/2021	EFT	Cal Pers			950.00	175,315.65
Check	11/16/2021	EFT	Cal Pers			939.38	174,376.27
Bill Pmt - Check	11/17/2021	31903093538	PG&E	Acct 8886406823-9		80.72	174,295.55
Bill Pmt - Check	11/17/2021	31908093536	PG&E	Acct 3702326178-9		31.42	174,264.13
Bill Pmt - Check	11/17/2021	1001986117	Cal Pers	December 2021		18,947.72	155,316.41
Bill Pmt - Check	11/17/2021	2739225	Napa Auto Parts	Inv 168094		96.95	155,219.46
Bill Pmt - Check	11/17/2021	50829	Chavez Accountancy Corporation	Inv 5057		2,890.00	152,329.46
Bill Pmt - Check	11/17/2021	50830	Downey Brand LLP			5,727.50	146,601.96
Bill Pmt - Check	11/17/2021	50831	Interstate Oil Company			7,493.43	139,108.53
Bill Pmt - Check	11/17/2021	50832	Terrapin Technology Group	Inv 21-1585		1,005.14	138,103.39
Bill Pmt - Check	11/17/2021	50833	The Sacramento Bee	Inv 74174		365.86	137,737.53
Bill Pmt - Check	11/17/2021	50834	Waterworks Industries, Inc.	Vegetation Management		54,650.00	83,087.53
Check	11/18/2021	EFT	Cal Pers			929.18	82,158.35
Bill Pmt - Check	11/22/2021	32646490775	City of Sacramento	Acct 2007944000		154.60	82,003.75
Bill Pmt - Check	11/22/2021	63059745452	The Home Depot			478.74	81,525.01
Bill Pmt - Check	11/22/2021	32646516009	City of Sacramento	Acct 5450844000		39.76	81,485.25
Bill Pmt - Check	11/22/2021	50835	Aramark			1,318.16	80,167.09
Bill Pmt - Check	11/22/2021	50836	Auburn Auto Glass			829.29	79,337.80
Bill Pmt - Check	11/22/2021	50837	California Department of Tax and Fee Adm	Acct 094-022084		151.41	79,186.39
Bill Pmt - Check	11/22/2021	50838	Grow West	Inv 1078577		453.91	78,732.48
Bill Pmt - Check	11/22/2021	50839	MBK Engineers	Inv 21-10-4170		4,201.50	74,530.98
Bill Pmt - Check	11/22/2021	50840	NBS	Inv 1021000092		3,000.00	71,530.98
Bill Pmt - Check	11/22/2021	50841	Valley Tire Center, Inc.			1,119.58	70,411.40
Transfer	11/22/2021			Funds Transfer	150,000.00		220,411.40
Check General Journal	11/22/2021	EFT	Bank of the West			20.00	220,391.40
General Journal	11/22/2021		Sims Metal Management	Proceeds from scrap meal sales	2,669.40		223,060.80
General Journal	11/26/2021			Credit card incentive payment	102.25		223,163.05
Check	11/26/2021	EFT	ADP			101.72	223,061.33
Bill Pmt - Check	11/30/2021	33450310554	City of Sacramento	Acct 1905200485		19.12	223,042.21
Bill Pmt - Check	11/30/2021	170725	Napa Auto Parts	Inv 170725		192.64	222,849.57
Bill Pmt - Check	11/30/2021	1341036433	Verizon	Inv 9892765063		281.17	222,568.40

Bill Pmt - Check	11/30/2021	50842	California Service Tool, Inc.	Inv 196278.001	824.29	221,744.11	
Bill Pmt - Check	11/30/2021	50843	Interstate Oil Company	Inv 575500	1,864.67	219,879.44	
Bill Pmt - Check	11/30/2021	50844	Nutrien Ag Solutions, Inc.	Herbicides	9,676.82	210,202.62	
Bill Pmt - Check	11/30/2021	50845	Smile Business Products		387.40	209,815.22	
Bill Pmt - Check	11/30/2021	50846	SMUD	Acct 7000000317	48,860.90	160,954.32	
Bill Pmt - Check	11/30/2021	50847	Valley Tire Center, Inc.	Inv 84423	26.00	160,928.32	
Check	11/30/2021	EFT	Cal Pers	Pension	6,557.51	154,370.81	
Check	11/30/2021	EFT	Cal Pers	Pension	3,943.46	150,427.35	
Check	11/30/2021	EFT	Cal Pers	Pension	3,110.40	147,316.95	
Check	11/30/2021	EFT	Cal Pers	457	400.00	146,916.95	
					<u>417,179.46</u>	<u>485,185.67</u>	<u>146,916.95</u>
					<u>417,179.46</u>	<u>485,185.67</u>	<u>146,916.95</u>
					<u>417,179.46</u>	<u>485,185.67</u>	<u>146,916.95</u>

Activity Summary

Transfers from money market account	250,000.00
Transfers from FMAP account	164,319.81
Refunds from OHC	48.00
Credit card incentive payment	102.25
Refund of bank fees	40.00
Proceeds from scrap metal sales	2,669.40
Payroll disbursements	-105,688.50
Accounts payable disbursements	<u>-379,497.17</u>
 Net activity	 <u><u>-68,006.21</u></u>



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 5.4

TITLE: Budget to Actual Report

SUBJECT: Review and Accept Report for November 2021

EXECUTIVE SUMMARY:

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

Attachment 1 provides a year-to-date report for the month ending November 30, 2021. The most significant expenditures under Administration are Mitigation Land Expenses, Property Tax Assessment, and district memberships. Significant expenses under Operations are under Field Services.

BACKGROUND:

The Board of Trustees adopts a budget annually in June. District staff prepares the budget, which presents the current year's budget versus expenditures and a proposed budget for the upcoming fiscal year.

Three Board committees review the draft budget before being presented to the Board for adoption in June. The Personnel Committee reviews the wage and benefits portion of the budget. The Operations Committee reviews the Capital expenditures Budget. After the two committees review and make recommendations to the budget, the final draft is prepared for the Finance Committee to consider. After review by the Finance Committee, the final Proposed Budget is presented to the entire Board for adoption at a regular Board meeting.

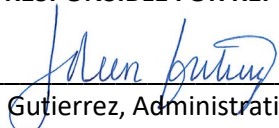
RECOMMENDATION:

Staff recommends the Board review and accept the Budget to Actual Report for November 2021.

ATTACHMENTS:

1. Budget to Actual Report November 2021

STAFF RESPONSIBLE FOR REPORT:



Joleen Gutierrez, Administrative Services Manager

Date: 12/02/2021



Kevin L. King, General Manager

Date: 12/03/2021

Reclamation District No. 1000
Budget to Actual Comparison
July 1, 2021 to November 30, 2021 (Five Months Ending of Fiscal 2022)

	Year to Date July 1, 2021 to November 30, 2021	Budget	Percent of Budget
Operation & Maintenance Income			
Property Assessments	190	2,250,000	0.01%
Rents	5,597	24,000	23.32%
Interest Income	9,579	55,000	17.42%
SAFCA - O/M Assessment	-	1,400,000	0.00%
Misc Income	5,572	-	Not Budgeted
FMAP Grant	301,548	792,000	38.07%
Annuitant Trust Reimbursement	-	70,000	0.00%
Security Patrol Reimbursement	14,050	45,000	31.22%
Total	336,536	4,636,000	7.26%
Restricted Fund			
Metro Airpark Groundwater Pumping	-	25,000	0.00%
Total Combined Income	336,536	4,661,000	7.22%
Administration, Operations and Maintenance - Expenses			
Administration			
Government Fees/Permits	1,571	12,500	12.57%
Legal	18,909	65,000	29.09%
Liability/Auto Insurance	36,393	160,000	22.75%
Office Supplies	1,200	4,500	26.67%
Computer Costs	12,449	34,900	35.67%
Accounting/Audit	18,626	56,800	32.79%
Admin. Services	5,996	22,000	27.25%
Utilities (Phone/Water/Sewer)	5,339	16,400	32.55%
Mit. Land Expenses	4,995	5,300	94.25%
Administrative Consultants	37,017	114,500	32.33%
Assessment/Property Taxes (SAFCA - CAD)	13,173	8,500	154.98%
Admin - Misc./Other Expenses	797	2,800	28.46%
Memberships	34,332	39,700	86.48%
Office Maintenance & Repair	7,398	31,500	23.49%
Payroll Service	964	4,500	21.42%
Public Relations	7,428	49,000	15.16%
Small Office & Computer Equipment	-	10,000	0.00%
Election	-	10,000	0.00%
Conference/Travel/Professional Development	56	20,500	0.27%
Sub Total	206,643	668,400	30.92%
Personnel/Labor			
Wages	458,400	1,139,323	40.23%
Group Insurance	57,598	105,084	54.81%
Worker's Compensation Insurance	20,754	31,000	66.95%
OPEB - ARC	-	83,751	0.00%
Dental/Vision/Life	9,890	23,000	43.00%
Payroll Taxes	42,201	86,589	48.74%
Pension	137,893	262,604	52.51%
Continuing Education	205	5,000	4.10%
Trustee Fees	9,450	35,000	27.00%
Annuitant Health Care	43,001	85,000	50.59%
Sub Total	779,392	1,856,351	41.99%

Operations

Power	155,771	500,000	31.15%
Supplies/Materials	9,537	25,000	38.15%
Herbicide	117,302	240,000	48.88%
Fuel	26,851	40,000	67.13%
Field Services	129,305	91,000	142.09%
Field Operations Consultants	9,000	20,000	45.00%
Equipment Rental	-	5,000	0.00%
Refuse Collection	5,816	45,000	12.92%
Equipment Repair/Service	7,232	15,000	48.21%
Equipment Parts/Supplies	16,153	60,000	26.92%
Facility Repairs	99,982	527,000	18.97%
Shop Equipment (not vehicles)	-	5,000	0.00%
Field Equipment	1,292	20,000	6.46%
Misc/Other 2	407	500	81.40%
Utilities - Field	5,615	11,000	51.05%
Government Fees/Permits - Field	1,162	10,000	11.62%
FEMA Permits	-	1,500	0.00%

Sub Total	585,425	1,616,000	36.23%
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Equipment

Equipment	88,795	430,000	20.65%
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Sub Total	88,795	430,000	
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Consulting/Contracts/Memberships

Engineering/Technical Consultants	14,262	182,500	7.81%
Security Patrol	32,700	80,000	40.88%
Temporary Admin	-	15,000	0.00%

Sub Total	46,962	277,500	16.92%
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FMAP Expenditures

LOI/SWIF (Consultants)	25,101	20,000	125.51%
Equipment	129,426	601,000	21.54%
Operations & Maintenance (Field)	151,551	162,850	93.06%
Administrative	-	8,150	0.00%

Sub Total	306,078	792,000	38.65%
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Total A, O & M Expenses

2,013,295	5,640,251	35.70%
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Capital Expenses

Capital Office Upgrades	-	30,000	0.00%
Capital RE Acquisition	-	50,000	0.00%
Capital Office Facility Repair	-	30,000	0.00%
Capital Facilities	-	1,250,000	0.00%

Sub Total	-	1,360,000	0.00%
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Total All Expenditures

2,013,295	7,000,251	28.76%
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RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 5.5

TITLE: Assembly Bill 361

SUBJECT: Review and Consider Adoption of Resolution No. 2021-12-01

EXECUTIVE SUMMARY:

On September 16, 2021, Governor Gavin Newsom signed Assembly Bill 361 into law, codifying certain modified requirements for teleconference meetings held by state and local public agencies, similar to those previously authorized and extended by executive order during the COVID-19 State of Emergency. This staff report briefly summarizes AB 361 and describes what Reclamation District No. 1000 (District) must do to utilize the modified requirements for holding remote meetings.

BACKGROUND:

The Ralph M. Brown Act (Brown Act), which governs local public agency meetings, traditionally permitted agencies to utilize teleconferencing (audio or video) for public meetings, subject to certain heightened requirements aimed to preserve public participation.

- Agendas must identify each teleconference location
- Agendas must be posted at each teleconference location
- Physical access for the public must be provided at each teleconference location
- Board actions must be taken by roll call vote
- One board member must be physically present at each meeting location and quorum of the board must participate within the agency's jurisdictional boundaries
- Members of the public must have an opportunity to address the Board from any teleconference location

(Gov. Code, § 54953(b)(3).) However, the rising spread of COVID-19 and the imposition of stay-at-home orders made some of those teleconference requirements untenable, leaving many public agencies unable to hold meetings at all.

On March 4, 2020, Governor Newsom proclaimed a State of Emergency due to COVID-19. Pursuant to that State of Emergency Proclamation, the Governor issued a series of executive orders (N-25-20, N-29-20, and N-35-20) which, among other things, provided several exceptions to the normal Brown Act teleconference rules to permit local agencies to continue meeting while stay-at-home orders were in effect or where meeting in person would pose a risk to health or safety. The executive orders allowed agencies to meet without first identifying or providing public access to each teleconference location, and without maintaining a physical presence of members within agency boundaries, though roll call votes and public participation were still required. On

TITLE: AB 361

June 15, 2021, as vaccinations increased and in-person restrictions eased, Governor Newsom issued Executive Order N-08-21 which provided the Brown Act modifications would expire on September 30, 2021.

AB 361:

With the State of Emergency still in place and variant cases on the rise, AB 361 was introduced to provide a longer-term solution for teleconference meetings during states of emergency, effective until January 1, 2024. While not limited to COVID-19, the legislation mirrors many of the allowances made under the Governor’s executive orders. AB 361 amends Section 54953 of the Government Code to allow the legislative body of a local agency to meet remotely without complying with the normal teleconference rules for agenda posting, physical location access, or quorum rules. To do so, one of three scenarios must exist, all of which require that the Governor has proclaimed a State of Emergency pursuant to Government Code section 8625:

- A. State or local officials have imposed or recommended measures to promote social distancing;
- B. The agency is holding a meeting for the purpose of determining whether meeting in person would present imminent risks to the health or safety of attendees; or
- C. The agency is holding a meeting and has determined that meeting in person would present imminent risks to the health or safety of attendees.

(Gov. Code, § 54953(e)(1).)

An agency that holds a meeting under either of the three scenarios must continue to post its agenda in the time required by the Brown Act, and ensure that the public is able to address the board directly through teleconference means. (*Id.* at subd. (e)(2).) If a disruption prevents the public agency from broadcasting the meeting or receiving public comments in real time, the board may take no further action until those functions are restored; any actions taken during such a disruption are subject to legal challenge. (*Id.*)

Assuming the State of Emergency remains in effect and an agency wishes to continue meeting under the modified rules, it must adopt an initial resolution within 30 days of the first teleconference meeting (which applies retroactively to that first meeting), and then must adopt an extension resolution at least every 30 days thereafter. (*Id.* at subd. (e)(3).) The resolutions must contain findings stating that the agency has reconsidered the circumstances of the State of Emergency and at least one of the following circumstances exist:

- i. The State of Emergency continues to directly impact the ability of the members to meet safely in person; or
- ii. State or local officials continue to impose or recommend measures to promote social distancing.

TITLE: AB 361

(*Id.*) The requirement for agencies to affirm by resolution every 30 days that the State of Emergency continues to necessitate remote meetings did not exist under the executive orders, and may present a logistical challenge for agencies that meet quarterly—or even monthly when meetings are separated by more than 30 days. Where an agency is not able to rely on regular meetings to adopt extension resolutions within that time frame, the agency has two potential options:

- Hold a special “AB 361” remote meeting within the 30-day window simply to re-authorize the AB 361 exceptions.
- Allow the initial resolution or extension resolution to lapse and approve a new initial resolution at the next agency meeting, subject to the same substantive and procedural requirements as the first.

It should be noted it is not entirely clear from the text of the statute that an agency may simply adopt a new initial resolution after failing to adopt an extension resolution within 30 days, and still take advantage of the retroactive application of the modified teleconference rules for that meeting. For a number of practical reasons, including the variability of active COVID-19 cases and the development of new state or local recommendations and orders, it might become necessary to do so. A conservative approach, and the one we recommend, would be to avoid lapses by holding a special meeting every 30 days to reauthorize the modified teleconference rules.

Once AB 361 authorization lapses, the normal Brown Act rules will apply and an agency seeking to hold a teleconference meeting will once again be required to post agendas and provide public access at each remote location, identify those locations in the agenda, and maintain a quorum of the board within agency boundaries. If a meeting is not held in conformity with AB 361, board members may not teleconference from their residences or other locations which are not open and accessible to the public.

CLARIFICATION ON IMPLEMENTATION DATE:

Upon its signing on September 16, 2021, AB 361 became effective immediately. However, on September 20, 2021, the Governor issued Executive Order N-15-21, clarifying that the changes in AB 361 shall be suspended until October 1, 2021, when the modified Brown Act provisions under Executive Order N-08-21 are set to expire.

CONCLUSION:

AB 361 provides relief to many agencies that have grown accustomed to the modified Brown Act teleconference rules under the emergency executive orders, though the 30-day authorization window could require agencies to hold more special meetings. Without the AB 361 exceptions, agencies will be obligated to return to normal in-person meetings or provide public access at each remote location under the traditional teleconference rules, starting October 1, 2021.

RECOMMENDATION:

Staff recommends the Board review and consider adoption of Resolution No. 2021-12-01.

TITLE: AB 361

ATTACHMENTS:

1. Resolution No. 2021-12-01

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/01/2021



RECLAMATION DISTRICT NO. 1000
RESOLUTION NO. 2021-12-01

**A RESOLUTION OF THE BOARD OF TRUSTEES OF RECLAMATION DISTRICT NO. 1000
PROCLAIMING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE COVID-19 STATE OF
EMERGENCY, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF RECLAMATION
DISTRICT NO. 1000 PURSUANT TO THE RALPH M. BROWN ACT.**

At a regular meeting of the Board of Trustees of Reclamation District No. 1000 held at the District Office on the 10th day of December 2021, the following resolution was approved and adopted:

WHEREAS, Reclamation District No. 1000 (District) is committed to preserving and nurturing public access and participation in meetings of the Board of Trustees; and

WHEREAS, all meetings of the District are open and public, as required by the Ralph M. Brown Act (Gov. Code, §§ 54950 – 54963) (“Brown Act”), so that any member of the public may attend, participate, and watch the District’s legislative body conduct its business; and

WHEREAS, Assembly Bill 361 added Government Code section 54953(e) to make provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Trustees previously adopted a Resolution, number 2021-10-01 on October 8, 2021, finding that the requisite conditions exist for the District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, such conditions persist in the District, specifically, on March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency to exist in California due to the threat of COVID-

19; despite sustained efforts, the virus continues to spread and has impacted nearly all sectors of California; and

WHEREAS, the Board of Trustees does hereby find that the ongoing risk posed by the highly transmissible COVID-19 virus has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Trustees does hereby find that the District shall continue to conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that the Board shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision(e) of section 54953; and

WHEREAS, all meeting agendas, meeting dates, times, and manner in which the public may participate in the public meetings of the District and offer public comment by telephone or internet-based service options including video conference are posted on the District website and physically outside of the District office.

NOW, THEREFORE BE IT RESOLVED THAT:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Exists. The Board has reconsidered the conditions of the state of emergency and proclaims that a local emergency persists throughout the District because the high risk of transmissibility of COVID-19 continues to pose an imminent risk to the safety of persons in the District.

Section 3. Re-ratification of Governor’s Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California’s Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. District staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) January 9, 2022, or such time the Board of Trustees adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

ON A MOTION BY Trustee _____, seconded by Trustee _____, the foregoing resolution was passed and adopted by the Board of Trustees of Reclamation District No. 1000, this 10th day of December 2021, by the following vote, to wit:

AYES: Trustees:

NOES: Trustees:

ABSTAIN: Trustees:

RECUSE: Trustees:

ABSENT: Trustees:

Thomas M. Gilbert
President, Board of Trustees
Reclamation District No. 1000

CERTIFICATION:

I, Joleen Gutierrez, Secretary of Reclamation District No. 1000, hereby certify that the foregoing Resolution 2021-12-01 was duly adopted by the Board of Trustees of Reclamation District No. 1000 at a regular meeting held on the 10th day of December 2021 and made a part of the minutes thereof.

Joleen Gutierrez, District Secretary



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 6.1

TITLE: Audited Financial Statements Year End June 30, 2021

SUBJECT: Review and Receive the Audited Financial Statements for Year End June 30, 2021.

EXECUTIVE SUMMARY:

This Staff Report is prepared to present Fiscal Year 2020/2021 Reclamation District No. 1000 (RD 1000; District) Audited Financial Statements for year ended June 30, 2021 to the Board of Trustees, as provided in Attachment 1.

RD 1000 ended Fiscal Year 2020/2021 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, 2021 and 2020, 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 year end June 30, 2021.

ATTACHMENTS:

1. Audited Financial Statements for Year End June 30, 2021.
2. Governance Letter 2021
3. Management Letter 2021

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/01/2021

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

Audited Financial Statements
and Other Reports

June 30, 2021 and 2020

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RECLAMATION DISTRICT NO.1000, CALIFORNIA

Audited Financial Statements
and Other Reports

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. 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, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

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, 2021 and 2020, 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.

Emphasis of Matters

As discussed in Note F to the financial statements, the District's actuary applied Section 3.7.7(c)4 of Actuarial Standard of Practice No. 6, as revised, and determined age adjusted health insurance premiums are not necessary in the calculation of the District's net other postemployment benefits (OPEB) liability, and therefore, the Implicit Rate Subsidy is not applicable in calculating the total projection of benefits payments. Had the actuary included age adjusted health insurance premiums in the calculation of the net OPEB liability, the OPEB liability may have been significantly larger in the amount. Our opinion is not modified with respect to this matter.

Other Matters

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 total OPEB liability and related ratios, schedule of contributions to the OPEB plan and budgetary comparison information be presented to supplement the basic financial statements. Such information, 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 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.

Other 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.

This schedule 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. Such 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.

To the Board of Trustees
Reclamation District 1000

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021 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 29, 2021

RECLAMATION DISTRICT 1000, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021 and 2020

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, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2021

- At the end of the year, the District's net position is \$53.4 million, of which \$42.9 million is invested in capital assets and \$10.5 million is unrestricted.
- As of June 30, 2021, the District's General Fund reported a total fund balance of \$11.5 million, of which \$11.4 million has been assigned by the Board.
- The District's capital asset balances were \$42.9 million at year-end, increasing slightly due to \$1.8 million in capital additions offset by \$1.5 million in depreciation expense.
- The District has no long-term debt.
- The District has recognized a net pension liability in the amount of \$1.4 million due to Governmental Accounting Standards Board Statement (GASB) 68. The liability increased approximately \$86 thousand from the prior year. See Note E of the basic financial statements.
- The District has recognized a liability in the amount of \$189 thousand for post employment benefits (OPEB) due to Governmental Accounting Standards Board Statement (GASB) 75. The liability increased approximately \$13 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 to 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 \$53.4 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, 2021, 2020 and 2019
(in thousands)

	2021	2020	2019
Current and other assets	\$ 12,269	\$ 9,996	\$ 10,743
Capital assets	<u>42,853</u>	<u>42,523</u>	<u>43,036</u>
Total assets	<u>55,122</u>	<u>52,519</u>	<u>53,779</u>
Deferred outflows of resources	<u>\$ 587</u>	<u>\$ 593</u>	<u>\$ 389</u>
Current and other liabilities	<u>\$ 2,270</u>	<u>\$ 1,808</u>	<u>\$ 2,587</u>
Deferred inflows of resources	<u>\$ 57</u>	<u>\$ 67</u>	<u>\$ 58</u>
Net position:			
Invested in capital assets, net	\$ 42,853	\$ 42,523	\$ 43,036
Unrestricted net position	<u>10,529</u>	<u>8,714</u>	<u>8,487</u>
Total net position	<u>\$ 53,382</u>	<u>\$ 51,237</u>	<u>\$ 51,523</u>

Current and other assets increased approximately \$2.3 million from June 30, 2020 to June 30, 2021. The primary reason for the increase was because of the increase in cash and investment balances. At the end of the prior fiscal year, cash and investment balances were \$8.2 million compared to \$11.8 million at the end of fiscal 2021. During 2021, the District received \$1.3 million in developer impact fees for the Greenbriar development project, collected \$2.8 million from SAFCA for the fiscal 2020 and 2021 operations and maintenance reimbursements, and received the 2021 and 2022 FMAP grants of approximately \$1.4 million.

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 2020-2021 capital purchases and additions were:

- Building improvements: upgraded exterior lighting of district headquarters, \$11,000
- Equipment: installation of shop racks and storage improvements, \$53,000
- Vehicles: four maintenance trucks and related equipment, \$799,000
- Office equipment: improvements to board room facilities at district headquarters, \$19,000
- SCADA system: An additional \$21,000 was added to the SCADA construction in progress during the fiscal year

In addition to the capital purchases above, during the fiscal year 2020/21, the District assumed \$934,000 of donated improvements to the levee system as a result of the Greenbriar construction project that is currently ongoing. As construction continues and significant improvements are made to the levee system, those amounts will also be capitalized by the District.

The 2019-2020 capital purchases and additions were:

- Building improvements: roof repair for Plant 1, \$23,000; new security system, \$9,000
- Equipment: two utility tractors, \$117,000; Tiger mower, \$180,000
- Vehicles and equipment: six maintenance trucks and related equipment, \$286,000
- Office equipment: office furniture, \$14,000; office copier, \$10,000; computer sever, \$9,000
- SCADA system: An additional \$205,000 was added to the SCADA construction in progress during the fiscal year.

The District depreciates capital assets using the straight-line method over the estimated lives of the assets. During the 2021 and 2020 fiscal year, \$1,506,720 and \$1,379,398 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, 2021, 2020 and 2019
(in thousands)

	2021	2020	2019
Program Revenues:			
Charges for services	\$ 36	\$ 57	\$ 29
Operating grants and contributions	1,400	1,400	1,400
Developer impact fees	1,321	-	-
Capital contributions and grants	1,950	703	388
General Revenues:			
Assessment revenues	2,298	2,305	2,279
Investment earnings	69	171	180
Miscellaneous income	146	2	13
Total Revenues	7,220	4,638	4,289
Expenses:			
Flood Protection	5,075	4,924	4,581
Change in net position	2,145	(286)	(292)
Net position, beginning of year	51,237	51,523	51,815
Net position, end of year	\$ 53,382	\$ 51,237	\$ 51,523

The District's net position increased by \$2,144,874 during the current fiscal year; the increase was a result of overall revenues increasing from \$4.6 million to \$7.2 million, and flood protection expenses increasing modestly compared to the prior year. As stated previously, the District received \$1.3 million in developer impact fees for the Greenbriar construction project, and recognized \$934 thousand in capitalized levee improvements. These improvements were included with capital contributions and grants during 2021. Also included in capital contributions and grants is approximately \$1.0 million in FMAP grants.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

At fiscal year end, the District’s governmental fund reported a combined fund balance of almost \$11.5 million, an increase of \$1,925,784 from the previous year’s fund balance. This increase is due to current year revenues exceeding current year expenditures. Also, it should be noted that during the current fiscal year, the District received and recognized more than \$1.3 million in developer impact fee revenues. Of the total \$11.5 million in fund balances, approximately \$11.4 million has been assigned for specific purposes, and \$106 thousand in prepaid expenses and equipment purchase deposits are considered nonspendable.

Revenues in the District’s governmental funds were \$6.1 million. Assessment revenue of \$2.3 million represents 37% of revenue for the governmental funds. Expenditures from governmental funds were \$4.4 million, which resulted in a change in fund balance of \$1,925,784.

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, 2021 and 2020 are nonspendable and assigned as follows:

TABLE 3
Fund Balances
June 30, 2021 and 2020

<u>Fund Type</u>	<u>June 30, 2021</u> <u>Fund Balance</u>	<u>June 30, 2020</u> <u>Fund Balance</u>
Nonspendable fund balance	105,771	78,909
Assigned fund balances:		
Emergency Flood Fight	1,500,000	1,500,000
General capital	4,801,510	4,629,578
Operating reserve	<u>5,083,447</u>	<u>3,356,457</u>
Total assigned fund balances	11,384,957	9,486,035
Unassigned	-	-
Total fund balances	<u>\$ 11,490,728</u>	<u>\$ 9,564,944</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, 2021 and 2020:

TABLE 4
Fund Revenues - Budget to Actual Comparisons
Year Ended June 30, 2021

	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Property Assessments	\$ 2,250,000	\$ 2,297,876	\$ 47,876
Capital contributions and grants	601,337	1,016,039	414,702
Fees for service	-	14,276	14,276
O & M reimbursement from SAFCA	1,400,000	1,400,000	-
Use of money and property	125,000	90,623	(34,377)
Other	<u>1,400,000</u>	<u>1,328,842</u>	<u>(71,158)</u>
Total	<u>\$ 5,776,337</u>	<u>\$ 6,147,656</u>	<u>\$ 371,319</u>

Fund Revenues - Budget to Actual Comparisons
Year Ended June 30, 2020

	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Property Assessments	\$ 2,250,000	\$ 2,306,058	\$ 56,058
Capital contributions and grants	574,000	898,023	324,023
Fees for service	-	36,054	36,054
O & M reimbursement from SAFCA	1,400,000	1,400,000	-
Use of money and property	85,000	192,150	107,150
Other	<u>-</u>	<u>2,549</u>	<u>2,549</u>
Total	<u>\$ 4,309,000</u>	<u>\$ 4,834,834</u>	<u>\$ 525,834</u>

Changes from the Amount Originally Budgeted

There were no changes made to the original budget.

Actual Revenues Compared with Final Budgeted Amounts

Actual revenues recognized by the District's Governmental Fund were \$371,319 more than budget in the fiscal year 2020/21. The variance resulted primarily from more FMAP grant revenue being recognized than budgeted. During the latter part of the fiscal year, the District received a second FMAP grant installment for \$792,000 which was scheduled for use in fiscal 2022, however the District purchased a field truck in April 2021 resulting in the recognition of additional FMAP grant revenue. The balance of this second FMAP grant in the amount of \$387,682 has been recognized as unearned revenue at June 30, 2021.

Actual revenues recognized by the District's Governmental Fund were \$525,834 more than budget in fiscal year 2019/20. The variance resulted primarily from the Natomas Central Mutual Water Company capital reimbursement not budgeted for in fiscal 2020 and interest income realization being more than expected.

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, 2021

	Budget	Actual	Favorable (Unfavorable) Variance
O & M	\$ 2,936,230	\$ 2,574,118	\$ 362,112
Administration	1,144,500	883,496	261,004
Capital outlay	<u>3,181,337</u>	<u>902,635</u>	<u>2,278,702</u>
Total expenditures	\$ <u>7,262,067</u>	\$ <u>4,360,249</u>	\$ <u>2,901,818</u>

During the year, the District experienced over \$2.9 million in favorable budget variances for expenditures. For operations and maintenance, field services, pumping plant power, and facility repairs were less than projected. For administration, budget savings were noted in engineering and administrative consulting services. Capital outlay was also under budget as \$2.5 million in capital projects did not occur as planned.

Fund Expenditures – Budget to Actual Comparisons
Year Ended June 30, 2020

	Budget	Actual	Favorable (Unfavorable) Variance
O & M	\$ 3,054,938	\$ 2,673,063	\$ 381,875
Administration	1,002,900	701,665	301,235
Capital outlay	<u>737,100</u>	<u>866,224</u>	<u>(129,124)</u>
Total expenditures	\$ <u>4,794,938</u>	\$ <u>4,240,952</u>	\$ <u>553,986</u>

During the prior year, the District's total expenditures were over \$550,000 less than budgeted. Under operations and maintenance, budget savings occurred in facility repairs, pumping plant power, and field services. For administration, engineering and administrative consultant expenses were less than planned as well as public relations and insurance expenses. Capital outlay had an unfavorable budget variance primarily because more field equipment was purchased than planned.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the District has \$67.1 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, 2021	As of June 30, 2020	Increase (Decrease)
Lands and rights of way	\$ 2,221,333	\$ 2,221,333	\$ -
Buildings, pump plants and improvements (including construction in progress)	34,534,925	33,516,581	1,018,344
Infrastructure	26,514,781	26,514,781	-
Equipment and vehicles	<u>3,869,231</u>	<u>3,519,860</u>	<u>349,371</u>
Total capital assets	<u>\$ 67,140,270</u>	<u>\$ 65,772,555</u>	<u>\$ (1,367,715)</u>

As stated above, during the year the District purchased four maintenance trucks and related equipment at a cost of \$799,000, upgraded the exterior lighting of district headquarters at a cost of \$11,000, installed shop racks and made storage improvements for \$53,000, made improvements to the board room facilities at district headquarters costing \$19,000, and invested an additional \$21,000 in the SCADA project. Also, as a result of the Greenbriar development project, \$934,000 in donated levee improvements have been made to the District's system. The district sold twelve field vehicles, a tractor and mower during the year for \$138,000. These assets were fully depreciated and the proceeds are reported as other financing sources in the governmental fund statements and miscellaneous revenues in the statement of activities. Depreciation expense for the year amounted to \$1,506,720.

**Table 7
Changes in Capital Assets**

	As of June 30, 2020	As of June 30, 2019	Increase (Decrease)
Lands and rights of way	\$ 2,221,333	\$ 2,208,583	\$ 12,750
Buildings, pump plants and improvements (including construction in progress)	33,516,581	33,278,766	237,815
Infrastructure	26,514,781	26,514,781	-
Equipment and vehicles	<u>3,519,860</u>	<u>2,943,152</u>	<u>576,708</u>
Total capital assets	<u>\$ 65,772,555</u>	<u>\$ 64,945,282</u>	<u>\$ 827,273</u>

During the year, the District received a Flood Maintenance Assistance Program (FMAP) grant for \$570,000; of this amount, \$305,100 was budgeted for field equipment additions for fiscal 2020. With this funding, two tractors and a mower were acquired at a cost of \$296,579. Depreciation expense for the year was \$1,379,398.

Debt Administration

As of June 30, 2021, 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.

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.

It is anticipated that the remaining work will be completed by the USACE as part of the Natomas Basin Project authorized by Congress in the 2014 Water Resources Reform and Development Act (WRRDA). Despite the availability of federal funds, construction had been delayed due to construction contracting issues. Work commenced in June 2020 on Reach Band and is under construction as of June 30, 2021. Additionally, the USACE awarded a construction contract in June 2021 for the reconstruction of Pumping Plant 4, with improvements initiated in June 2021.

Completion of the entire project is anticipated by 2024 or 2025. However, this schedule is dependent on annual federal appropriations and the timely acquisition of necessary rights of way and relocations of utilities, which interfere with the levee improvements. Project coordination, scheduling and acquisition of raw materials have caused some delays of ongoing construction projects, which may consequently cause the entire project completion to be delayed.

OPERATIONS AND MAINTENANCE

The District saw below normal rainfall during the 2020-2021 flood season. As a result, the District did not activate its Emergency Action Plan and 24 hour patrolling was minimized.

Outside of the flood season, the District performed normal operations and maintenance activities including mowing canals/levees; spraying both terrestrial and aquatic pesticides to manage the vegetation, minor repairs to facilities, garbage/debris removal and pump station maintenance. As was the case in 2018-2019 and 2019-2020, 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 and 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. While the levees are improved and significantly reduce the flood risk in the District, they include a much larger footprint 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 will evaluate funding options for the District. The Phase 2 Report is due by December 31, 2021.

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 King, General Manager

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

STATEMENTS OF NET POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and investments	\$ 11,841,534	\$ 8,180,407
Receivables:		
Assessments	18,000	18,000
Interest	41,367	41,014
Receivable from SAFCA	-	1,400,000
Other receivables, net of allowance of \$2,863	87,848	103,385
Prepaid expenses and other assets	105,771	78,909
Inventory	174,241	174,241
Capital assets, net	<u>42,852,827</u>	<u>42,522,912</u>
TOTAL ASSETS	<u>55,121,588</u>	<u>52,518,868</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	302,339	324,621
Other postemployment benefits	<u>284,853</u>	<u>268,517</u>
	<u>587,192</u>	<u>593,138</u>
LIABILITIES		
Accounts payable	97,686	139,550
Accrued payroll expense	55,406	47,676
Deposits	45,018	51,545
Unearned revenues	387,682	-
Long-term liabilities		
Accrued vacation	126,860	111,791
Net pension liability	1,368,174	1,281,711
Net OPEB liability	<u>188,689</u>	<u>175,827</u>
TOTAL LIABILITIES	<u>2,269,515</u>	<u>1,808,100</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	47,671	56,166
Other postemployment benefits	<u>9,502</u>	<u>10,522</u>
	<u>57,173</u>	<u>66,688</u>
NET POSITION		
Net investment in capital assets	42,852,827	42,522,912
Unrestricted	<u>10,529,265</u>	<u>8,714,306</u>
TOTAL NET POSITION	<u><u>\$ 53,382,092</u></u>	<u><u>\$ 51,237,218</u></u>

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

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
PROGRAM EXPENSES		
Governmental activities:		
Flood protection	\$ 5,075,159	\$ 4,924,301
PROGRAM REVENUES		
Charges for services	36,285	57,357
Operating grants and contributions	1,400,000	1,400,000
Capital contributions and grants	<u>3,270,726</u>	<u>703,157</u>
NET PROGRAM EXPENSES	(368,148)	(2,763,787)
GENERAL REVENUES		
Assessments	2,297,876	2,304,536
Interest income	68,614	170,847
Gain on sale of capital assets	138,377	-
Miscellaneous	<u>8,155</u>	<u>2,549</u>
TOTAL GENERAL REVENUES	<u>2,513,022</u>	<u>2,477,932</u>
CHANGE IN NET POSITION	2,144,874	(285,855)
Net position at beginning of year	<u>51,237,218</u>	<u>51,523,073</u>
NET POSITION AT END OF YEAR	<u><u>\$ 53,382,092</u></u>	<u><u>\$ 51,237,218</u></u>

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

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

BALANCE SHEETS – GENERAL FUND

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 11,841,534	\$ 8,180,407
Receivables:		
Assessments	18,000	18,000
Interest	41,367	41,014
Reimbursements receivable from SAFCA	-	1,400,000
Other	87,848	103,385
Other assets	<u>105,771</u>	<u>78,909</u>
TOTAL ASSETS	<u>\$ 12,094,520</u>	<u>\$ 9,821,715</u>
 LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 97,686	\$ 139,550
Accrued payroll expense	55,406	47,676
Deposits	45,018	51,545
Unearned revenues	<u>387,682</u>	<u>-</u>
TOTAL LIABILITIES	<u>585,792</u>	<u>238,771</u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	<u>18,000</u>	<u>18,000</u>
 FUND BALANCES		
Nonspendable	105,771	78,909
Assigned	<u>11,384,957</u>	<u>9,486,035</u>
TOTAL FUND BALANCES	<u>11,490,728</u>	<u>9,564,944</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 12,094,520</u>	<u>\$ 9,821,715</u>

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

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

RECONCILIATION OF THE BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION – GENERAL FUND

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Fund balance - total governmental funds, June 30,	\$ 11,490,728	\$ 9,564,944
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	42,852,827	42,522,912
Inventory	174,241	174,241
Deferred outflows related to pensions and OPEB are not reported in the government funds	587,192	593,138
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued vacation	(126,860)	(111,791)
Net pension liability	(1,368,174)	(1,281,711)
Net OPEB liability	(188,689)	(175,827)
Deferred inflows related to pensions and OPEB are not reported in the government funds	(57,173)	(66,688)
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>18,000</u>	<u>18,000</u>
Net position - governmental activities, June 30,	<u>\$ 53,382,092</u>	<u>\$ 51,237,218</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 Year Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Property assessments	\$ 2,297,876	\$ 2,306,058
O & M reimbursements	1,400,000	1,400,000
Capital contributions and grants	1,016,039	898,023
Developer impact fees	1,320,687	-
Fees for services	14,276	36,054
Use of money and property	90,623	192,150
Other revenues	8,155	2,549
TOTAL REVENUES	<u>6,147,656</u>	<u>4,834,834</u>
EXPENDITURES		
Current:		
Flood protection		
Maintenance and operations	2,574,118	2,673,063
Administration	883,496	701,665
Capital outlay	902,635	866,224
TOTAL EXPENDITURES	<u>4,360,249</u>	<u>4,240,952</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,787,407	593,882
OTHER FINANCING SOURCES		
Proceeds from sale of capital assets	138,377	-
OTHER FINANCING SOURCES	<u>138,377</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,925,784	593,882
Fund balance at beginning of year	<u>9,564,944</u>	<u>8,971,062</u>
FUND BALANCE AT END OF YEAR	<u>\$ 11,490,728</u>	<u>\$ 9,564,944</u>

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

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

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

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net change in fund balance - total governmental funds for the year ended June 30	\$ 1,925,784	\$ 593,882
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures and donated infrastructure is not reported. In the statement of activities, however, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital outlay	902,635	866,224
Donated infrastructure	934,000	-
Depreciation expense	(1,506,720)	(1,379,398)
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	-	(196,389)
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	(15,069)	(54,586)
Change in deferred outflows of resources related to employee pensions and OPEB	(5,946)	204,316
Change in deferred inflows of resources related to employee pensions and OPEB	9,515	(8,612)
Change in employee net pension liability	(86,463)	(91,774)
Change in OPEB liability	<u>(12,862)</u>	<u>(219,518)</u>
Change in net position - governmental activities for the year ended June 30	<u>\$ 2,144,874</u>	<u>\$ (285,855)</u>

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

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021 and 2020

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 not properly included among program revenues are 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, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax assessment revenues, reimbursement revenues 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.

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 and deposits 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, 2021 and 2020, 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 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 the 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, 2021 and 2020

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, 2021 and 2020

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:

	2021	2020
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 emergency.	4,801,510	4,629,578
Operation and Maintenance (O&M) Fund - Reserve balance set at 70% of the current year annual expenditure budget.	5,083,447	3,356,457
	\$ 11,384,957	\$ 9,486,035

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 statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position 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 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.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 2017, the GASB issued Statement No. 87, *Leases*. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The District is currently analyzing the impact of the required implementation of this new statement.

NOTE B – CASH AND INVESTMENTS

As of June 30, 2021 and 2020, cash and investments consisted of the following:

	2021	2020
Deposits in financial institutions	\$ 822,067	\$ 316,111
Sacramento County Pooled Investment Fund	5,670,915	4,739,926
City of Sacramento Pool A	2,157,854	2,157,854
Local Agency Investment Fund (LAIF)	3,190,698	966,516
Total cash and investments	\$ 11,841,534	\$ 8,180,407

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 concentration of credit risk. During the years ended June 30, 2021 and 2020, the District’s permissible investments included the following instruments:

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE B – CASH AND INVESTMENTS (Continued)

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.

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 \$4,571,404,062 and \$4,495,007,799 at June 30, 2021 and 2020, 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 Commission’s position in the pool. Investments held in the County’s investment pool are available on demand to the Commission 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 \$1,522,154,690 and \$1,518,399,810 at June 30, 2021 and 2020, 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 \$193,463,490,765 and

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE B – CASH AND INVESTMENTS (Continued)

\$101,788,256,254 at June 30, 2021 and 2020, respectively, managed by the State Treasurer. Of that amount, 1.10% 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.

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, 2021 and 2020, the weighted average maturity of the investments contained in the County's investment pool was approximately 300 days and 281 days, respectively. As of June 30, 2021 and 2020, the weighted average maturity of the investments contained in the City's investment pool was approximately 3.14 and 2.13 years, respectively. As of June 30, 2021 and 2020, the weighted average maturity of the investment in LAIF was approximately 291 and 191 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, 2021 and 2020, the carrying amount of the District's deposits were \$822,067 and \$316,111 and the balances in financial institutions were \$874,477 and \$386,955, respectively. Of the balance in financial institutions, \$250,000 at June 30, 2021 and 2020 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, 2021 and 2020

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 and 2020 was as follows:

	Balance July 01, 2020	Additions	Disposals	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 2,221,333			\$ 2,221,333
Construction in progress	723,529	\$ 954,677	-	1,678,206
Total capital assets, not being depreciated	<u>2,944,862</u>	<u>954,677</u>	<u>-</u>	<u>3,899,539</u>
Capital assets being depreciated:				
Infrastructure	26,514,781	-	-	26,514,781
Building and improvements	2,456,273	11,085	-	2,467,358
Pump equipment and improvements	30,336,779	52,582	-	30,389,361
Equipment and vehicles	3,519,860	818,291	\$ (468,920)	3,869,231
Total capital assets, being depreciated	<u>62,827,693</u>	<u>881,958</u>	<u>(468,920)</u>	<u>63,240,731</u>
Less accumulated depreciation for:				
Infrastructure	(5,047,893)	(264,076)	-	(5,311,969)
Building and improvements	(990,231)	(73,676)	-	(1,063,907)
Pump equipment and improvements	(14,629,836)	(801,843)	-	(15,431,679)
Equipment and vehicles	(2,581,683)	(367,125)	468,920	(2,479,888)
Total accumulated depreciation	<u>(23,249,643)</u>	<u>(1,506,720)</u>	<u>468,920</u>	<u>(24,287,443)</u>
Total capital assets, being depreciated, net	<u>39,578,050</u>	<u>(624,762)</u>	<u>-</u>	<u>38,953,288</u>
Capital assets, net	<u>\$ 42,522,912</u>	<u>\$ 329,915</u>	<u>\$ -</u>	<u>\$ 42,852,827</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE C – CAPITAL ASSETS (Continued)

	Balance July 01, 2019	Additions	Disposals	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 2,208,583	\$ 12,750		\$ 2,221,333
Construction in progress	518,364	205,165		723,529
Total capital assets, not being depreciated	<u>2,726,947</u>	<u>217,915</u>		<u>2,944,862</u>
Capital assets being depreciated:				
Infrastructure	26,514,781			26,514,781
Building and improvements	2,423,623	32,650		2,456,273
Pump equipment and improvements	30,336,779			30,336,779
Equipment and vehicles	2,943,152	615,659	\$ (38,951)	3,519,860
Total capital assets, being depreciated	<u>62,218,335</u>	<u>648,309</u>	<u>(38,951)</u>	<u>62,827,693</u>
Less accumulated depreciation for:				
Infrastructure	(4,783,817)	(264,076)		(5,047,893)
Building and improvements	(917,629)	(72,602)		(990,231)
Pump equipment and improvements	(13,826,108)	(803,728)		(14,629,836)
Equipment and vehicles	(2,381,642)	(238,992)	38,951	(2,581,683)
Total accumulated depreciation	<u>(21,909,196)</u>	<u>(1,379,398)</u>	<u>38,951</u>	<u>(23,249,643)</u>
Total capital assets, being depreciated, net	<u>40,309,139</u>	<u>(731,089)</u>	<u>-</u>	<u>39,578,050</u>
Capital assets, net	<u>\$ 43,036,086</u>	<u>\$ (513,174)</u>	<u>\$ -</u>	<u>\$ 42,522,912</u>

Depreciation expense of \$1,506,720 and \$1,379,398 for the years ended June 30, 2021 and 2020, respectively, was charged to the flood protection function.

Additions to construction in progress in fiscal year 2020/21 include \$934,000 of donated improvements to the District's system, which is not reported as capital outlay on the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2021 and 2020.

	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021
Accrued vacation	\$ 111,791	\$ 15,069	-	\$ 126,860
Net pension liability	1,281,711	86,463	-	1,368,174
Net OPEB liability	175,827	12,862	-	188,689
	<u>\$ 1,569,329</u>	<u>\$ 114,394</u>	<u>\$ -</u>	<u>\$ 1,683,723</u>

	Balance July 01, 2019	Additions	Deletions	Balance June 30, 2020
Accrued vacation	\$ 57,205	\$ 132,917	\$ (78,331)	\$ 111,791
Net pension liability	1,189,937	91,774	-	1,281,711
Net OPEB (asset) liability	(43,691)	219,518	-	175,827
	<u>\$ 1,203,451</u>	<u>\$ 444,209</u>	<u>\$ (78,331)</u>	<u>\$ 1,569,329</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 Plan
- PEPRA Miscellaneous 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 PEPRA 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, 2021 and 2020

NOTE E – PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2021 and 2020, are summarized as follows:

	Miscellaneous Rate Plan Prior to August 30, 2011	Miscellaneous Second tier Rate Plan August 30, 2011 to December 31, 2012	PEPRA Miscellaneous Rate Plan On or after January 1, 2013
Hire date			
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:			
2021	7.00%	7.00%	6.75%
2020	7.00%	7.00%	6.25%
Required employer contribution rates:			
2021	11.03%	8.79%	7.73%
2020	10.22%	8.08%	6.99%

In addition to the contribution rates above, the District was also required to make payments of \$87,982 and \$71,419 towards its unfunded actuarial liability during the years ended June 30, 2021 and 2020, 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, 2021 and 2020, the contributions made to the Plan were \$172,665 and \$155,951, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2021 and 2020, the District reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan of \$1,368,174 and \$1,281,711, respectively.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE E – PENSION PLANS (Continued)

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, 2021 is measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2020 using standard update procedures. The net pension liability as of June 30, 2020 is measured as of June 30, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2020	0.01251%
Proportion - June 30, 2021	0.01257%
Change - Increase	0.00006%
Proportion - June 30, 2019	0.01235%
Proportion - June 30, 2020	0.01251%
Change - Increase	0.00016%

For the years ended June 30, 2021 and 2020, the District recognized pension expense of \$272,915 and \$303,520, respectively. At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 172,665		\$ 155,951	
Differences between actual and expected experience	70,507		89,020	\$ (6,897)
Changes in assumptions		\$ (9,758)	61,118	(21,666)
Change in employer's proportion	18,523		18,532	
Differences between the employer's contribution and the employer's proportionate share of contributions		(37,913)		(5,195)
Net differences between projected and actual earnings on plan investments	40,644			(22,408)
Total	\$ 302,339	\$ (47,671)	\$ 324,621	\$ (56,166)

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

June 30, 2021 and 2020

NOTE E – PENSION PLANS (Continued)

The \$172,665 and \$155,951 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:

<u>Year Ended June 30</u>	
2022	\$ 9,122
2023	30,955
2024	22,431
2025	<u>19,495</u>
	<u>\$ 82,003</u>

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

	June 30, 2021	June 30, 2020
Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15% (2)	7.15% (2)
Inflation	2.50%	2.50%
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, 2020 and 2019 measurement date include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE E – PENSION PLANS (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.15% at June 30, 2021 and 2020. 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.

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	2021			2020		
	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%	50.0%	4.80%	5.98%
Global Fixed						
Income	28.0%	1.00%	2.62%	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%	1.0%	0.00%	-0.92%
Total	<u>100.0%</u>			<u>100.0%</u>		

- (a) An expected inflation of 2.00% used for this period.
- (b) An expected inflation of 2.92% used for this period.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE E – PENSION PLANS (Continued)

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:

	2021	2020
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 2,160,289	\$ 2,025,531
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 1,368,174	\$ 1,281,711
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 713,674	\$ 667,740

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, 2021 the District had \$6,163 in outstanding contributions payable to the pension plan; no contributions were outstanding at June 30, 2020.

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, 2021, the District’s cash contributions to the trust were \$75,205 and the benefit payments were \$75,099, resulting in total payments of \$150,304. During the year ended June 30, 2020, the District’s cash contributions to the trust were \$49,497 and the benefit payments were \$79,186, resulting in total payments of \$128,683.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

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

Employees Covered by Benefit Terms: As of the June 30, 2020 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	8
Active employees	<u>12</u>
Total	<u>20</u>

Total OPEB Liability: The District's total OPEB liability as of June 30, 2021 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019. The District's total OPEB liability as of June 30, 2020 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2021	2020
Valuation date	June 30, 2019	June 30, 2019
Measurement date	June 30, 2020	June 30, 2019
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	6.5%	6.5%
Inflation	2.75%	2.75%
Salary increases	2.75% per year	2.75% per year
Investment rate of return	6.5%	6.5%
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	4% annually	4% annually

Mortality information was based on the 2014 CalPERS Active Mortality of Miscellaneous Employees table created by CalPERS. The experience study report may be accessed on the CalPERS website at <https://www.calpers.ca.gov>.

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:

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

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

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	40.0%	7.795%
All Fixed Income	43.0%	4.500%
Real Estate Investment Trusts	8.0%	7.500%
All Commodities	4.0%	7.795%
Treasury Inflation Protected Securities (TIPS)	5.0%	3.250%
	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the total OPEB liability was 6.5% for both June 30, 2021 and 2020. 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 (Asset): 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
Balance at July 1, 2020	\$ 1,249,718	\$ 1,073,891	\$ 175,827
Changes in the year:			
Service cost	36,000		36,000
Interest	79,958		79,958
Contributions - employer (estimate)		49,497	(49,497)
Expected investment income		68,821	(68,821)
Investment gains/(losses)		(10,711)	10,711
Experience (gains)/losses	3,981		3,981
Expected benefit payments to retirees (estimate)	(79,186)	(79,186)	-
Administrative expenses		(530)	530
Net changes	<u>40,753</u>	<u>27,891</u>	<u>12,862</u>
Balance at June 30, 2021	<u>\$ 1,290,471</u>	<u>\$ 1,101,782</u>	<u>\$ 188,689</u>

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

June 30, 2021 and 2020

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, 2019	\$ 959,797	\$ 1,003,488	\$ (43,691)
Changes in the year:			
Service cost	30,024		30,024
Interest	61,951		61,951
Contributions - employer		43,424	(43,424)
Expected investment income		65,220	(65,220)
Investment gains and losses		5,399	(5,399)
Experience (gains)/losses	241,370		241,370
Expected benefit payments to retirees (estimate)	(43,424)	(43,424)	-
Administrative expenses		(216)	216
Net changes	<u>289,921</u>	<u>70,403</u>	<u>219,518</u>
Balance at June 30, 2020	<u>\$ 1,249,718</u>	<u>\$ 1,073,891</u>	<u>\$ 175,827</u>

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:

	2021		
	Current		
	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
Net OPEB liability	\$ 337,434	\$ 188,689	\$ 63,358
	2020		
	Current		
	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
Net OPEB liability	\$ 317,983	\$ 175,827	\$ 55,650

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

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

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:

	2021		
	Current Healthcare Cost		
	1% Decrease 3.00%	Trend Rates 4.00%	1% Increase 5.00%
Net OPEB liability	\$ 47,861	\$ 188,689	\$ 353,365

	2020		
	Current Healthcare Cost		
	1% Decrease 3.00%	Trend Rates 4.00%	1% Increase 5.00%
Net OPEB liability (asset)	\$ 53,809	\$ 175,827	\$ 315,736

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, 2021 and 2020, the District recognized OPEB expense of \$70,711 and \$17,961, respectively. At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 75,205		\$ 49,497	
Difference between expected and actual experience	200,282	\$ (6,263)	219,020	\$ (7,402)
Net differences between projected and actual earnings on plan investments	9,366	(3,239)		(3,120)
Total	<u>\$ 284,853</u>	<u>\$ (9,502)</u>	<u>\$ 268,517</u>	<u>\$ (10,522)</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

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:

Year Ended June 30		
2022	\$	23,044
2023		23,040
2024		22,644
2025		23,719
2026		21,580
Thereafter		86,119
	\$	200,146

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 (EARSLS), which was 10.8 years at the June 30, 2019 valuation date.

Age-Adjusted Premiums Not Used: As a general rule, Actuarial Standards of Practice 6 (ASOP 6) indicates retiree costs should be based on actual claim costs or age-adjusted premiums. However, the Plan’s net OPEB liability was not computed using age-adjusted premiums because the District’s actuary applied Section 3.7.7(c)4 for the ASOP 6 and determined age-adjusted premiums are not necessary and therefore, the Implicit Rate Subsidy is not applicable in calculating the projection of benefit payments. This is due to the District participating in the CalPERS health insurance plan, Public Employer Medical and Hospital Care Act (PEMHCA). PEMHCA uses blended premiums for active and retired participants and is expected to continue this practice into the future. Contributions based on age-adjusted premiums would be larger than contributions based on actual premiums charged by PEMHCA. The actuary believes this would overstate contributions to the CERBT that would not be able to be recovered by the District. Many other actuaries believe it is appropriate to use age-adjusted premiums when computing net OPEB liabilities under GASB Statement No. 75. The District’s net OPEB liability would have been significantly larger had it been computed using age-adjusted premiums.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE G – 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.

COVID-19: On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

REQUIRED SUPPLEMENTAL INFORMATION

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RECLAMATION DISTRICT NO. 1000, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2021 and 2020

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

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.01257%	0.01251%	0.01235%	0.01256%	0.12560%	0.01240%	0.01360%
Proportionate share of the net pension liability	\$ 1,368,174	\$ 1,281,711	\$ 1,189,937	\$ 1,245,857	\$ 1,086,420	\$ 848,318	\$ 846,161
Covered payroll - measurement period	\$ 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	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	75.10%	75.26%	75.26%	75.31%	74.06%	78.40%	79.21%

Notes to Schedule:

Reporting valuation date	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, 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.

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**

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

Notes to Schedule:

Valuation date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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Methods and assumptions used to determine contribution rates:

	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	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases				Varies by entry age and service			
Payroll growth	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 36,000	\$ 30,024	\$ 29,220	\$ 28,438
Interest	79,958	61,951	59,499	57,189
Experience (gains)/losses	3,981	241,370	-	-
Benefit payments	(79,186)	(43,424)	(59,354)	(42,393)
Net change in total OPEB liability	40,753	289,921	29,365	43,234
Total OPEB liability - beginning	1,249,718	959,797	930,432	887,198
Total OPEB liability - ending (a)	<u>\$ 1,290,471</u>	<u>\$ 1,249,718</u>	<u>\$ 959,797</u>	<u>\$ 930,432</u>
Plan fiduciary net position				
Contributions - employer	\$ 49,497	\$ 43,424	\$ 28,000	\$ 38,795
Net investment income	58,110	65,220	60,324	66,639
Benefit payments (estimate)	(79,186)	(43,424)	(59,354)	(42,393)
Investment gains/(losses)	-	5,399	-	-
Administrative expenses	(530)	(216)	(912)	(801)
Net change in plan fiduciary net position	27,891	70,403	28,058	62,240
Plan fiduciary net position - beginning	1,073,891	1,003,488	975,430	913,190
Plan fiduciary net position - ending (b)	<u>\$ 1,101,782</u>	<u>\$ 1,073,891</u>	<u>\$ 1,003,488</u>	<u>\$ 975,430</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ 188,689</u>	<u>\$ 175,827</u>	<u>\$ (43,691)</u>	<u>\$ (44,998)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	<u>85.38%</u>	<u>85.93%</u>	<u>104.55%</u>	<u>104.84%</u>
Covered-employee payroll - measurement period	<u>\$ 1,004,351</u>	<u>\$ 926,881</u>	<u>\$ 826,547</u>	<u>\$ 861,202</u>
Net OPEB liability (asset) as percentage of covered-employee payroll	<u>18.79%</u>	<u>18.97%</u>	<u>(5.29%)</u>	<u>(5.23%)</u>
Notes to schedule:				
Valuation date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Discount Rate	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, 2021

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution - employer fiscal year	\$ 49,497	\$ 79,186	\$ 65,512	\$ 59,354
Contributions in relation to the statutorily required contributions	<u>(75,205)</u>	<u>(128,683)</u>	<u>(65,512)</u>	<u>(87,354)</u>
Contribution deficiency (excess)	<u>\$ (25,708)</u>	<u>\$ (49,497)</u>	<u>\$ -</u>	<u>\$ (28,000)</u>
Covered-employee payroll - employer fiscal year	\$ 1,035,417	\$ 1,004,351	\$ 926,881	\$ 889,262
Contributions as a percentage of covered-employee payroll	7.26%	12.81%	7.07%	9.82%

Notes to Schedule:

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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property assessments	\$ 2,250,000	\$ 2,250,000	\$ 2,297,876	\$ 47,876
O & M reimbursement revenue from SAFCA	1,400,000	1,400,000	1,400,000	-
Capital contributions and grants	601,337	601,337	1,016,039	414,702
Fees for services	-	-	14,276	14,276
Use of money and property	125,000	125,000	90,623	(34,377)
Developer impact fees/other revenues	1,400,000	1,400,000	1,328,842	(71,158)
TOTAL REVENUES	5,776,337	5,776,337	6,147,656	371,319
EXPENDITURES				
Current				
Flood protection:				
Maintenance and operations	2,936,230	2,936,230	2,574,118	362,112
Administration	1,144,500	1,144,500	883,496	261,004
Capital outlay	3,181,337	3,181,337	902,635	2,278,702
TOTAL EXPENDITURES	7,262,067	7,262,067	4,360,249	2,901,818
EXCESS OF REVENUES OVER EXPENDITURES	(1,485,730)	(1,485,730)	1,787,407	3,273,137
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	138,377	138,377
TOTAL OTHER FINANCING SOURCES	-	-	138,377	138,377
NET CHANGE IN FUND BALANCE	(1,485,730)	(1,485,730)	1,925,784	3,411,514
Fund balance at beginning of year	9,564,944	9,564,944	9,564,944	-
FUND BALANCE AT END OF YEAR	\$ 8,079,214	\$ 8,079,214	\$ 11,490,728	\$ 3,411,514

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

SUPPLEMENTAL INFORMATION

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RECLAMATION DISTRICT NO. 1000, CALIFORNIA

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Maintenance and Operations:			
Power	\$ 475,000	\$ 371,781	\$ 103,219
Herbicides	120,000	111,908	8,092
Field services	63,100	38,468	24,632
Field operations consultants	20,000	12,030	7,970
Materials and supplies	25,000	35,335	(10,335)
Refuse collection	30,000	13,905	16,095
Compensation	1,080,595	1,097,863	(17,268)
Payroll taxes	91,000	82,677	8,323
Group insurance	125,000	107,540	17,460
Dental/vision insurance	25,887	21,175	4,712
Workers' compensation insurance	30,000	26,980	3,020
Pension - defined benefit and 457 plans	201,148	191,848	9,300
Fuel	50,000	45,466	4,534
Equipment repairs and services	16,000	13,609	2,391
Equipment parts and supplies	60,000	49,393	10,607
Shop equipment (not vehicles)	5,000	3,138	1,862
Government fees and permits	12,000	9,174	2,826
FEMA permits	1,500	-	1,500
Facility repairs	211,000	73,459	137,541
Assessments/CAD	8,000	8,027	(27)
Field utilities	11,500	9,917	1,583
Equipment rental and other	5,000	100	4,900
Field equipment	14,000	614	13,386
Security patrol	35,000	49,000	(14,000)
FMAP - operations and maintenance	220,000	200,313	19,687
Other	500	398	102
	<u>\$ 2,936,230</u>	<u>\$ 2,574,118</u>	<u>\$ 362,112</u>
Administration:			
Office supplies	\$ 5,500	\$ 3,405	\$ 2,095
Computer	24,000	29,571	(5,571)
Liability and auto insurance	150,000	139,767	10,233
Annuitant healthcare	-	75,205	(75,205)
Memberships	40,800	33,299	7,501
Legal	97,000	66,146	30,854
Engineering/Adminstrative consultants	503,000	242,808	260,192
Public relations, legislative analyst	45,000	10,245	34,755
Accounting and audit services	47,050	38,345	8,705

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

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

For the Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Administration (continued):			
Administrative services	\$ 17,000	\$ 12,275	\$ 4,725
Trustee fees	40,000	37,800	2,200
Mitigation land taxes	6,200	4,847	1,353
Election costs	39,000	102,090	(63,090)
Utilities	23,700	14,992	8,708
Office maintenance and repair	27,000	26,878	122
Continuing education	5,000	1,739	3,261
Payroll service	6,000	3,117	2,883
Small office and computer equipment	12,000	6,950	5,050
Government fees and permits	12,500	6,754	5,746
Assessment management fees	-	10,921	(10,921)
Professional development	20,500		20,500
Temporary administration	15,000	14,250	750
Other	8,250	2,092	6,158
	<u>\$ 1,144,500</u>	<u>\$ 883,496</u>	<u>\$ 261,004</u>
Capital outlay:			
Office upgrades and improvements	\$ 20,000	\$ 19,307	\$ 693
Real estate acquisition	50,000	-	50,000
Capital - office facility repair	30,000	11,085	18,915
Capital - facilities	2,700,000	73,259	2,626,741
FMAP Capital - large equipment	381,337	798,984	(417,647)
	<u>3,181,337</u>	<u>902,635</u>	<u>2,278,702</u>
Total expenditures	<u>\$ 7,262,067</u>	<u>\$ 4,360,249</u>	<u>\$ 2,901,818</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, 2021, 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 29, 2021.

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) to determine the 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.

To the Board of Trustees
Reclamation District No. 1000

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, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 29, 2021



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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, 2021, and have issued our report thereon dated November 29, 2021. 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 an opinion 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 involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit includes 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 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 2020/21. 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 most recent actuarial calculation was prepared for the June 30, 2020 audit. 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, 2020, the most recent measurement date, was \$1,368,174 which is reflected as a liability in the District's financial statements as of June 30, 2021. As a result of the changes in the net pension liability and related deferred inflows and outflows, the District's pension expense is \$272,915 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, 2020, the most recent measurement date, was \$188,689 which is reflected as a liability in the District's financial statements as of June 30, 2021. As a result of the recording of the net OPEB liability and related deferred inflows and outflows, the District's OPEB expense is \$70,711 primarily to record changes in the net OPEB liability and deferred outflows and inflows. In calculating the District's OPEB liability, the District's actuary applied Section 3.7.7(c)4 of the Actuarial Standard of Practice No. 6, as revised, and determined age-adjusted healthcare premiums were not necessary in the computation of the net OPEB liability. Many other actuaries consider it necessary under actuarial standards to use age-adjusted premiums in the computation of the OPEB liability. Had age-adjusted premiums been used, the District's OPEB liability would have been significantly larger. This is an apparent lack of consensus in the industry that was disclosed in Note F to the financial statements.

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. Two adjustments were made during the audit as follows: record fiscal year 20/21 ARC payment to OPEB as contribution made subsequent to the measurement date and record donated infrastructure from the Greenbriar project.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter 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 29, 2021.

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 have been 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.

We were not engaged to report on the Schedule of Expenditures – Budget and Actual – General Fund, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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 29, 2021



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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, 2021, 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:

Pension Accounting: To ensure the accuracy of the contribution amounts recorded in the general ledger, which are used to develop the District's proportionate share of the pension liability of the plan pool, we recommend the that District perform a reconciliation at the end of each fiscal year of the employer contribution expense in the general ledger to the contributions reported in the CalPERS system.

We also recommend employer and employee contributions be recorded in separate expenditure accounts so the balance of employer contributions may be identified when preparing pension entries and disclosures. In addition, we recommend that a separate general ledger account be used to record the pension entries needed to true-up the pension liability and related deferred inflows/outflows. Establishing these separate general ledger accounts will facilitate the reconciliation of contributions to the amount reflected in the CalPERS system.

Other Post-Employment Benefits (OPEB) Accounting: We recommend that a separate general ledger account be used to record the OPEB entries needed to true-up the OPEB liability and related deferred inflows/outflows, rather than recording them in the same account as the retiree premium payments.

Establishing these separate general ledger accounts will facilitate the reconciliation of contributions to the amount reflected in CALPERS Trust audited financial statements.

Payroll Processing Review: During our audit we noted there is not a secondary review of the payroll register prior to the paycheck processing. We recommend that the General Manager review the payroll register to verify the accuracy of the output from the payroll system, to mitigate the risk of errors prior to payroll checks being cut. In addition, we noted a timesheet that did not include the signature of the preparer or reviewer. We recommend supporting documentation, such as timesheets, indicate the name or initial and date of the preparer and reviewer of the document. This will provide evidence that two staff were involved in performing the control.

Purchase Orders: During our testing of cash disbursements, we noted instances where purchase orders did not include pricing, had incomplete vendor information, and didn't document approval of a supervisor. We recommend purchase orders include complete pricing and vendor information to allow supervisors to determine whether the request is reasonable.

Purchasing Policy: During our testing of cash disbursement, we noted that the District does not have formal written policies related to purchasing of goods and services. A formal policy should be established to define spending authority limits, vendor selection, competitive bid process, and conflicts of interest. We recommend the District adopt written policies governing purchases of goods and services.

* * * * *

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 29, 2021



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 6.2

TITLE: Comprehensive Financial Plan Phase 2.1

SUBJECT: Review and Consider Approval of Phase 2.1 of the District's Comprehensive Financial Plan and Authorize General Manager to Proceed with Phase 2.2.

EXECUTIVE SUMMARY:

Reclamation District No. 1000 (RD 1000; District) solicited requests for qualifications for the Comprehensive Financial Plan and Assessment Rate Study on March 2, 2020. The District received Statements of Qualifications from three (3) firms including NBS on April 3, 2020 in accordance with the Request for Qualifications. The District's Finance Committee reviewed the submittals on April 21, 2020. NBS was recommended by the Finance Committee for award of a Professional Services Agreement for the project. After discussion by the Board of Trustees on May 8, 2020, the Board approved moving forward with Phase 1 of the Comprehensive Financial Plan.

Phase 1 was adopted by the Board on January 15, 2021. The Board further directed staff to work with NBS on a proposal for Phase 2 of the Plan. NBS's proposal for Phase 2 was approved by the Board of Trustees on March 12, 2021. The Board asked Staff to return with Phase 2.1 when ready before proceeding with Phase 2.2. Phase 2.1 (Attachment 1) was reviewed by the Finance Committee on November 23, 2021. After review and discussion, the Finance Committee, unanimously recommended the Board approve Phase 2.1 and authorize the General Manager to proceed with NBS on Phase 2.2.

RECOMMENDATION:

Staff recommends the Board of Trustees Review and Consider Approval of Phase 2.1 of the District's Comprehensive Financial Plan and Authorize the General Manager to Proceed with Phase 2.2.

ATTACHMENTS:

1. Comprehensive Financial Plan – Phase 2.1

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/06/2021

RECLAMATION DISTRICT NO. 1000

Rate Modeling Report Phase 2.1

December 2021

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1. INTRODUCTION

1.1 Purpose of this Report

This report is intended to provide a recommendation and preliminary rate modeling required to fund Reclamation District No. 1000's ("RD1000" or "District") annual operations, maintenance, and capital improvements as identified in the previously prepared Financial Plan Technical Memorandum dated January 7, 2021 (the "Phase I Report"). This rate modeling report also discusses the relative strengths and weaknesses of potential funding solutions together with an overview and limited analysis of the considerations to achieve successful revenue implementation.

In the Phase I Report NBS evaluated the District's revenue and expenses and created three funding alternatives. Those alternatives were:

- Alternative 1 - Full CIP with Bond Financing
- Alternative 2 - Full CIP with no Bond Financing
- Alternative 3 - Full CIP with no Bond Financing & Reserve Spend Down

The District instructed NBS to utilize Alternative 3 as the basis for this report.

1.2 Additional District Guidance

In addition to the District instructing NBS to model a new revenue instrument to satisfy funding Alternative 3 for this report, the District also instructed NBS to:

1. Assume the existing assessment district revenue would cease in FY2023/24 and be replaced by the proposed revenue instrument.
2. Disregard the proposed timing of the Capital Improvement Program (CIP) in order to allow the District to manage fund balances according to the new funding source's revenue stream. This is necessary to avoid issuance of debt and provides the greatest flexibility for the District with revenues from the new funding instrument.
3. Create a revenue structure that would allow for overall funding of the District's needs, which once established could escalate in perpetuity as required.

1.3 Property Data Sources

NBS used the District's FY2020/21 assessment levy data (from SCI Consultants) as the basis of property within the District. This allowed us to compare the proposed rate with the existing rate to understand the differences property owners might see in the two charges and to better evaluate support & resistance to the proposed fee. County assessor's rolls (Sacramento and Sutter Counties) for FY2020/21 were used to match the parcels and property information. Changes between the FY2020/21 and FY2021/22 assessor's property data were reviewed and determined to not materially affect the analysis in this report.

1.4 Property in the District

NBS determined there are 34,882 parcels within Sacramento County and 362 parcels within Sutter County totaling 35,184 parcels within the District’s jurisdiction. This report provides the preliminary calculation for a proposed property related fee and examines the establishment of an assessment. Limited information related to a special tax authorized by the Mello-Roos Community Facilities Act of 1982¹ is supplied for perspective.

The basis upon which the property is charged, the legal requirements to establish the charge, and the advantages and disadvantages of each are further explored here for the District’s consideration.

The composition of property (and its ownership) in the District is critical to understanding who the group is *approving* the fee, and who the group is *paying* the fee.

The following table outlines the approving group, the approval threshold, and the required findings for three types of ongoing charges.

FUNDING INSTRUMENT OVERVIEW			
Type	Approved by	Approval Threshold	Required Findings
Tax¹	Registered Voters	2/3 Ballots Cast	Based on any reasonable method. Not assessed value.
Assessment	Property Owners	Majority Protest of Ballots Cast, Weighted according to Assessment Amount	1. Identify all Benefits 2. Separate Special from General Benefits 3. Apportion costs to parcels based on Proportional Special Benefit per parcel
Fee²			Proportional cost of providing service to each parcel
1 st Step	Property Owners	Majority Protest of <i>all</i> Property Owners	
2 nd Step	a) Property Owners, or	Majority Approval of Ballots Cast: 1 vote/parcel	
	b) Registered Voters	2/3 of Ballots Cast	

1. Mello-Roos Community Facilities District considered.
2. Property Related Fees require a two-step approval process unless the service funded by the fee is exempt (i.e., water/sewer/trash services). Storm Drainage services are not yet considered exempt, pending outcome of a SB 231 validation proceeding.

The above table shows:

- A **Tax** is approved by the registered voters
- An **Assessment** is approved by the property owners and
- A **Property Related Fee** is approved by either the property owners or the registered voters. The final, second step, approval of the property related fee is typically conducted as a property owner election.

¹ Government Code §53311 et. seq.

1.5 Land Uses

Land Use Codes (“LUC”s) are assigned to property by the both the County of Sacramento and the County of Sutter Assessor’s Offices and describe the current utilization of a parcel. There are 628 unique LUCs assigned to property within the District’s boundary. These LUCs are grouped and assigned into the Customer Classes and the associated parcel counts are shown in the table below. The detailed listing of the County LUCs and the assigned Customer Class are provided in Attachment A.

LAND USE CODE CATEGORIES		
Assigned Customer Class ¹	Parcel Count	% of Parcels
SFR2	19,076	54.22%
SFR1	6,982	19.84%
MFR	3,504	9.96%
Vacant	1,725	4.90%
SFR3	1,093	3.11%
Common Area	412	1.17%
Public & Utilities	368	1.05%
Exempt	344	0.98%
Miscellaneous	339	0.96%
Park	314	0.89%
Retail /Commercial	252	0.72%
Office	232	0.66%
Industrial	231	0.66%
Agriculture	186	0.53%
SFR4	73	0.21%
Church & Welfare	21	0.06%
Personal Care & Health	13	0.04%
Golf	9	0.03%
Airport	8	0.02%
Recreational	2	0.01%
Total	35,184	100.00%

SFR1-4 Customer Classes are assigned to Single Family Residential (SFR) properties according to gross acreage.

The table above shows that a high percentage (87.34%) of parcels are designated as having a residential use². This high percentage of residential use properties indicates the importance that proposed rates assigned to residential properties will have on the approval of a revenue measure. When it comes to who will be paying the exaction, the revenue instrument will dictate the methodology to calculate the amount due from any property. In the case of the property related fee, it is calculated according to the proportionate cost to provide the service to the parcel. NBS modeled an allocation of the cost to provide the service according to two criteria, gross and net acreage. The modeling is detailed in Section 30.

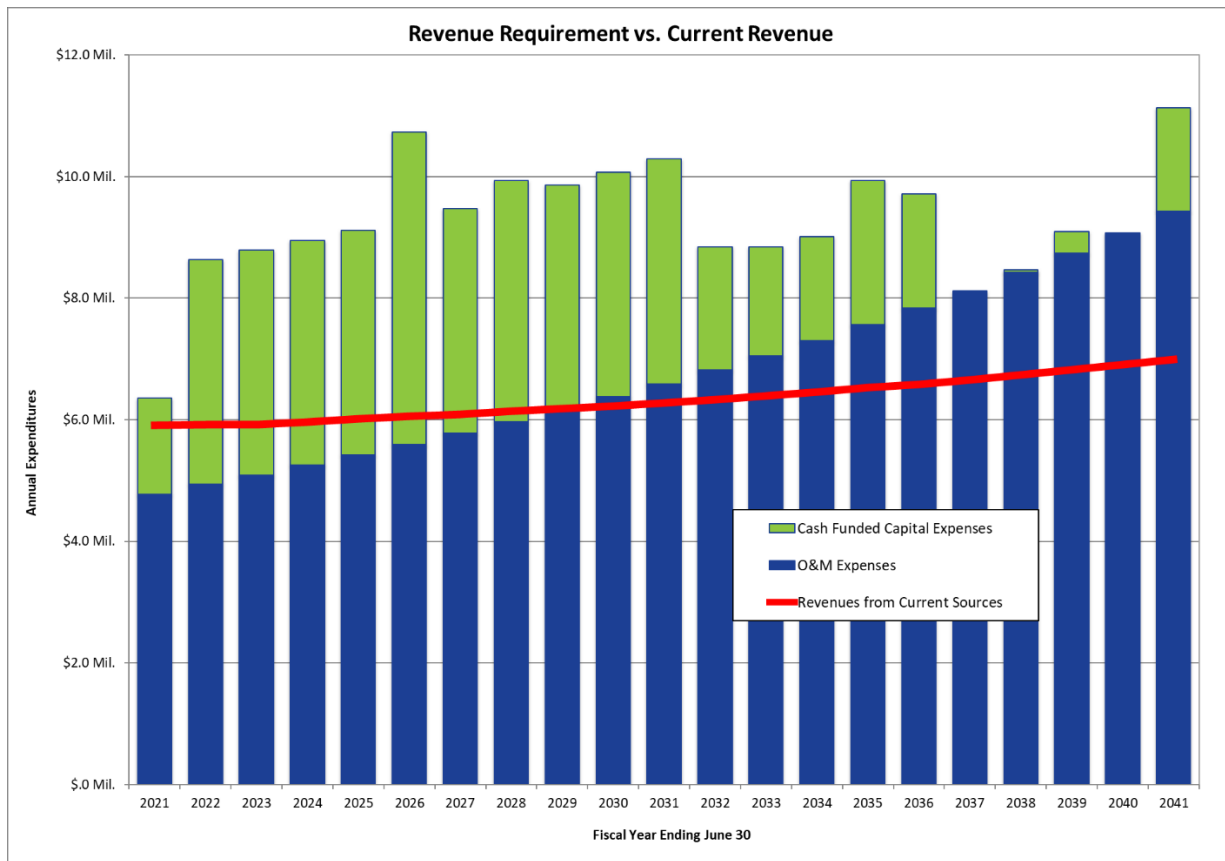
² Residential Use Customer Classes include MFR, SFR1, SFR2, SFR3 and SFR4

2. REVENUE REQUIREMENTS

The revenue requirements to fund the District’s annual operations, maintenance, and capital improvements were identified in the previously prepared Financial Plan Technical Memorandum dated January 7, 2021 (the “Phase I Report”). The District provided additional guidance as noted in Section 1.2.

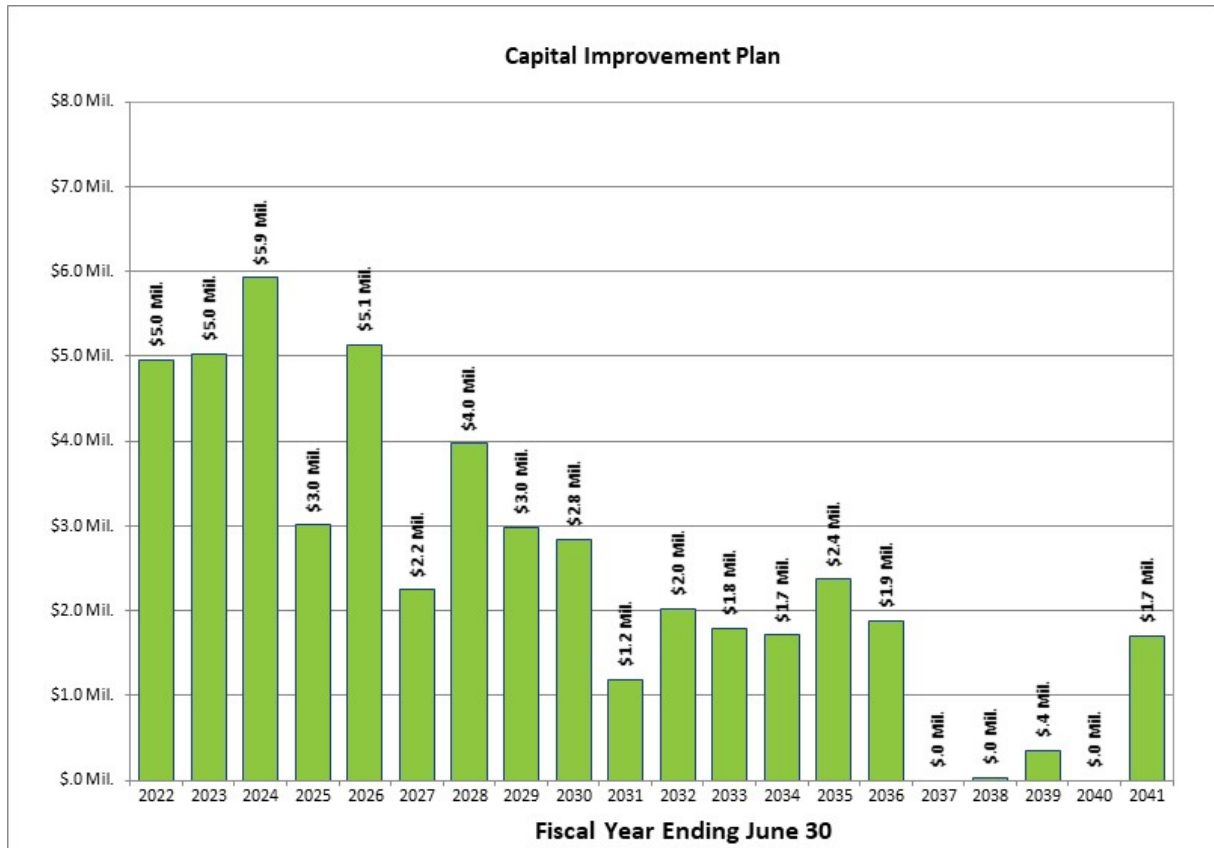
2.1 Current Funding

The chart below shows the identified revenues and revenue requirements through FY2040/41. This does not include the proposed property related fee revenue.



2.2 Existing CIP

The chart below shows the funding requirements of the long-term CIP. The total CIP costs through FY2040/41 are \$49,149,570 which average \$2,457,478 per year. \$37,280,575 of the costs are front loaded over the first 10 years and then decline.



The District has elected to not issue debt in order to flatten the annual obligations of these front-loaded costs. The District will manage the CIP and cash to fund projects on a pay-as-you-go basis. NBS averaged the first 10 years of CIP costs to arrive at an average annual CIP revenue requirement of approximately \$3.7M per year. This will allow the District to revisit the projects and costs after the first 10 years and determine if the fee may be reduced after the first 10 years or remain to fund additional required projects, or compensate for unforeseen construction cost increases, or new projects as they are identified in future CIP Updates.

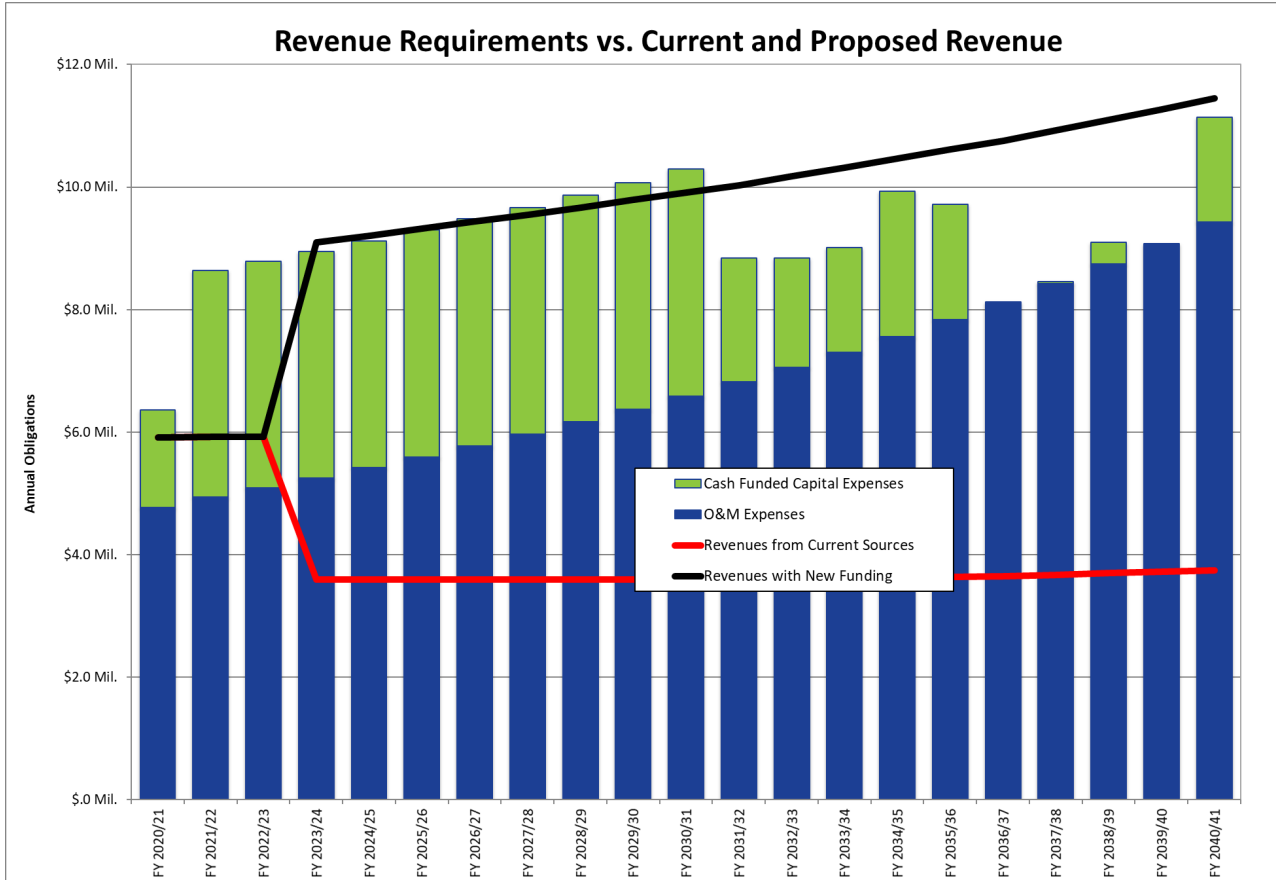
The Averaged CIP Cost Plan is shown in the table below.



This annual CIP requirement of \$3.7M is added to the existing O&M needs for the next 10 years to arrive at the total annual revenue requirement. The proposed property related fee is then sized to fund the revenue needs and maintain the level of recommended reserve fund balances.

2.3 Potential New Fee Sizing

The chart below models a proposed property related fee becoming effective for FY2023/24, initially sized at \$5,500,000 per year, and escalating at 2% per year together with the CIP averaged over the first 10 years at \$3.7M per year. The below chart compares total revenue and expense.



Cash Funded Capital Expenditures will not follow the amounts and timing shown in the table, as some projects will exceed the annual revenues received from the new funding instrument. The District intends to establish project specific reserve funds to save for larger projects which exceed the annual revenues.

3. PROPERTY RELATED FEE MODELING

3.1 Background

Property related fees are authorized by the California Constitution in Article XIID (6) and defined as charges for a specific property related service. The service must be immediately available to the property and an analysis must be completed to show the fee does not exceed the proportional cost of service to each parcel. Property related fees are approved through a process that includes a public protest hearing followed by a second step of approval consisting of either a two-thirds vote of registered voters, or a majority approval of property owners. The variable proceedings required for the approval of a property related fee is considered one of the advantages of this tool.

It is noteworthy that property related fees are the authority under which most retail water rates are authorized (calculated based upon the proportional cost of service). Property related fees for water services are exempt from the second step approval requirements; however, the proposed property related fee may be subject to approval via the second step requirements as described in Section 1.4.

3.2 Project Costs

Section 2.3 showed the rationale to size the proposed fee at \$5,500,000. This amount provides funding to provide all Operations & Maintenance costs together with funding the CIP and will replace the existing assessment which will be discontinued if the proposed fee is authorized.

3.3 Fee Structure

The property related fee must be charged according to the proportional cost to provide service to each parcel. The District's Responsibility Statement, which follows below, highlights the District's primary duties.

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

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

The District provided an estimated breakdown of its total costs and allocated them 40% to Flood Protection (Levees) and 60% to Stormwater (Canals & Pumps). Since not all properties receive both services, each parcel must be evaluated to determine which services are received and the cost of each service must be examined independently to determine the proportionate cost to be allocated to each parcel.

The Total Project Costs of \$5,500,000 annually is allocated \$2,200,00 for Flood Protection and \$3,300,000 for Stormwater Services.

3.3.1 FLOOD PROTECTION

The District provides flood protection services through the maintenance of the levee system. This flood protection is provided to all parcels located within the District’s boundary including parcels which are located upon and/or fronting the levees themselves. This flood protection is provided to all parcels within the District’s boundary without respect to land use, development status or any other criteria. The total gross acreage of all parcels in the District is 48,077.62 acres³

NBS has allocated the cost to provide the flood protection service proportionately according to the gross area of each parcel protected. The formula below shows the calculation.

$$\begin{aligned} \text{Total Cost of Flood Protection} / \text{Total Acres Protected} &= \$ \text{ per Acre for the Flood Protection Service} \\ \$2,200,00 / 48,077.62 \text{ Acres} &= \$45.76 \text{ per Acre for the Flood Protection Service} \end{aligned}$$

3.3.2 STORMWATER SERVICES

The capture and discharge of stormwater is a distinct service from exterior flood protection, and as such a different method to determine the proportionate cost to provide the service to each parcel must be developed. The proportional generation of stormwater flows for each parcel is an industry best practice and is proposed as the basis of allocating the proportional cost of the service.

Different properties will generate different amounts of stormwater runoff according to their land use. The calculation of estimated stormwater flows is proposed to be allocated according to the Net Impervious Area (NIA) of each parcel in the District’s boundary. The NIA is calculated by multiplying the gross parcel area by an Impervious Surface Coefficient (ISC). The ISC considers land use and density of use to estimate the relative impervious surfaces for each property. The ISC is a factor used to discount the gross parcel area down to the NIA. For example, a single family residential parcel with a density of 4 dwelling units per acre is assigned an ISC of .46. This results in the parcel’s gross area being multiplied by .46 to arrive at the NIA, such that a ¼ acre parcel (10,890 SqFt) is multiplied by .46 (which approximates building, driveway, patio, and other hardscapes) to arrive at approximately 5,000 SqFt of NIA.

The ISC factors were developed by the State of California Environmental Protection Agency, Office of Environmental Health Hazard Assessment⁴. The ISC factors used data from selected areas including Sacramento County which enhances the data’s applicability to RD1000. For Customer Classes without a directly matching ISC, the ISC was estimated using comparable data.

³ Does not include exempt property such as parcels that are part of the levee and/or drainage system.

⁴ <https://oehha.ca.gov/>

The listing of Customer Classes and the associated ISCs are shown in the table below.

CUSTOMER CLASS	ISC
AGRICULTURE	0.04
AIRPORT	0.30
CEMETARY	0.10
CHURCH & WELFARE	0.80
COMMON AREA	0.30
EXEMPT	0.00
GOLF	0.10
INDUSTRIAL	0.86
MFR	0.76
MISCELLANEOUS	0.10
OFFICE	0.80
PARK	0.10
PERSONAL CARE & HEALTH	0.80
PUBLIC & UTILITIES	0.44
RECREATIONAL	0.80
RETAIL /COMMERCIAL	0.86
SFR1	0.66
SFR2	0.54
SFR3	0.35
SFR4	0.14
VACANT	0.10

Certain parcels which receive stormwater service from other jurisdictions, or who do not drain into the capture and discharge system are not charged this portion of the proposed fee.

NBS has allocated the cost to provide the flood protection service proportionately according to the NIA of each parcel protected. The formula below shows the calculation.

$$\text{Total Cost of Stormwater Services} / \text{Total NIA Served (Acres)} = \$ \text{ per NIA (Acre) for the Stormwater Service}$$

$$\$3,300,00 / 9,707.88 \text{ NIA Acres Served} = \$339.93 \text{ per NIA Acre for the Stormwater Service}$$

This calculation to arrive at the NIA per parcel serves as the reasonable and proportional allocation of costs to provide the service to each parcel.

3.4 Potential Rates

The basis of the rates is shown above and have been modeled to understand the effects on the parcels in the District for each service. The draft rates for each service and the average of the combined rates are shown in the following Sections.

3.4.1 FLOOD PROTECTION

The cost to provide Flood Protection Services was calculated to be \$45.76 per gross parcel acre. The average acreages and average Flood Protection costs per Customer Class are shown in the table below.

Customer Class	Parcel Count	Total Gross Acres	Average Gross Acres	Average Cost per Parcel
SFR2	19,076	2,746.66	0.14	\$6.59
SFR1	6,982	491.57	0.07	3.22
MFR	3,504	1,083.01	0.31	14.14
Vacant	1,725	20,343.89	11.79	539.67
SFR3	1,093	562.25	0.51	23.54
Common Area	412	213.94	0.52	23.76
Public & Utilities	368	4,552.57	12.37	566.09
Exempt	344	0	0	0
Miscellaneous	339	121.68	0.36	16.42
Park	314	1,330.33	4.24	193.87
Retail /Commercial	252	663.64	2.63	120.51
Office	232	603.10	2.60	118.95
Industrial	231	1,560.54	6.76	309.13
Agriculture	186	12,006.53	64.55	2,953.82
SFR4	73	1,085.44	14.87	680.40
Church & Welfare	21	63.09	3.00	137.47
Personal Care & Health	13	29.19	2.25	102.75
Golf	9	278.02	30.89	1,413.56
Airport	8	325.83	40.73	1,863.72
Recreational	2	16.34	8.17	373.85
Totals	35,184	48,077.62		

3.4.2 STORMWATER SERVICES

The cost to provide Stormwater Services was calculated to be \$339.93 per NIA (in acres). As discussed in Section 3.3.2, the determination of NIA requires the application of an ISC. The ISC is based upon a parcel's land use, and in the case of residential use, the density of development is also considered.

The residential Customer Classes contain four single-family categories based upon the Gross Parcel Area as shown below.

- SFR1 Gross Parcel Area < 4,356 SqFt.
- SFR2 Gross Parcel Area > = 4,356 SqFt. < 10,890 SqFt.
- SFR3 Gross Parcel Area > = 10,890 SqFt. < 87,120 SqFt.
- SFR4 Gross Parcel Area > = 87,120 SqFt.

The residential Customer Classes also contain a multi-family category based upon the density of dwelling units per Gross Parcel Area. For each of the Residential Customer Classes, the Gross Parcel Area is averaged for all parcels within the Customer Class, the appropriate ISC is applied and a rate per parcel, unit, or NIA is determined. The following table provides the potential annual rates per Customer Class type.

Customer Class	Description	Rate	Per
MFR	All Multi Family	\$9.62	Dwelling Unit
SFR1	Single Family Gross Lot < 1/10 Acre	15.84	Parcel
SFR2	1/10 Acre <= Single Family Gross Lot < ¼ Acre	26.31	Parcel
SFR3	¼ Acre <= Single Family Gross Lot < 2 Acres	54.73	Parcel
SFR4	Single Family Gross Lot >= 2 Acres	795.37	Parcel
NRP ¹	All Non Residential Property	339.9300	NIA (Acre)

The average NIA (Acres) and average Stormwater costs per Customer Class are shown in the table below.

Customer Class	Parcel Count	Total NIA Acres	Average NIA Acres	Average Cost per Parcel
SFR2	19,076	1,345.42	0.07	\$23.98
SFR1	6,982	298.97	0.04	14.56
MFR	3,504	716.22	0.20	69.48
Vacant	1,725	2,016.28	1.17	397.33
SFR3	1,093	90.62	0.08	28.18
Common Area	412	49.79	0.12	41.08
Public & Utilities	368	1,926.79	5.24	1,779.82
Exempt	344	0	0	0
Miscellaneous	339	11.49	0.03	11.52
Park	314	125.15	0.40	135.48
Retail /Commercial	252	531.83	2.11	717.41
Office	232	446.56	1.92	654.31
Industrial	231	1,329.71	5.76	1,956.75
Agriculture	186	480.26	2.58	877.72
SFR4	73	147.41	2.02	686.41
Church & Welfare	21	44.37	2.11	718.20
Personal Care & Health	13	21.45	1.65	560.98
Golf	9	27.80	3.09	1,050.08
Airport	8	97.75	12.22	4,153.48
Recreational	2	0	0	0
Totals	35,184	9,707.88		

3.4.3 COMBINED AVERAGES

The combined average costs for both the Flood Protection and Stormwater Services are shown in the table below.

Customer Class	Parcel Count	Flood Average Cost per Parcel	S. Water Average Cost per Parcel	Total Average Cost per Parcel
SFR2	19,076	\$6.59	\$23.98	\$30.57
SFR1	6,982	3.22	14.56	17.78
MFR	3,504	14.14	69.48	83.62
Vacant	1,725	539.67	397.33	937.00
SFR3	1,093	23.54	28.18	51.72
Common Area	412	23.76	41.08	64.84
Public & Utilities	368	566.09	1,779.82	2,345.91
Exempt	344	0	0	0
Miscellaneous	339	16.42	11.52	27.94
Park	314	193.87	135.48	329.35
Retail /Commercial	252	120.51	717.41	837.92
Office	232	118.95	654.31	773.26
Industrial	231	309.13	1,956.75	2,265.88
Agriculture	186	2,953.82	877.72	3,831.54
SFR4	73	680.40	686.41	1,366.81
Church & Welfare	21	137.47	718.20	855.67
Personal Care & Health	13	102.75	560.98	663.73
Golf	9	1,413.56	1,050.08	2,463.64
Airport	8	1,863.72	4,153.48	6,017.20
Recreational	2	373.85	0	373.85
Totals	35,184			

3.4.4 TOTAL COSTS

The table in Section 1.5 showed that 87.34% of parcels are designated as having a residential use and the below table shows those parcels will bear 21.03% of the financial burden. These calculations are based upon assumptions of the accuracy of the respective county assessor's data which has shown to be inaccurate in some instances and a further examination of outlying data points should be performed prior to the finalization of the fee.

Customer Class	Parcel Count	Total Cost per Cust Class ¹	% Total Cost per Cust Class
SFR2	19,076	\$583,214.93	10.60%
SFR1	6,982	124,169.66	2.26%
MFR	3,504	293,238.28	5.33%
Vacant	1,725	1,616,319.90	29.39%
SFR3	1,093	56,541.13	1.03%
Common Area	412	26,715.01	0.49%
Public & Utilities	368	863,297.84	15.70%
Exempt	344	0	0.00%
Miscellaneous	339	9,473.38	0.17%
Park	314	103,416.41	1.88%
Retail /Commercial	252	211,153.63	3.84%
Office	232	179,397.79	3.26%
Industrial	231	523,417.48	9.52%
Agriculture	186	712,666.27	12.96%
SFR4	73	99,777.35	1.81%
Church & Welfare	21	17,969.08	0.33%
Personal Care & Health	13	8,628.52	0.16%
Golf	9	22,172.72	0.40%
Airport	8	48,137.59	0.88%
Recreational	2	747.70	0.01%
Totals	35,184	\$5,500,454.67	

1. Total Variance Of \$454.67 due to rounding of acreages and rates across all parcels.

3.5 Timeline

The establishment process consists of three main efforts: the calculation and justification of the fee, outreach and engagement, and the legislative body proceedings.

3.5.1 FINALIZATION OF THE FEE CALCULATION

NBS estimates it will take approximately two months to complete a Final Fee Calculation and Justification Report.

3.5.2 OUTREACH & ENGAGEMENT

Outreach and engagement efforts are highly recommended but entirely optional. They can run in advance of, or concurrently with, the fee calculation and legislative proceeding efforts. The scope of outreach and engagement efforts can vary broadly. For this type of project, we recommend a minimum six-month public process. Our experience finds that if the first time property owners become aware of a proposed fee by receiving a ballot, the fee will most likely fail.

3.5.3 LEGISLATIVE PROCEEDINGS

The approval process generally consists of a public hearing and then a property owner protest election. Both require a minimum 45-day notice period. In total, the proceedings will take approximately 4 to 5 months.

The entire formation process can take as little as 6 months or longer according to the amount of public engagement or fee refinement the District desires. If the District desires to levy the fee on the property tax rolls, the FY2023/24 submittals are due August 10, 2023, which gives the District approximately 20 months to establish the new fee. If the District desires to levy the charge directly, or another schedule, or levy on the assessor's rolls in a succeeding year, the rate calculation may be modified.

3.6 Legal Risks

The legal risks associated with a property related fee are moderate among all the potential revenue instruments. The key legal element is determining the proportional cost to provide the service to each parcel. The District must demonstrate it has the authority to provide the service and that costs are appropriately allocated. There is room for differences of opinion related to the classification and the allocation of costs which can become the subject of litigation.

The other material legal consideration is the enforceability of collection, or the foreclosure authority, of the fee upon tax exempt properties and especially other governmental properties. Properties owned by Federal and State Government may not be subject to local foreclosure proceedings and the District should seek legal counsel on this issue.

4. SPECIAL ASSESSMENT DISCUSSION

4.1 Background

A Special Assessment may be established by establishing a particular boundary and then charging property for a special service, improvement, or other benefit. Special Assessments, also known as a Special Benefit Assessments, describes a family of charges levied against a parcel of land for the proportional special benefit that is conferred to property by the underlying public service or improvement project. Benefit assessments cannot be based on the value of property. Instead, each assessment district establishes a benefit formula and each parcel in the boundary being assessed according to the special benefit it receives from the services and/or improvements. A registered professional engineer, the governing body of the entity levying the assessment, and property owners approving the special assessment must make a finding of special benefit in order to validate this process. The assessment amount is limited to the proportional special benefit the improvement or service provided to each assessed property.

Special Assessments are approved by a protest ballot proceeding. Each property owner's ballot is weighted by the amount of the assessment assigned to that owner's property. Of the property owner ballots returned, if a majority of the weighted ballots oppose the assessment, a majority protest exists, and the assessment may not be imposed.

4.2 General & Special Benefit

It must be stated that an extensive general and special benefit analysis must be performed to identify and separate the general benefits from the special benefits, and then determine and calculate the proportional special benefits. Said analysis is beyond the scope of this report. This report is intended to examine, but not justify, assessment calculations. The general and special benefit analysis required to finance the improvements will be a significant undertaking.

The costs associated with general benefit must be funded from other sources and cannot be assessed to properties. The District may use any unencumbered funds or grant monies to fund the general benefit portion of the costs. The fact that RD1000 is a special purpose district with little to no unrestricted revenue to allocate toward the general benefit which must be funded from other sources makes this option seem impractical.

An additional, substantial consideration in utilizing a special assessment is that the burden of proof is placed upon the District to demonstrate the findings of special benefit. The public agency must demonstrate that the benefit analysis is appropriate, rather than a challenger having to prove it is wrong. Additionally, the courts have handed down various interpretations of Proposition 218 over the last 20+ years which have made compliance increasingly complicated. This complication creates opportunities to misstep, or to simply have a difference of opinion on how to properly comply with the assessment law. These differences of opinion among interested and informed parties (see the Opposition in Section 5.6) can often lead to litigation.

5. PUBLIC APPROVAL

The District is proactively working to give the selected revenue instrument the best possible chance of success. This goal considers much more than the engineering and legal requirements. It introduces the “people” side of the equation beyond exaction rates and proceedings. The District recognizes that no matter which revenue instrument is selected it will require approval of “the people,” be they voters or property owners.

Generally speaking, when a revenue measure fails to gain the required threshold of support, there is little analysis performed to determine the reasons for the failure, and even less documentation is prepared on the issue. These failure analyses are generally only engaged for large, well-funded State or County-wide issues where the timeline horizon for implementation may span several years. Further, any failure analysis documentation that is prepared, is not usually publicly available.

NBS is not a social or political science firm, however we are seasoned professionals with multiple decades of experience establishing special revenue instruments in California. In NBS’ experience there are several common issues which contribute to the failure of a revenue measure. Failed measures may involve only one, or a combination of several issues discussed below.

5.1 The Project

Any proposed project (or service) must be clearly defined and understandable. People must understand what it is they are being asked to fund. This is the first fatal flaw to be mitigated. The District must be able to answer the below questions in terms understandable and relatable by the constituents.

1. What is the project/service?
2. What will it do?
3. What are the benefits?
4. Why are the benefits important?
 - a. To the community as a whole
 - b. To an individual person
 - c. To an individual property
5. What happens (or what is the risk) if the project is not approved?

Answering these questions will provide the foundational information necessary for a successful proceeding.

5.2 The Costs

The overall project costs must be reasonable and in line with other projects of a similar nature. The project costs must demonstrate value for the investment in the project or service.

The methodology upon which the costs for the project are apportioned to properties is a primary consideration and a predominant focus of this Phase II report. Careful consideration must be made to select the revenue instrument which allocates the costs in the most fair and supportable manner while mitigating potential opposition.

5.3 The Legislative Body

The legislative body is an often-overlooked factor when pursuing a revenue instrument. The legislative body is critical and must have the following qualities.

1. Be well informed regarding the project and the costs as discussed above
 - a. Use correct technical language to avoid creating confusion or unnecessary conflict
2. Be unified in support of the measure
3. Be clear and unified in the outcome should the measure fail

The legislative body is the first group, and the best group, to involve when developing the overall public communication strategy and message. They are closest to the constituents and are the primary message bearers. They must be able to understand, explain, discuss, and defend the proposal.

The value of a unified legislative body cannot be overstated. If you cannot sell the project and unify the legislative body, your chances are not very good with the general public who does not bear the burden of meeting the District's obligations under its charter as a legislative member does. We recognize a unified legislative body is not always possible, and when it is not, a number of difficulties arise depending on the nature of the dis-unity.

Lastly, clear consequences to a failed measure must be addressed and communicated by the legislative body. Most importantly those consequences must be addressed, otherwise future revenue measures may be viewed as unnecessary as there are no consequences to failed measures.

5.4 The Timing

Time is the primary element all the items discussed in this Section rely on: The most common mistake is not allowing enough time to involve, educate, discuss, and compromise to reach a best solution for all with stakeholders. It is critical to adjust the measure (if necessary) prior to asking for public approval. The timing estimated in the current proposed projects will allow the District to address the issues raised in this report.

There are also obvious timing issues such as matching the proceeding to the season when the service is most usually provided—do not try to put stormwater measures out in the winter during the rainy season or fire protection/prevention measures out in the summer. This timing can help nudge your issue into the public consciousness and give it the little additional support needed to get over the approval threshold.

5.5 The Approving Body

The first table in Section 1.4 of this report shows the approving body for each of the revenue instruments. There is clear legal distinction between property owners and voters regarding revenue instrument approval. There are also a number of practical issues related to the distinction. For our purposes, the primary issue is the perception of “fairness.” There are a number of different perspectives, the two most common concerns depending on which instrument is selected are:

1. Is it “fair” that voters decide to tax property owners?
2. Is it “fair” that one property owner (when casting a weighted ballot) has more or less “votes” than another property owner whose ballot is weighted differently?

The distinction between voters and property owners is an example of technical language mentioned in Section 5.3 regarding the legislative body. This is a case where officials should understand the distinction, the reasons for the distinction, and the proper use of language.

5.6 The Opposition

It must be mentioned that in addition to the actual participants, there are other groups with a potential interest in the revenue instrument. The Howard Jarvis Taxpayers Association⁵ is a formidable group whose interest in this case may be that the revenue instrument is properly selected, and the rate methodology meets the legal requirements. Another group is the California Rental Housing Association⁶ (“CRHA”) which contains a number of local associations. This group is very active, and their focus is specific to rental property. They have been known to regularly pose the “fairness” issue mentioned above, and when voters decide to tax property owners, they have mounted many legal battles to oppose legislation and exactions that are unfavorable to its members.

The CRHA is an example of how property owners can pool resources to oppose a measure. Even a single, large property owner can create significant opposition, especially if they are a large corporation or an organization that would otherwise be tax exempt (such as a hospital or college). These entities often carry political influence and have the finances to hire professionals to legally challenge and/or oppose the revenue instrument.

The District should identify potential opposing groups and consider their ability to organize, create, and distribute messages adverse to the District’s goals.

5.7 Public Communication

NBS has observed a common theme regarding public communication and the probable outcome of a revenue measure. The observation is that, if the ballot is the medium which is the first and only form of making the approving body aware of a revenue measure, the measure’s chances are greatly reduced. People generally do not have the capacity (time) to read and understand the issues and are left with deciding based on the few words provided in the immediate documentation. If the case to support the measure has not already been made in the elector’s mind, it is unlikely that it will be made in moment of ballot casting.

There are many types of public communication, and these various types should be examined to determine which one (or combination thereof) best suits the District’s needs. The communication formats lay out into two categories, one-way and two-way communications. One-way communications are media based, such as informational direct mailers, news coverage, or advertisements placed in radio and/or television spots. Two-way communications are interactive and allow an exchange of information such as legislative body meetings, surveys, stakeholder focus groups and community meetings. The District must understand its communication needs and what formats best serve those needs to be effective.

⁵ [Howard Jarvis Taxpayers Association \(hjta.org\)](http://hjta.org)

⁶ [California Rental Housing Association | Cultivate. Advocate. Legislate. \(cal-rha.org\)](http://cal-rha.org)

The District has two significant challenges related to a successful revenue measure communication campaign.

The first challenge is that the District itself is nearly “invisible” from a public awareness perspective. This is generally true for many special purpose districts. You can measure the relative visibility of a special district by the frequency of its interactions with the general public. A parks and recreation district may be one of the most publicly visible as it directly interacts with the local community on a regular basis. It could be well argued the District has fewer customers than a cemetery district, making it one of the most unknown to exist at all, and especially unknown to exist locally. While some may consider anonymity a virtue, the District’s lack of “public presence” will not serve it well in the context of raising revenue for its essential public works obligations.

The second challenge is that which comes with each and every revenue measure: The project/proposal specific communications built upon the “public presence” discussed above. If an agency has a poor public presence, or in other words poor “credibility,” it often does not matter how great the project is or how little it costs. The project is not getting approved because the public does not trust the agency’s word (see Section 5.3 Item 3 above). In the District’s case, a well-executed communication strategy which addresses both the District’s identity in the community and the District’s projects value to the community should prove effective.

We have mentioned there are two primary formats of communication, being one-way and two-way interactions. There are also two primary types of two-way communications. They are the classic political consulting model and the public engagement model. Each of these models is discussed in more detail below.

5.7.1 PUBLIC ENGAGEMENT

Simply put, public engagement is the purposeful two-way communication between an agency and its constituents. Traditionally this two-way communication has been limited to legislative body public meetings (regular meetings). Since most legislative body meetings are often overbooked with agency business, the public communication section of a meeting is often viewed as a task to endure rather than an important opportunity.

NBS developed the CivicMic⁷ service to make this interaction more accessible and productive for everyone. NBS assists agencies create venues for public interaction which are in addition to the regular meetings which can be difficult to attend. Utilizing internet-based meetings is one way NBS lowers the barrier to public participation. Creating surveys, contests, workshops, and easy-access information portals are other ways NBS helps connect agencies to constituents. The topics addressed may be general in nature or specific to a particular project or service under consideration.

Public engagement and collaboration build trust between citizens and government; it does not steer an agenda but instead identifies problems and creates solutions. The goal is to develop a relationship with members of the community, especially those who have historically not been involved. It provides a platform to build a shared agency vision and build public support for projects and services that execute

⁷ [*Community Outreach & Public Engagement - CivicMic Communities*](#)

that vision. An engaged and supportive public is the ultimate goal of any agency, CivicMic provides a structured and efficient platform to bring all parties together for their mutual success.

5.7.2 POLITICAL CONSULTING

NBS defines political consulting to include the traditional efforts of making an argument for, or “selling,” a particular candidate, legislative change, or funding measure. The firms specializing in these activities are generally led by social and/or political science professionals and we see their work every election cycle.

In the context of revenue measures, these firms perform demographic research and analysis to understand the electors, and then through surveys and other inquiries work to ascertain the answers to three primary questions. What *words* resonate with the public, *how much* is the public willing to spend on those words, and what is the best way to *reach* the public with the agency’s message?

The wording of a measure is important. A recent example from a large county agency highlights this issue. The agency’s funding proposals had failed repeatedly while the project was characterized as “storm water” project. The work of a political consulting firm identified a wording change in the measure that highlighted the “safe and clean water” aspect of the project. The agency made the change in the measure’s wording which resonated with the electors and the measure passed.

Identifying the level of financial support electors are willing to provide a measure is another important function of a political consulting firm. Through carefully conducted surveys, these firms can identify the probable maximum charge people are willing to pay for a particular improvement or service. Exceeding these amounts lower the chances of the measure’s passage.

Reaching the electors with the message describing a favorable project at an acceptable price is the last step for this type of communication. Through demographic analysis, the best media formats are identified. These formats may include television, radio, print, social media, and other forms of communication. Many political consulting firms can provide (also via subcontract or referral) the actual production and distribution of the appropriate communications (such as a television ad).

NBS is not addressing the limits placed upon agencies related to advocacy. There are legal distinctions between the distribution of information and advocacy. Public funds may be used to distribute information but may not be used for efforts considered to be advocacy.

5.8 Next Steps

The District should consider a two-step approach related to any revenue measures. First, the District must establish its identity and ongoing value to the community in order to address the District’s public “invisibility” through public engagement, this will serve both the District and the community without respect to any revenue measures as it is simply a good management practice. Second, the District should consider the benefits of political consulting as it relates to a potential revenue instrument. The timing and composition of those potential engagements will vary depending on the instrument selected.

6. MEASURES BY OTHERS

A report prepared by Michael Coleman of CaliforniaCityFinance.com (the “California City Report”) is included as Attachment B to this report. The California City Report contains an aggregation and analysis of the results of revenue measures from the November 3, 2020, elections.

Pages 25-28 of the California City Report contain a sub-section prepared by FM3 Research (a well-respected political consulting firm). The sub-section provides observations on the results of the 2020 election cycle and implications for the 2021-2022 election cycle. NBS regards both organizations (CaliforniaCityFinance.com and FM3) and their respective analysis as applicable to the District’s ongoing evaluation of potential revenue instruments.

7. CONCLUSION

7.1 Key Legal Procedural Hurdles

The general legal procedures associated with each funding option are outlined in this report. The key legal considerations for each instrument are discussed in each respective section and summarized in the table below.

TABLE 27

LEGAL HURDLE SUMMARY	
Financing Instrument	Procedural Issues
Assessment	<ol style="list-style-type: none"> 1. Confirm the District’s authority to provide service / project 2. Identify and Separate the general from the special benefits 3. Allocate costs according to the proportional special benefits 4. Conduct a valid property owner protest proceeding
Property Related Fee	<ol style="list-style-type: none"> 1. Confirm the District’s authority to provide service / project 2. Allocate total costs according to the proportional cost to provide the service to each parcel 3. Conduct a noticed public hearing without majority protest 4. Conduct a valid property owner or registered voter election

7.2 Key Political Hurdles

Once the District is satisfied that the legal risk has been appropriately addressed, the next considerations are political. The key political hurdles revolve around two issues. The ability to establish “fairness” and the ability to communicate effectively.

The concept of fairness is broad and resides in the eye of each individual. The District must first establish the need for the project or service, and second demonstrate that the costs are being distributed fairly. The question of who is being levied and to what extent are they being levied must be considered. The perception of fairness relating to the exaction is directly proportional to the probability of success of the approval process.

Further study may be undertaken to refine the rate methodologies of the property related fee to address any perceived excessive exaction amounts. It may be especially productive to study the outliers (i.e., those with very high and very low rates) to determine if reasonable and supportable adjustments can be made to the proposed rate structures to create a more fair and legally defensible funding solution.

As discussed in Section 5.7, the District must communicate. It must establish its value to the community, and it then must establish the fairness of the proposed revenue measure. The key to any political endeavor is a fair proposal matched with effective, persuasive communication.

Until the District engages in communication with the community, it will not know where and why support and opposition exist. Once those elements are identified, the District will be able to leverage support and address opposition. The answer to the old question regarding “How should we communicate?” applies here, and that answer is, “Early and often.”

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sutter	
Land Use Code	Assigned Customer Class
050-000	PUBLIC & UTILITIES
050-810	PUBLIC & UTILITIES
070-000	MFR
070-830	MFR
100-000	VACANT
100-OIM	VACANT
100-PIO	VACANT
120-000	SFR
120-555	SFR
120-600	SFR
120-810	SFR
120-830	SFR
200-000	VACANT
201-000	SFR
202-000	SFR
202-830	SFR
203-000	SFR
220-000	VACANT
220-555	VACANT
220-600	VACANT
220-830	VACANT
221-000	SFR
260-000	AGRICULTURE
280-000	AGRICULTURE
300-000	VACANT
310-000	RETAIL /COMMERCIAL
375-000	INDUSTRIAL
380-PIO	RECREATIONAL
380-PIO	RECREATIONAL
410-000	INDUSTRIAL
410-700	INDUSTRIAL
410-IBO	INDUSTRIAL
420-000	AIRPORT
420-830	AIRPORT

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
A10002	SFR
A1000A	SFR
A1000P	SFR
A1A002	SFR
A1A003	SFR
A1A00A	SFR
A1A00B	SFR
A1A00C	SFR
A1A00D	SFR
A1A00E	SFR
A1A00P	SFR
A1A02A	SFR
A1A0AA	SFR
A1A0DA	SFR
A1B002	SFR
A1B00A	SFR
A1B00B	SFR
A1B00C	SFR
A1B00E	SFR
A1B0DA	SFR
A1C002	SFR
A1C00A	SFR
A1C00E	SFR
A1D00A	SFR
A1D00E	SFR
A1D0AA	SFR
A1E00A	SFR
A1E0HA	SFR
A1F00A	MFR
A1F00E	MFR
A1G00A	SFR
A1H00A	MFR
A1H00E	MFR
A1H0AA	MFR
A1J00A	MFR
A20002	MFR
A2A00A	MFR
A2A00E	MFR
A2A02A	MFR
A2A0MC	MFR

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
A2B00A	MFR
A2B00E	MFR
A3A00A	MFR
A3B00A	MFR
A3C00A	MFR
A4A00A	MFR
A4C00A	MFR
A4D00A	MFR
A4E00A	MFR
AD0002	MFR
AE0002	MFR
AE000E	MFR
AE000P	MFR
AE003A	MFR
AE005A	MFR
AE006A	MFR
AE008A	MFR
AE010A	MFR
AE012A	MFR
AE016A	MFR
AE026A	MFR
AE030A	MFR
AE040D	MFR
AE059A	MFR
AE064A	MFR
AE120D	MFR
AE124D	MFR
AE128D	MFR
AE135D	MFR
AE146A	MFR
AE152A	MFR
AE156D	MFR
AE160D	MFR
AE168A	MFR
AE168D	MFR
AE172A	MFR
AE180D	MFR
AE188D	MFR
AE200D	MFR
AE208D	MFR

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
AE212D	MFR
AE215A	MFR
AE216A	MFR
AE224A	MFR
AE224D	MFR
AE232A	MFR
AE248A	MFR
AE262A	MFR
AE264A	MFR
AE268A	MFR
AE272A	MFR
AE280A	MFR
AE296A	MFR
AE301A	MFR
AE337D	MFR
AE347A	MFR
AE368A	MFR
AE372E	MFR
AE384A	MFR
AE384D	MFR
AE39BE	MFR
AE450A	MFR
AE474A	MFR
AE500A	MFR
AE520A	MFR
AE714A	MFR
AE796A	MFR
AF293E	MFR
AG005A	MFR
AG006A	MFR
AG007A	MFR
AG008A	MFR
AH155A	MFR
AH174A	MFR
AJ095A	RETAIL /COMMERCIAL
AJ100A	RETAIL /COMMERCIAL
AJ114E	RETAIL /COMMERCIAL
AJ117A	RETAIL /COMMERCIAL
AJ119E	RETAIL /COMMERCIAL
AJ120A	RETAIL /COMMERCIAL

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
AJ123A	RETAIL /COMMERCIAL
AJ124A	RETAIL /COMMERCIAL
AJ144A	RETAIL /COMMERCIAL
AJ151A	RETAIL /COMMERCIAL
AN054A	RETAIL /COMMERCIAL
AN093A	RETAIL /COMMERCIAL
AN100A	RETAIL /COMMERCIAL
AN126A	RETAIL /COMMERCIAL
AN132A	RETAIL /COMMERCIAL
AN154A	RETAIL /COMMERCIAL
AQ0000	COMMON AREA
AQ0004	COMMON AREA
AQ000A	COMMON AREA
AQ000E	COMMON AREA
AQ00IA	COMMON AREA
AQ00MA	COMMON AREA
ATB00A	MFR
ATF00A	MFR
ATF0HA	MFR
BAA003	RETAIL /COMMERCIAL
BAA00A	RETAIL /COMMERCIAL
BAA00B	RETAIL /COMMERCIAL
BAB00A	RETAIL /COMMERCIAL
BAB0AA	RETAIL /COMMERCIAL
BAC00A	RETAIL /COMMERCIAL
BBA00A	RETAIL /COMMERCIAL
BBB00A	RETAIL /COMMERCIAL
BCA00A	RETAIL /COMMERCIAL
BCA00E	RETAIL /COMMERCIAL
BCC00A	RETAIL /COMMERCIAL
BCE002	RETAIL /COMMERCIAL
BCE00A	RETAIL /COMMERCIAL
BCE0BA	RETAIL /COMMERCIAL
BCF002	RETAIL /COMMERCIAL
BCF00A	RETAIL /COMMERCIAL
BDA00A	RETAIL /COMMERCIAL
BDB00A	RETAIL /COMMERCIAL
BDC002	RETAIL /COMMERCIAL
BDC00A	RETAIL /COMMERCIAL
BDD00A	RETAIL /COMMERCIAL

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
BEA00A	RETAIL /COMMERCIAL
BEB002	RETAIL /COMMERCIAL
BEB00A	RETAIL /COMMERCIAL
BEB00E	RETAIL /COMMERCIAL
BEC00A	RETAIL /COMMERCIAL
BEC00E	RETAIL /COMMERCIAL
BFA00A	RETAIL /COMMERCIAL
BFA0BA	RETAIL /COMMERCIAL
BFA0BE	RETAIL /COMMERCIAL
BFB00A	RETAIL /COMMERCIAL
BFC004	RETAIL /COMMERCIAL
BFC00A	RETAIL /COMMERCIAL
BFC0BA	RETAIL /COMMERCIAL
BFE00A	RETAIL /COMMERCIAL
BFF00A	RETAIL /COMMERCIAL
BFH00A	RETAIL /COMMERCIAL
BQ000A	COMMON AREA
CAA00A	OFFICE
CAA00E	OFFICE
CAA0GA	OFFICE
CAB00A	OFFICE
CAB00E	OFFICE
CAC00A	OFFICE
CAC00E	OFFICE
CAX00A	OFFICE
CAX00E	OFFICE
CAY00A	OFFICE
CAY00E	OFFICE
CAY00P	OFFICE
CAY0GA	OFFICE
CBA00A	OFFICE
CBB00A	OFFICE
CBB00E	OFFICE
CBB0GA	OFFICE
CBC00E	OFFICE
CCA00A	OFFICE
CEAA0B	OFFICE
CEAB0A	OFFICE
CEBA0A	OFFICE
CGA00A	OFFICE

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
CGY00A	OFFICE
CHA00A	OFFICE
CQB00A	COMMON AREA
CQY00A	COMMON AREA
DA050P	PERSONAL CARE & HEALTH
DC048A	PERSONAL CARE & HEALTH
DC162A	PERSONAL CARE & HEALTH
DE000A	PERSONAL CARE & HEALTH
DE000E	PERSONAL CARE & HEALTH
EEA00A	CHURCH & WELFARE
EEA0AA	CHURCH & WELFARE
EEB00A	CHURCH & WELFARE
EFC00A	CHURCH & WELFARE
EKA00A	CHURCH & WELFARE
FAB00A	GOLF
FAB00B	GOLF
FAE0MB	GOLF
FE000A	PARK
FE000E	PARK
FE00A2	PARK
FE00BA	PARK
FE00MA	PARK
FFB00A	RETAIL /COMMERCIAL
FGA00A	RETAIL /COMMERCIAL
FGG00A	RETAIL /COMMERCIAL
FGK00A	RETAIL /COMMERCIAL
FH000A	RETAIL /COMMERCIAL
FH00MA	RETAIL /COMMERCIAL
GAAB0A	INDUSTRIAL
GAABAA	INDUSTRIAL
GABA0A	INDUSTRIAL
GABB0A	INDUSTRIAL
GABCOA	INDUSTRIAL
GACBOA	INDUSTRIAL
GACCOA	INDUSTRIAL
GADCOA	INDUSTRIAL
GAGX0A	INDUSTRIAL
GAHA0A	INDUSTRIAL
GAHB0A	INDUSTRIAL
GAHCBA	INDUSTRIAL

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
GAHX0A	INDUSTRIAL
GAJB0A	INDUSTRIAL
GAKC0A	INDUSTRIAL
GBAA0A	INDUSTRIAL
GCOA0A	INDUSTRIAL
GCOBCA	INDUSTRIAL
GCOCOA	INDUSTRIAL
GCAB0A	INDUSTRIAL
GCDC0A	INDUSTRIAL
GCFA0A	INDUSTRIAL
GCFB0A	INDUSTRIAL
GCGA0A	INDUSTRIAL
GCGA0E	INDUSTRIAL
GCGB0A	INDUSTRIAL
GCGBCA	INDUSTRIAL
GCGC0A	INDUSTRIAL
GCGX0A	INDUSTRIAL
GCGY0A	INDUSTRIAL
GCH00A	INDUSTRIAL
GCHA0A	INDUSTRIAL
GCHA0E	INDUSTRIAL
GCHAAA	INDUSTRIAL
GCHB0A	INDUSTRIAL
GCHBCA	INDUSTRIAL
GCHX0A	INDUSTRIAL
GCHY0A	INDUSTRIAL
GCHY0A	INDUSTRIAL
GCJA0A	INDUSTRIAL
GCJACA	INDUSTRIAL
GCJB0A	INDUSTRIAL
GCJC0A	INDUSTRIAL
GCJY0A	INDUSTRIAL
GCKA0A	INDUSTRIAL
GCKB0A	INDUSTRIAL
GCKC0B	INDUSTRIAL
GDJC0A	INDUSTRIAL
GFJB0A	INDUSTRIAL
GFKACA	INDUSTRIAL
GGFB0A	INDUSTRIAL
GGA0A	INDUSTRIAL

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
GGGBCA	INDUSTRIAL
GGGC0A	INDUSTRIAL
GI0C0A	AIRPORT
GI0CMA	AIRPORT
GL000A	INDUSTRIAL
GLOCOA	INDUSTRIAL
GMAA0A	INDUSTRIAL
GMCA0A	INDUSTRIAL
GMFA0A	INDUSTRIAL
GMFBOA	INDUSTRIAL
GMGA0A	INDUSTRIAL
GMHA0A	INDUSTRIAL
GMHB0A	INDUSTRIAL
GMHCOA	INDUSTRIAL
GMJA0A	INDUSTRIAL
GMJB0A	INDUSTRIAL
GMKCMB	INDUSTRIAL
GQ0B0A	COMMON AREA
GQ0C0A	COMMON AREA
GQ0Y0A	COMMON AREA
HACBAB	AGRICULTURE
HACBAG	AGRICULTURE
HAPBAA	AGRICULTURE
HAPBBA	AGRICULTURE
HBAAAB	AGRICULTURE
HBAAAF	AGRICULTURE
HBAACC	AGRICULTURE
HBABAA	AGRICULTURE
HBABAE	AGRICULTURE
HBABAG	AGRICULTURE
HBABBG	AGRICULTURE
HBABMC	AGRICULTURE
HBADAA	AGRICULTURE
HBADAB	AGRICULTURE
HBADAF	AGRICULTURE
HBADAG	AGRICULTURE
HBADBB	AGRICULTURE
HBAEAA	AGRICULTURE
HBAGAB	AGRICULTURE
HBAPAG	AGRICULTURE

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
HCAAAA	AGRICULTURE
HCAAAG	AGRICULTURE
HCAABB	AGRICULTURE
HCAABE	AGRICULTURE
HCABAF	AGRICULTURE
HCACAA	AGRICULTURE
HCACAB	AGRICULTURE
HCACAE	AGRICULTURE
HCACBA	AGRICULTURE
HCACBE	AGRICULTURE
HCADAA	AGRICULTURE
HCADAB	AGRICULTURE
HCADAC	AGRICULTURE
HCADAD	AGRICULTURE
HCADAE	AGRICULTURE
HCADAF	AGRICULTURE
HCADAG	AGRICULTURE
HCADBA	AGRICULTURE
HCADBE	AGRICULTURE
HCADCG	AGRICULTURE
HCADEE	AGRICULTURE
HCAGMA	AGRICULTURE
HCAIAG	AGRICULTURE
HCAPAE	AGRICULTURE
HCAPTG	AGRICULTURE
HFADAA	AGRICULTURE
HFADBF	AGRICULTURE
HFADCG	AGRICULTURE
HFAGAB	AGRICULTURE
HFAGBA	AGRICULTURE
HFAHAA	AGRICULTURE
HFAHAB	AGRICULTURE
HFAJAA	AGRICULTURE
HFAJAB	AGRICULTURE
HFAJAC	AGRICULTURE
HFAJAE	AGRICULTURE
HFAJAF	AGRICULTURE
HFAJAG	AGRICULTURE
HFAJBC	AGRICULTURE
HFAJMA	AGRICULTURE

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
HFAJMB	AGRICULTURE
HFAJMG	AGRICULTURE
HFAJTA	AGRICULTURE
HFALAA	AGRICULTURE
HFALMA	AGRICULTURE
HFAMBA	AGRICULTURE
HGAAAA	AGRICULTURE
HGADAA	AGRICULTURE
HGAEMG	AGRICULTURE
HJAAAA	AGRICULTURE
HJAJAG	AGRICULTURE
HMAJAG	AGRICULTURE
HNAHAG	AGRICULTURE
HNAJAG	AGRICULTURE
HNAJMG	AGRICULTURE
HPACAG	AGRICULTURE
HPADAG	AGRICULTURE
HPAJAG	AGRICULTURE
HPALMA	AGRICULTURE
HQAJAG	AGRICULTURE
HQAJBG	AGRICULTURE
IAAAAA	VACANT
IAAAAB	VACANT
IAAAAE	VACANT
IAAAFA	VACANT
IAAAMA	VACANT
IAABAA	VACANT
IAABAB	VACANT
IAABAE	VACANT
IAABGA	VACANT
IAACFA	VACANT
IAADFA	VACANT
IAAEBA	VACANT
IABAAA	VACANT
IABAAE	VACANT
IABBAA	VACANT
IABCD A	VACANT
IABDFA	VACANT
IABEAB	VACANT
IACAAA	VACANT

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
IACBAA	VACANT
IACBMA	VACANT
IADAAA	VACANT
IADBAA	VACANT
IAEAA2	VACANT
IAEAAA	VACANT
IAEAAB	VACANT
IAEAAE	VACANT
IAEAFA	VACANT
IAEAFE	VACANT
IAEAMA	VACANT
IAEBAA	VACANT
IAEBAB	VACANT
IAEBBA	VACANT
IAEBDA	VACANT
IAEBEA	VACANT
IAEBEB	VACANT
IAEBFA	VACANT
IAEBMA	VACANT
IAEBME	VACANT
IAECFA	VACANT
IAEDAA	VACANT
IAEDDA	VACANT
IAEDEA	VACANT
IAEDFA	VACANT
IAEDFB	VACANT
IAEEAB	VACANT
IAEEFA	VACANT
IAEEFB	VACANT
IAFAAA	VACANT
IAFAAB	VACANT
IAFAAE	VACANT
IAFABA	VACANT
IAFBAA	VACANT
IAFBAB	VACANT
IAFBAE	VACANT
IAFBBA	VACANT
IAFBEA	VACANT
IAFBFA	VACANT
IAFBFE	VACANT

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
IAFCFA	VACANT
IAFDFA	VACANT
IAFDFA	VACANT
IAFDFA	VACANT
IAGAAA	VACANT
IAGAAE	VACANT
IAGBAA	VACANT
IAGBFA	VACANT
IB0002	VACANT
IBAAAA	VACANT
IBAAAB	VACANT
IBABAA	VACANT
IBABFA	VACANT
IBABMA	VACANT
IBBAAB	VACANT
IBBAFA	VACANT
IBBBAA	VACANT
IBBBEA	VACANT
IBBDFA	VACANT
IBCBA	VACANT
IBEAAA	VACANT
IBEABE	VACANT
IBEAFA	VACANT
IBECF2	VACANT
IBECFA	VACANT
IBEDAB	VACANT
IBEDF2	VACANT
IBEDFA	VACANT
IBEDFB	VACANT
IBEDMA	VACANT
IBEEAB	VACANT
IBEEFA	VACANT
IBFAAA	VACANT
IBFBFA	VACANT
IBFBMA	VACANT
IBFCFA	VACANT
IBFDF2	VACANT
IBFDFA	VACANT
IBGBEA	VACANT
IBGBF5	VACANT
IBGDFA	VACANT

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
ICAAAA	VACANT
ICAABA	VACANT
ICAAME	VACANT
ICABAA	VACANT
ICBAAA	VACANT
ICBAME	VACANT
ICBBAA	VACANT
ICBDFA	VACANT
ICEAAA	VACANT
ICEBAE	VACANT
ICEBFA	VACANT
ICECFA	VACANT
ICEDFA	VACANT
ICEDFE	VACANT
ICEDMA	VACANT
ICEDME	VACANT
ICFCFA	VACANT
ICFDFA	VACANT
ICFEEA	VACANT
ICGBDA	VACANT
ICGBFA	VACANT
ICGDFA	VACANT
IFFBMA	VACANT
IGAAAA	VACANT
IGAAMA	VACANT
IGAB A	VACANT
IGABAA	VACANT
IGABAE	VACANT
IGACFA	VACANT
IGBAAA	VACANT
IGBAMA	VACANT
IGBBAA	VACANT
IGBCFA	VACANT
IGCBAA	VACANT
IGDBAA	VACANT
IGE003	VACANT
IGEAAA	VACANT
IGEBAA	VACANT
IGEBAE	VACANT
IGECF4	VACANT

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
IGECFA	VACANT
IGEDFA	VACANT
IGEEAA	VACANT
IGFCF3	VACANT
IGFCFA	VACANT
IGFDFA	VACANT
IGFDMA	VACANT
IGGAAA	VACANT
IGGBAA	VACANT
IGGBDA	VACANT
IGGDFA	VACANT
IHAAAA	VACANT
IHABGA	VACANT
IHBAAA	VACANT
IHBAAE	VACANT
IHBAEA	VACANT
IHBBAA	VACANT
IHBBAB	VACANT
IHBEAA	VACANT
IHBEAB	VACANT
IHCAAA	VACANT
IHCAAB	VACANT
IHDAAA	VACANT
IHDBAB	VACANT
IHDBMA	VACANT
IHEAAA	VACANT
IHEAAB	VACANT
IHEBAB	VACANT
IHEBBA	VACANT
IHFAAB	VACANT
IHFBAB	VACANT
IHGAAA	VACANT
IHGACB	VACANT
IHGBAA	VACANT
IHGBMA	VACANT
MAWAYA	PARK
MBRIDA	PARK
MDITCA	EXEMPT
MDITCB	EXEMPT
MDITCE	EXEMPT

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
MDITCH	EXEMPT
MFLODA	EXEMPT
MFLODA	EXEMPT
MGATEA	EXEMPT
MLEVE2	EXEMPT
MLEVEA	EXEMPT
MPARKA	PARK
MPARKE	PARK
MROADA	EXEMPT
MROADE	EXEMPT
MSMALA	MISCELLANEOUS
MSMALE	MISCELLANEOUS
MUTILA	PUBLIC & UTILITIES
MWELLA	PUBLIC & UTILITIES
WBAC0A	PUBLIC & UTILITIES
WBAC0A	PUBLIC & UTILITIES
WCA00A	PUBLIC & UTILITIES
WCAA0A	PUBLIC & UTILITIES
WCAA0B	PUBLIC & UTILITIES
WCAC0A	PUBLIC & UTILITIES
WCAC0E	PUBLIC & UTILITIES
WCACA0	PUBLIC & UTILITIES
WCAC0A	PUBLIC & UTILITIES
WDA00A	PUBLIC & UTILITIES
WDAC0A	PUBLIC & UTILITIES
WDACAA	PUBLIC & UTILITIES
WDAC0A	PUBLIC & UTILITIES
WDCC0A	PUBLIC & UTILITIES
WFAC0A	PUBLIC & UTILITIES
WFAC0E	PUBLIC & UTILITIES
WFAC0A	PUBLIC & UTILITIES
WGAC0A	PUBLIC & UTILITIES
WGCC0A	PUBLIC & UTILITIES
WHAC0A	PUBLIC & UTILITIES
#N/A	BAD
(blank)	
Grand Total	
A10002	SFR
A1000A	SFR
A1000P	SFR

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
A1A002	SFR
A1A003	SFR
A1A00A	SFR
A1A00B	SFR
A1A00C	SFR
A1A00D	SFR
A1A00E	SFR
A1A00P	SFR
A1A02A	SFR
A1A0AA	SFR
A1A0DA	SFR
A1B002	SFR
A1B00A	SFR
A1B00B	SFR
A1B00C	SFR
A1B00E	SFR
A1B0DA	SFR
A1C002	SFR
A1C00A	SFR
A1C00E	SFR
A1D00A	SFR
A1D00E	SFR
A1D0AA	SFR
A1E00A	SFR
A1E0HA	SFR
A1F00A	MFR
A1F00E	MFR
A1G00A	SFR
A1H00A	MFR
A1H00E	MFR
A1H0AA	MFR
A1J00A	MFR
A20002	MFR
A2A00A	MFR
A2A00E	MFR
A2A02A	MFR
A2A0MC	MFR
A2B00A	MFR
A2B00E	MFR
A3A00A	MFR

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
A3B00A	MFR
A3C00A	MFR
A4A00A	MFR
A4C00A	MFR
A4D00A	MFR
A4E00A	MFR
AD0002	MFR
AE0002	MFR
AE000E	MFR
AE000P	MFR
AE003A	MFR
AE005A	MFR
AE006A	MFR
AE008A	MFR
AE010A	MFR
AE012A	MFR
AE016A	MFR
AE026A	MFR
AE030A	MFR
AE040D	MFR
AE059A	MFR
AE064A	MFR
AE120D	MFR
AE124D	MFR
AE128D	MFR
AE135D	MFR
AE146A	MFR
AE152A	MFR
AE156D	MFR
AE160D	MFR
AE168A	MFR
AE168D	MFR
AE172A	MFR
AE180D	MFR
AE188D	MFR
AE200D	MFR
AE208D	MFR
AE212D	MFR
AE215A	MFR
AE216A	MFR

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
AE224A	MFR
AE224D	MFR
AE232A	MFR
AE248A	MFR
AE262A	MFR
AE264A	MFR
AE268A	MFR
AE272A	MFR
AE280A	MFR
AE296A	MFR
AE301A	MFR
AE337D	MFR
AE347A	MFR
AE368A	MFR
AE372E	MFR
AE384A	MFR
AE384D	MFR
AE39BE	MFR
AE450A	MFR
AE474A	MFR
AE500A	MFR
AE520A	MFR
AE714A	MFR
AE796A	MFR
AF293E	MFR
AG005A	MFR
AG006A	MFR
AG007A	MFR
AG008A	MFR
AH155A	MFR
AH174A	MFR
AJ095A	RETAIL /COMMERCIAL
AJ100A	RETAIL /COMMERCIAL
AJ114E	RETAIL /COMMERCIAL
AJ117A	RETAIL /COMMERCIAL
AJ119E	RETAIL /COMMERCIAL
AJ120A	RETAIL /COMMERCIAL
AJ123A	RETAIL /COMMERCIAL
AJ124A	RETAIL /COMMERCIAL
AJ144A	RETAIL /COMMERCIAL

ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
AJ151A	RETAIL /COMMERCIAL
AN054A	RETAIL /COMMERCIAL
AN093A	RETAIL /COMMERCIAL
AN100A	RETAIL /COMMERCIAL
AN126A	RETAIL /COMMERCIAL
AN132A	RETAIL /COMMERCIAL
AN154A	RETAIL /COMMERCIAL
AQ0000	COMMON AREA
AQ0004	COMMON AREA
AQ000A	COMMON AREA
AQ000E	COMMON AREA
AQ00IA	COMMON AREA
AQ00MA	COMMON AREA
ATB00A	MFR
ATF00A	MFR
ATFOHA	MFR
BAA003	RETAIL /COMMERCIAL
BAA00A	RETAIL /COMMERCIAL
BAA00B	RETAIL /COMMERCIAL
BAB00A	RETAIL /COMMERCIAL
BAB0AA	RETAIL /COMMERCIAL
BAC00A	RETAIL /COMMERCIAL
BBA00A	RETAIL /COMMERCIAL
BBB00A	RETAIL /COMMERCIAL
BCA00A	RETAIL /COMMERCIAL
BCA00E	RETAIL /COMMERCIAL
BCC00A	RETAIL /COMMERCIAL
BCE002	RETAIL /COMMERCIAL
BCE00A	RETAIL /COMMERCIAL
BCE0BA	RETAIL /COMMERCIAL

ATTACHMENT B

Local Revenue Measure Results November 2020

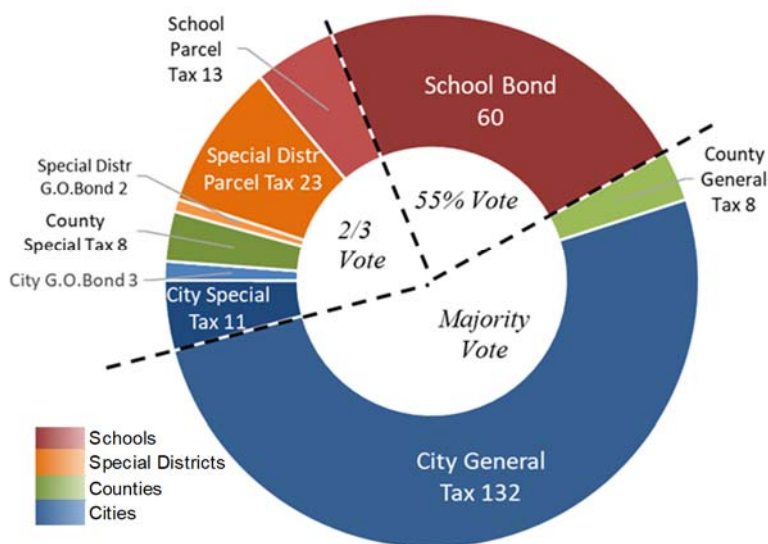
There were over 400 measures on local ballots in California for the November 3, 2020 election including 260 local tax and bond measures.

Over half of these measures (146) were proposed by or for cities. There were also 16 county, 25 special district and 73 school tax or bond measures. In prior elections, typically about one-third of measures were majority vote general taxes, one-third were special taxes, and one-third 55 percent school bonds. But in this election there was a notably higher proportion of majority vote general tax measures and most passed. These include a record 71 measures to increase local sales taxes, 20 lodging occupancy tax increases and 26 taxes on cannabis.

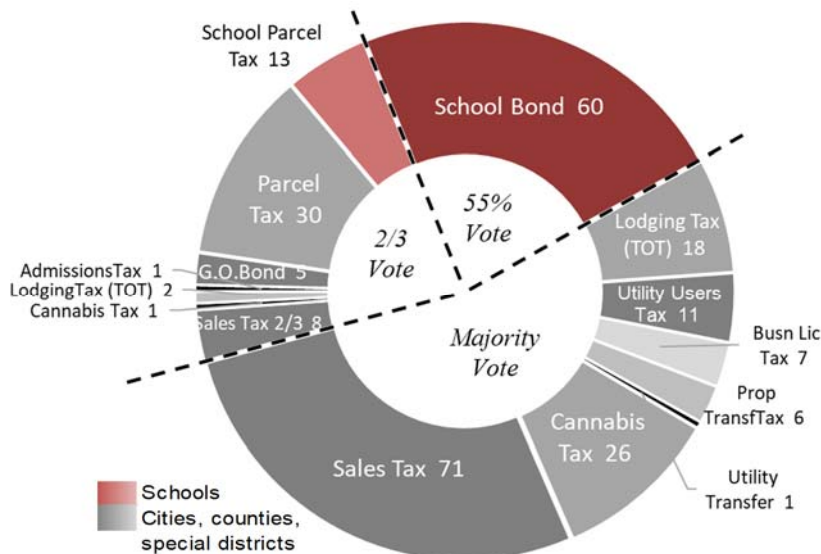
There were five city, county and special district general obligation bond measures seeking a total of \$1.9 billion in facility improvements for affordable housing, community pool improvements, a hospital, and fire stations. There were 30 city, county and special district parcel taxes, including 20 for fire/emergency medical response.

Among the school measures were 60 bond measures seeking a total of \$13.4 billion in school facility improvement funding, substantially fewer than in November 2018 (112) or November 2016 (184). There were 13 measures to increase or extend (renew) school parcel taxes compared to 14 in 2018 and 22 in 2016.

**Proposed Local Revenue Measures
November 2020**



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Overall Passage Rates

After tallying nearly 18 million ballots, 198 of the 260 tax and bond measures passed. Local tax measures passed in similar proportions to prior general presidential and gubernatorial elections in California, with the exception that majority vote general purpose taxes from cities and counties fared somewhat *better* than in past elections.

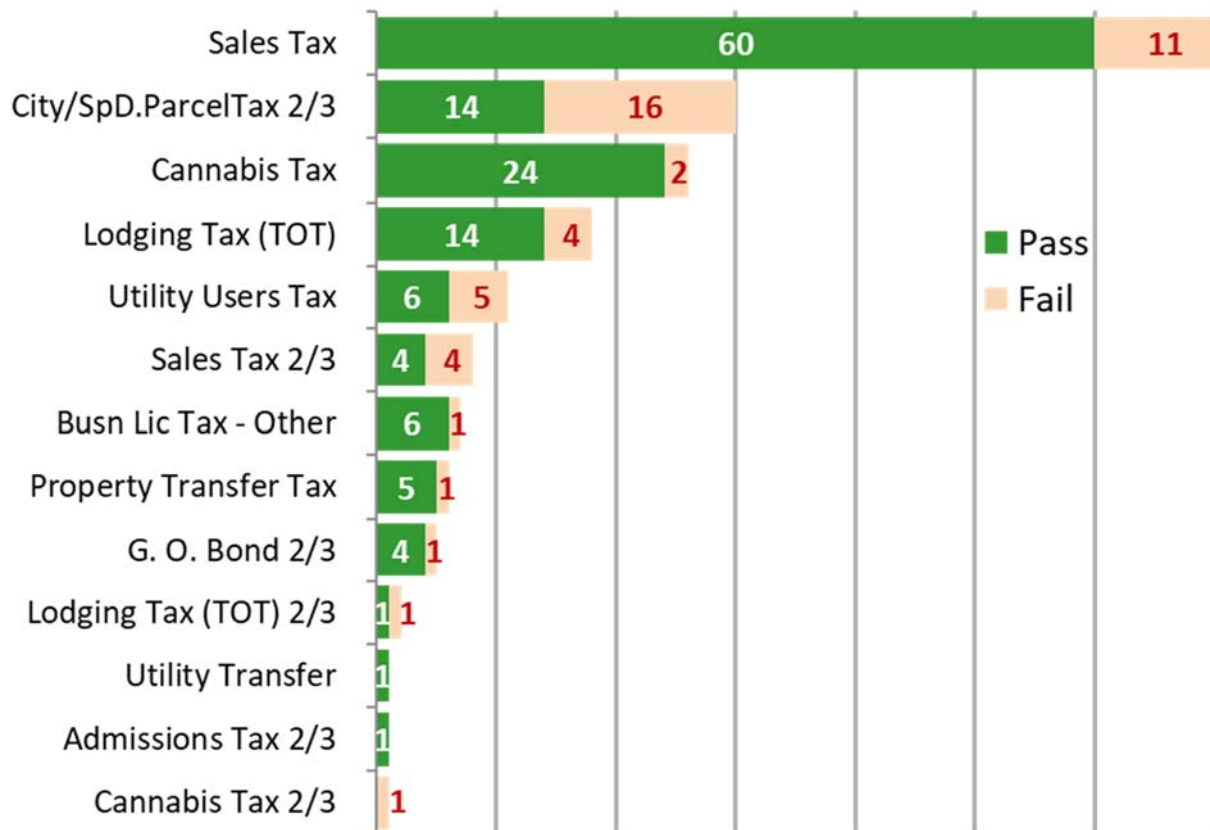
Local Revenue Measures November 2020

	Total	Pass	Passing%
City General Tax (Majority Vote)	132	108	82%
County General Tax (Majority Vote)	8	8	100%
City Special Tax or G.O. bond (2/3 Vote)	14	6	43%
County Spec. Tax, G.O. bond (2/3 Vote)	8	5	63%
Special District (2/3 vote)	25	13	52%
School Parcel Tax 2/3	13	10	77%
School Bond 55%	60	48	80%
Total	260	198	76%

Measure Outcome by Category

The common tax measure in this election was a majority vote general purpose transactions and use tax (sales tax) and there were more sales taxes approved than any other type. Sixty of the 71 general sales tax measures passed.

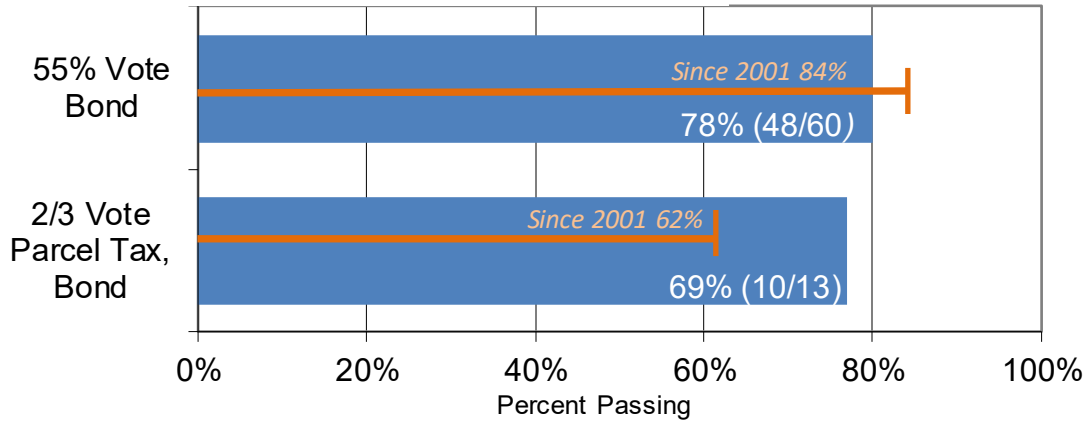
Passing and Failing Measures by Type November 2020



School Measures

There were 60 school bond measures this election, all requiring 55% voter approval. Overall, statewide, school bond measures succeeded similarly to the average passage rate since 2001: about 4 out of 5 pass. Voters this election approved \$12.168 billion of school bonds of the \$13.83 billion requested including a \$7 billion measure in the Los Angeles Unified School District.

School Tax and Bond Measures - November 2020



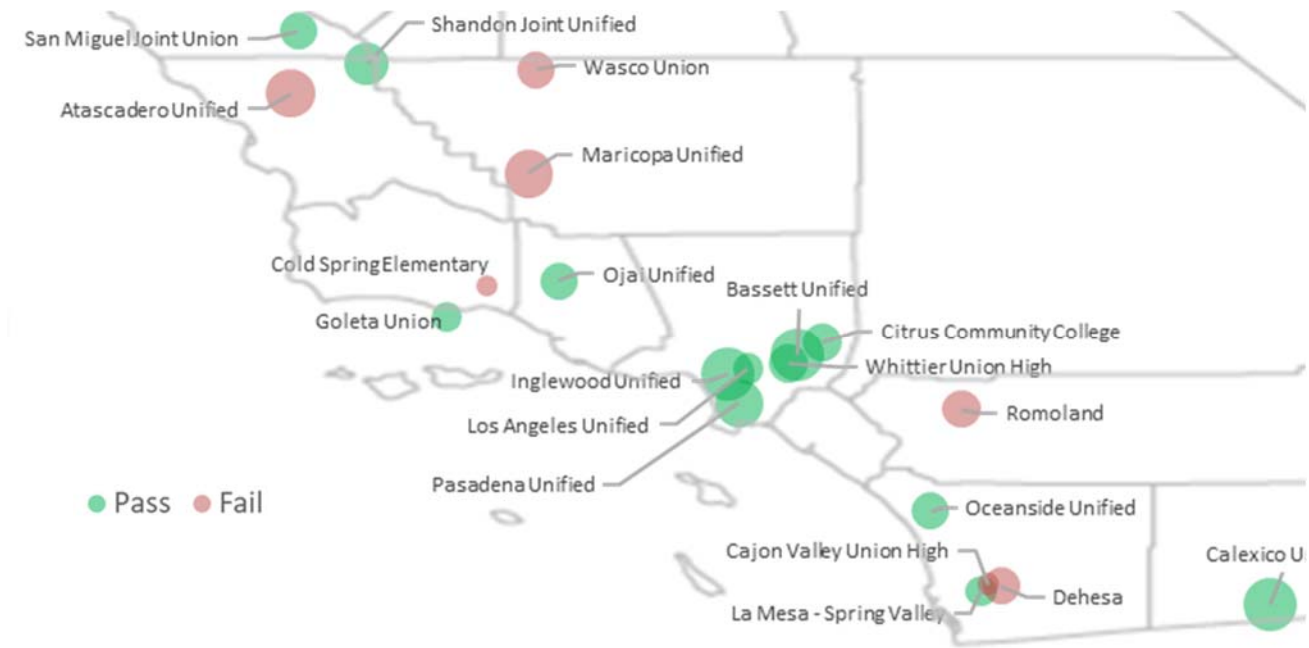
School Bonds ✓

School District	County	Measure	Amount	Tax Rate	YES%	NO%	
Inglewood Unified School District	Los Angeles	Measure I	\$240m	\$60/\$100k	79.9%	20.1%	PASS
Oakland Unified School District	Alameda	Measure Y	\$735m	\$60/\$100k	77.7%	22.4%	PASS
Sausalito Marin City School District	Marin	Measure P	\$41.6m	\$30/\$100k	72.8%	27.3%	PASS
Calexico Unified School District	Imperial	Measure Q	\$47m	\$60/\$100k	71.5%	28.5%	PASS
Goleta Union School District	Santa Barbara	Measure M	\$80m	\$19/\$100k	71.5%	28.6%	PASS
Los Angeles Unified School District	Los Angeles	Measure RR	\$7billion	\$22/\$100k	71.2%	28.8%	PASS
Greenfield Union School District	Kern	Measure G	\$21m	\$30/\$100k	68.0%	32.0%	PASS
Bassett Unified School District	Los Angeles	Measure BB	\$50m	\$60/\$100k	66.9%	33.1%	PASS
Whittier Union High School District	Los Angeles	Measure AA	\$183.5m	\$30/\$100k	66.2%	33.8%	PASS
Riverdale Unified School District	Fresno / Kings	Measure J	\$25.9m	\$60/\$100k	65.3%	34.7%	PASS
Vallecito Unified School District	Calaveras	Measure I	\$2.8m	\$10/\$100k	65.2%	34.8%	PASS
Mt Pleasant Elementary School District	Santa Clara	Measure Q	\$12m	\$30/\$100k	64.8%	35.2%	PASS
Jefferson Union High School District	San Mateo	Measure Z	\$163m	\$30/\$100k	64.2%	35.8%	PASS
San Mateo-Foster City School District	San Mateo	Measure T	\$409m	\$30/\$100k	64.0%	36.0%	PASS
River Delta Unified School District SFID #1	Sacramento / Solano	Measure J	\$45.7m	\$60/\$100k	63.8%	36.2%	PASS
River Delta Unified School District SFID #2	Sacramento / Solano / Yolo	Measure K	\$14.6m	\$60/\$100k	63.6%	36.4%	PASS
Siskiyou Union High School District	Siskiyou	Measure K	\$3m	\$8/\$100k	63.5%	36.5%	PASS
La Mesa - Spring Valley School District	San Diego	Measure V	\$136m	\$24/\$100k	63.3%	36.7%	PASS
Monterey Peninsula Community College District	Monterey	Measure V	\$230m	\$18/\$100k	62.9%	37.1%	PASS
Pasadena Unified School District	Los Angeles	Measure O	\$516.3m	\$45/\$100k	62.9%	37.1%	PASS

School Bond Measures		<i>continued</i>				
School District	County	Measure	Bond Amount	Tax Rate	YES%	
Cambrian School District	Santa Clara	Measure R	\$88m	\$30/\$100k	62.4%	37.6% PASS
Shandon Joint Unified School	Monterey / SLO	Measure H	\$4m	\$40/\$100k	62.2%	37.8% PASS
Gonzales Unified School District (F)	Monterey	Measure K	\$37m	\$60/\$100k	61.5%	38.5% PASS
Woodland Joint Unified School District	Yolo / Sutter	Measure Y	\$44.2m	\$24/\$100k	61.3%	38.7% PASS
Stanislaus Union School District	Stanislaus	Measure Y	\$21.4m	\$30/\$100k	61.3%	38.7% PASS
Oceanside Unified School District	San Diego	Measure W	\$160m	\$30/\$100k	61.2%	38.8% PASS
Winters Joint Unified School District	Yolo / Solano	Measure W	\$19m	\$49/\$100k	61.1%	38.9% PASS
Washington Unified School District	Yolo	Measure Z	\$150m	\$60/\$100k	60.8%	39.2% PASS
Salinas Union High School District	Monterey	Measure W	\$140m	\$30/\$100k	60.7%	39.3% PASS
Soledad Unified School District	Monterey	Measure N	\$13.75m	\$26/\$100k	60.6%	39.4% PASS
Ojai Unified School District	Ventura	Measure K	\$45m	\$27/\$100k	60.5%	39.5% PASS
South Bay Union School District	Humboldt	Measure D	\$5m	\$30/\$100k	60.3%	39.7% PASS
Clovis Unified School District	Fresno	Measure A	\$335m	\$60/\$100k	60.3%	39.7% PASS
Central Unified School District	Fresno	Measure D	\$120m	\$60/\$100k	60.1%	39.9% PASS
Willits Unified School District	Mendocino	Measure I	\$17m	\$40/\$100k	60.0%	40.0% PASS
Le Grand Union High School District	Merced	Measure S	\$6m	\$29/\$100k	60.0%	40.1% PASS
Newman-Crows Landing Unified School District	Stanislaus	Measure X	\$25.8m	\$48/\$100k	59.9%	40.1% PASS
Aromas San Juan Unified School District	Monterey / San Benito / S.Cruz	Measure O	\$30.5m	\$51/\$100k	59.8%	40.2% PASS
Washington Unified School District	Fresno	Measure K	\$46m	\$60/\$100k	59.5%	40.5% PASS
Sunnyside Union Elementary School District	Tulare	Measure O	\$2m	\$30/\$100k	59.1%	40.9% PASS
Gonzales Unified School District (E)	Monterey	Measure J	\$24.5m	\$60/\$100k	58.2%	41.8% PASS
Sanger Unified School District	Fresno	Measure C	\$150m	\$60/\$100k	57.9%	42.1% PASS
Citrus Community College	Los Angeles	Measure Y	\$298m	\$25/\$100k	57.4%	42.6% PASS
Manteca Unified School District	San Joaquin	Measure A	\$260m	\$45/\$100k	57.4%	42.6% PASS
Duarte Unified School District	Los Angeles	Measure S	\$79m	\$50/\$100k	57.1%	42.9% PASS
Salida Union School District	Stanislaus	Measure U	\$9.24m	\$20/\$100k	56.2%	43.8% PASS
Evergreen Elementary School District	Santa Clara	Measure P	\$80m	\$30/\$100k	56.2%	43.8% PASS
San Miguel Joint Union School District	Monterey / SLO	Measure I	\$6.2m	\$30/\$100k	55.1%	44.9% PASS
Waterford Unified School District	Stanislaus	Measure T	\$5.35m	\$30/\$100k	55.0%	45.0% FAIL
Atascadero Unified School District	San Luis Obispo	Measure C	\$40m	\$50/\$100k	54.4%	45.6% FAIL
Romoland School District	Riverside	Measure P	\$39m	\$30/\$100k	53.5%	46.5% FAIL
Cajon Valley Union High School District	San Diego	Measure T	\$125m	\$13/\$100k	53.3%	46.7% FAIL
Scotts Valley Unified School District	Santa Cruz	Measure A	\$49m	\$32/\$100k	52.9%	47.2% FAIL
San Jose - Evergreen CCD	Santa Clara	Measure J	\$858m	\$17.5/\$100k	52.7%	47.3% FAIL
Esparto Unified School District	Yolo	Measure X	\$19.9m	\$60/\$100k	52.5%	47.6% FAIL
Cold Spring Elementary School District	Santa Barbara	Measure L	\$7.8m	\$13/\$100k	52.2%	47.8% FAIL
Calaveras Unified School District	Calaveras	Measure H	\$32.8m	\$10/\$100k	51.1%	48.9% FAIL
Wasco Union School District	Kern	Measure H	\$16m	\$30/\$100k	48.5%	51.5% FAIL
Maricopa Unified School District	Kern	Measure F	\$14m	\$50/\$100k	47.2%	52.8% FAIL
Dehesa School District	San Diego	Measure U	\$3.1m	\$30/\$100k	37.7%	62.3% FAIL*

* Waterford Unified School District’s Measure T failed by just 6 votes.

School Bond Measures – November 2020



School Parcel Taxes ✓

There were just 13 school parcel tax measures. Parcel taxes require two-thirds voter approval and 10 passed. The Fort Ross School District measure pulled into the “pass” column with the ballots counted after election eve.

School Parcel Taxes (2/3 vote)

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>	
Shoreline Unified School District	Marin / Sonoma	Measure L	\$212+/parcel	8yrs	79.4%	20.6%	PASS
Palo Alto Unified School District	Santa Clara	Measure O	\$836+/parcel	6yrs	78.5%	21.5%	PASS
Sebastopol Union School District	Sonoma	Measure N	\$76/parcel	8yrs	74.8%	25.3%	PASS
San Francisco Unified School District	San Francisco	Proposition J	from \$320 per parcel to \$288 per parcel	17.5 yrs	75.0%	25.0%	PASS
Fremont Union High School District	Santa Clara	Measure M	\$98/parcel	8yrs	74.3%	25.7%	PASS
Tamalpais Union High School District	Marin	Measure M	\$469+/parcel	9yrs	73.6%	26.4%	PASS
Mammoth Unified School District	Mono	Measure G	\$59/parcel	5yrs	73.6%	26.4%	PASS
Ventura Unified School District	Ventura	Measure H	\$59/parcel	4yrs	73.2%	26.8%	PASS
Franklin-Mckinley School District	Santa Clara	Measure K	\$72/parcel	5yrs	70.9%	29.1%	PASS
Fort Ross School District	Sonoma	Measure M	\$48/parcel	8yrs	67.3%	32.7%	PASS
Loma Prieta Joint Union Elementary School District	Santa Clara / Santa Cruz	Measure N	\$164/parcel	7yrs	64.6%	35.4%	FAIL
Campbell Union High School District	Santa Clara	Measure L	\$85/parcel	none	63.6%	36.4%	FAIL
San Jose - Evergreen CCD	Santa Clara	Measure I	\$18/parcel	9yrs	61.5%	38.5%	FAIL

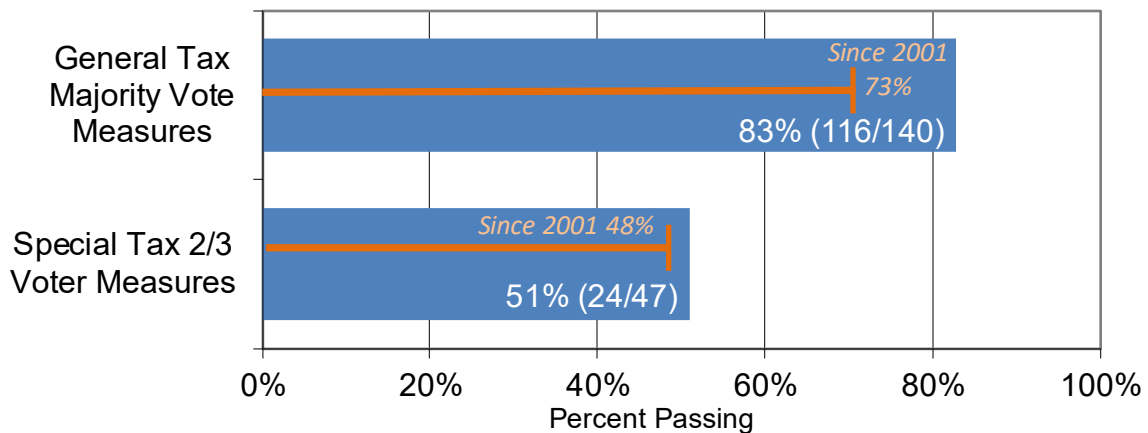
School Parcel Taxes – November 2020



City, County and Special District Measures

More non-school majority vote general tax measures passed than in prior years. Of the 140 majority vote tax measures, 116 (83%) passed. Most general purpose cannabis, sales, business license, property transfer and hotel occupancy taxes passed. The few utility user taxes did not fare as well. Among the two-thirds vote city, county and special district special tax and bond measures - about half - passed, similar to historic patterns.

City, County, Special District Tax and Bond Measures – November 2020



Local Add-On Sales Taxes (Transaction and Use Taxes) ✓

Voters in 68 cities and three counties considered general purpose majority vote add-on sales tax rates ranging from 1/4 percent to 1 1/2 percent. Sixty-one were approved including all those that extended without increase an existing sun-setting tax.

Transactions and Use Tax (Add-on Sales Tax) - General Tax - Majority Approval

City	County	Measure	Rate	incr/ex	Sunset	YES%	NO%	
San Pablo	Contra Costa	Measure S	1/2c for 5yrs, then 5yrs at 1/4c	extend	10yrs	79.2%	20.8%	PASS
Wheatland	Yuba	Measure O	1/2 cent	extend	10yrs	78.3%	21.7%	PASS
Cotati	Sonoma	Measure S	1 cent	extend	none	74.5%	25.5%	PASS
Beverly Hills	Los Angeles	Measure RP	3/4 cent*	increase	none	74.1%	25.9%	PASS
Trinidad	Humboldt	Measure E	3/4 cent	extend	4yrs	73.8%	26.2%	PASS
West Hollywood	Los Angeles	Measure E	3/4 cent	increase	none	73.6%	26.4%	PASS
Daly City	San Mateo	Measure Q	1/2 cent	increase	none	72.3%	27.7%	PASS
Bishop	Inyo	Measure P	1 cent	increase	none	72.3%	27.7%	PASS
Santa Rosa	Sonoma	Measure Q	1/2 cent	extend	10yrs	71.8%	28.2%	PASS
Guadalupe	Santa Barbara	Measure N	by 3/4c to 1c		none	70.9%	29.1%	PASS
South El Monte	Los Angeles	Measure ES	1/4 cent	increase	none	70.6%	29.4%	PASS
Imperial Beach	San Diego	Measure I	1 cent	increase	none	70.2%	29.8%	PASS
Exeter	Tulare	Measure P	1 cent	increase	none	69.8%	30.2%	PASS
Fortuna	Humboldt	Measure G	3/4 cent	extend	8yrs	69.7%	30.3%	PASS
Commerce	Los Angeles	Measure VS	1/4 cent	increase	none	69.5%	30.5%	PASS

*The city of Beverly Hills 3/4 rate may only take effect "if another local governmental entity seeks to increase the transaction and use tax (sales tax) in Beverly Hills."

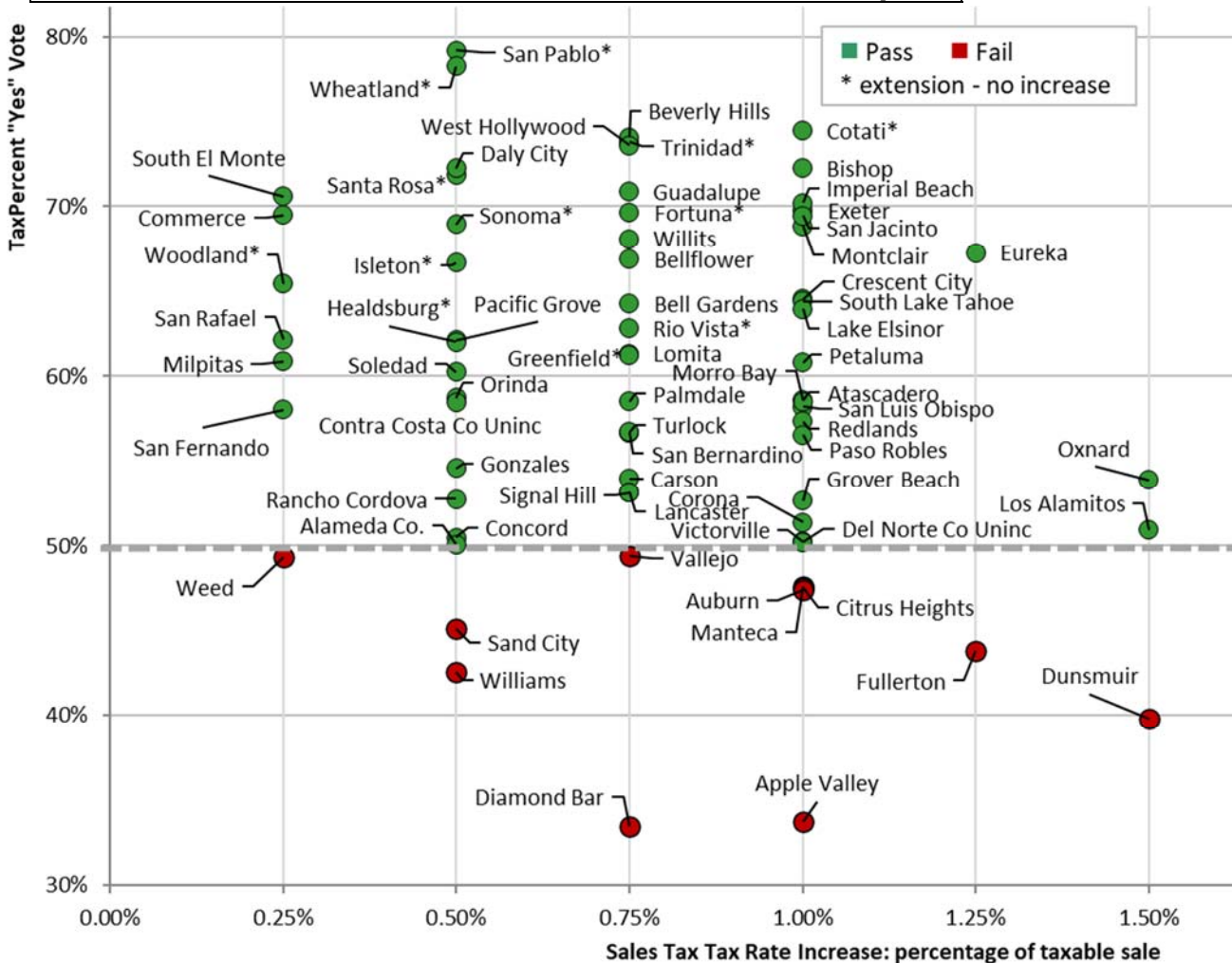
Transactions and Use Tax (Add-on Sales Tax) - General Tax - Majority Approval

<u>City</u>	<u>County</u>	<u>Measure</u>	<u>Rate</u>	<u>incr/ex</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>	
San Jacinto	Riverside	Measure V	1 cent	increase	none	69.5%	30.5%	PASS
Sonoma	Sonoma	Measure V	1/2 cent	extend	none	68.9%	31.1%	PASS
Montclair	San Bernardino	Measure L	1 cent	increase	none	68.8%	31.2%	PASS
Willits	Mendocino	Measure K	3/4 cent	increase	10yrs	68.1%	31.9%	PASS
Eureka	Humboldt	Measure H	1 1/4 cent	increase	none	67.3%	32.7%	PASS
Bellflower	Los Angeles	Measure M	3/4 cent	increase	none	66.9%	33.1%	PASS
Isleton	Sacramento	Measure L	1/2 cent	extend	5yrs	66.7%	33.3%	PASS
Woodland	Yolo	Measure R	1/4 cent	extend	10yrs	65.4%	34.6%	PASS
Crescent City	Del Norte	Measure S	1 cent	increase	none	64.5%	35.5%	PASS
South Lake Tahoe	El Dorado	Measure S	1 cent	increase	none	64.4%	35.6%	PASS
Bell Gardens	Los Angeles	Measure A	3/4 cent	increase	none	64.3%	35.7%	PASS
Lake Elsinor	Riverside	Measure Z	1 cent	increase	none	64.0%	36.0%	PASS
Rio Vista	Solano	Measure O	3/4 cent	extend	5yrs	62.8%	37.2%	PASS
San Rafael	Marin	Measure R	1/4 cent	increase	9yrs	62.2%	37.8%	PASS
Pacific Grove	Monterey	Measure L	by 1/2c to 1 1/2c	increase	none	62.1%	37.9%	PASS
Healdsburg	Sonoma	Measure T	1/2 cent	extend	none	62.0%	38.0%	PASS
Lomita	Los Angeles	Measure L	3/4 cent	increase	none	61.3%	38.7%	PASS
Greenfield	Monterey	Measure T	3/4 cent	extend	6yrs	61.2%	38.8%	PASS
Milpitas	Santa Clara	Measure F	1/4 cent	increase	8yrs	60.9%	39.1%	PASS
Petaluma	Sonoma	Measure U	1 cent	increase	none	60.8%	39.2%	PASS
Soledad	Monterey	Measure S	1/2 cent	increase	none	60.3%	39.7%	PASS
Orinda	Contra Costa	Measure R	by 1/2 cent to 1 c	increase	20yrs	58.7%	41.3%	PASS
Atascadero	San Luis Obispo	Measure D	1 cent	increase	none	58.6%	41.4%	PASS
Morro Bay	San Luis Obispo	Measure E	1 cent	increase	none	58.6%	41.5%	PASS
Palmdale	Los Angeles	Measure AV	3/4 cent	increase	none	58.5%	41.5%	PASS
County of Contra Costa		Measure X	1/2 cent	increase	20yrs	58.5%	41.6%	PASS
San Luis Obispo	San Luis Obispo	Measure G	by 1c to 1 1/2 c	increase	none	58.2%	41.8%	PASS
San Fernando	Los Angeles	Measure SF	by 1/4c to 3/4c	increase	none	58.0%	42.0%	PASS
Redlands	San Bernardino	Measure T	1 cent	increase	none	57.4%	42.7%	PASS
San Bernardino	San Bernardino	Measure S	by 3/4c to 1c	increase	none	56.7%	43.3%	PASS
Turlock	Stanislaus	Measure A	3/4 cent	increase	none	56.7%	43.3%	PASS
El Paso de Robles	San Luis Obispo	Measure J	1 cent	increase	12yrs	56.6%	43.4%	PASS
Gonzales	Monterey	Measure X	by 1/2c to 1 cent	increase	20yrs	54.6%	45.4%	PASS
Carson	Los Angeles	Measure K	3/4 cent	increase	none	54.0%	46.0%	PASS
Oxnard	Ventura	Measure E	1 1/2 cents	increase	none	53.9%	46.1%	PASS
Lancaster	Los Angeles	Measure LC	3/4 cent	increase	none	53.2%	46.8%	PASS
Signal Hill	Los Angeles	Measure R	3/4 cent	increase	none	53.2%	46.9%	PASS
Rancho Cordova	Sacramento	Measure R	1/2 cent	increase	none	52.8%	47.2%	PASS
Grover Beach	San Luis Obispo	Measure F	1 cent	increase	none	52.7%	47.3%	PASS
Corona	Riverside	Measure X	1 cent	increase	none	51.4%	48.6%	PASS
Los Alamitos	Orange	Measure Y	1 1/2 cent	increase	none	51.0%	49.1%	PASS
Concord	Contra Costa	Measure V	by 1/2 cent to 1 c	increase	none	50.5%	49.5%	PASS

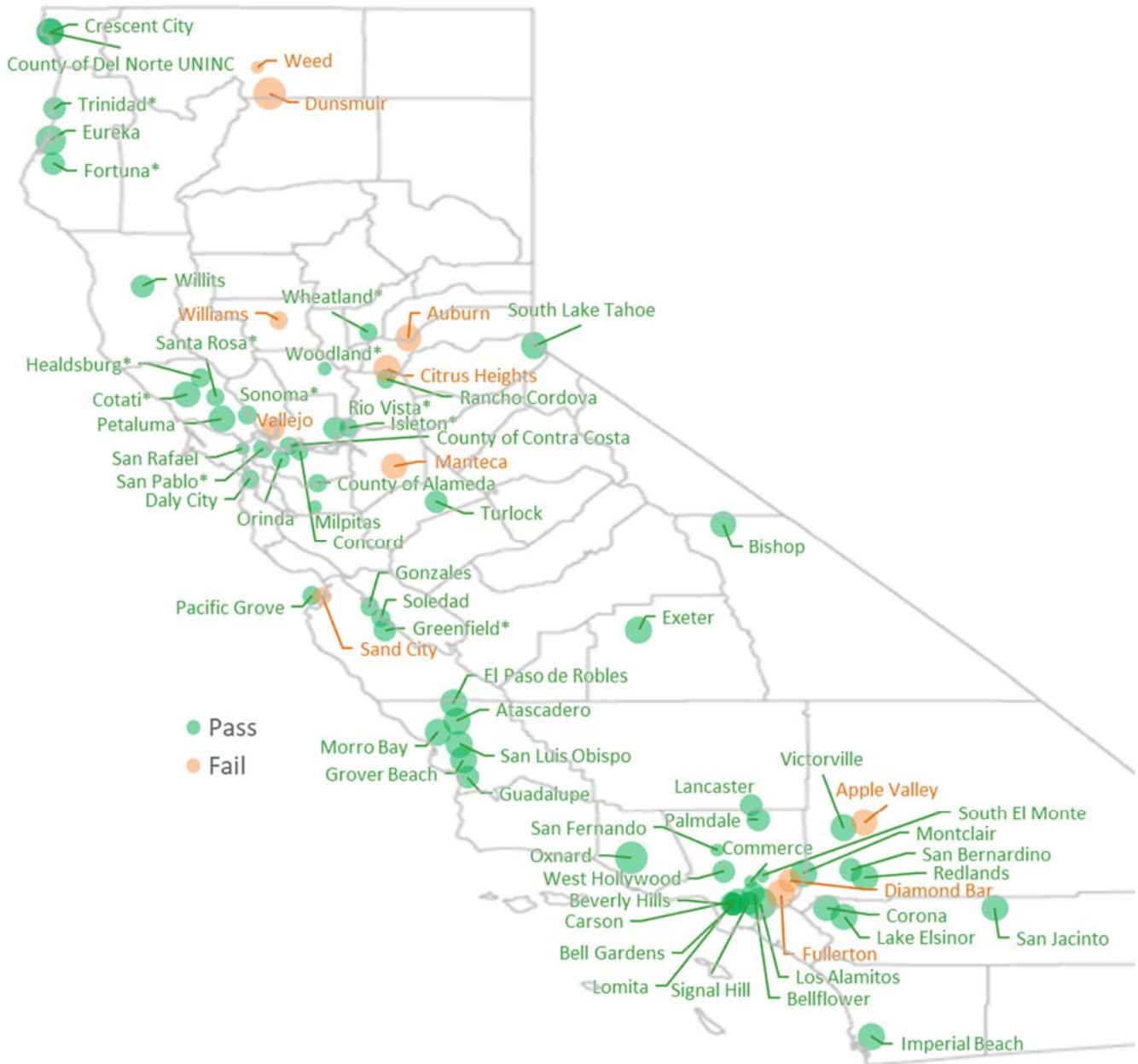
Transactions and Use Tax (Add-on Sales Tax) - General Tax - Majority Approval

City	County	Measure	Rate	incr/ex	Sunset	YES%	NO%	
County of Del Norte UNINC		Measure R	1 cent	increase	none	50.2%	49.8%	PASS
Victorville	San Bernardino	Measure P	1 cent	increase	none	50.2%	49.8%	PASS
County of Alameda		Measure W	1/2 cent	increase	10yrs	50.1%	49.9%	PASS
Vallejo	Solano	Measure G	3/4 cent	increase	none	49.4%	50.6%	FAIL
Weed	Siskiyou	Measure M	1/4 cent	increase	none	49.3%	50.7%	FAIL
Manteca	San Joaquin	Measure Z	1 cent	increase	none	47.6%	52.4%	FAIL
Citrus Heights	Sacramento	Measure M	1 cent	increase	none	47.5%	52.5%	FAIL
Auburn	Placer	Measure S	1 cent	increase	7yrs	47.4%	52.6%	FAIL
Sand City	Monterey	Measure U	by 1/2c to 1 1/2c	increase	none	45.2%	54.8%	FAIL
Fullerton	Orange	Measure S	1 1/4 cent	increase	none	43.8%	56.2%	FAIL
Williams	Colusa	Measure B	by 1/2 cent to 1 c	increase	none	42.6%	57.5%	FAIL
Dunsmuir	Siskiyou	Measure H	1 1/2 cents	increase	none	39.8%	60.2%	FAIL
Apple Valley	San Bernardino	Measure O	1 cent	increase	none	33.7%	66.3%	FAIL
Diamond Bar	Los Angeles	Measure DB	3/4 cent	increase	none	33.5%	66.5%	FAIL

Transactions and Use Tax Measures – General Purpose



Transactions and Use Tax Measures – General Purpose – November 2020

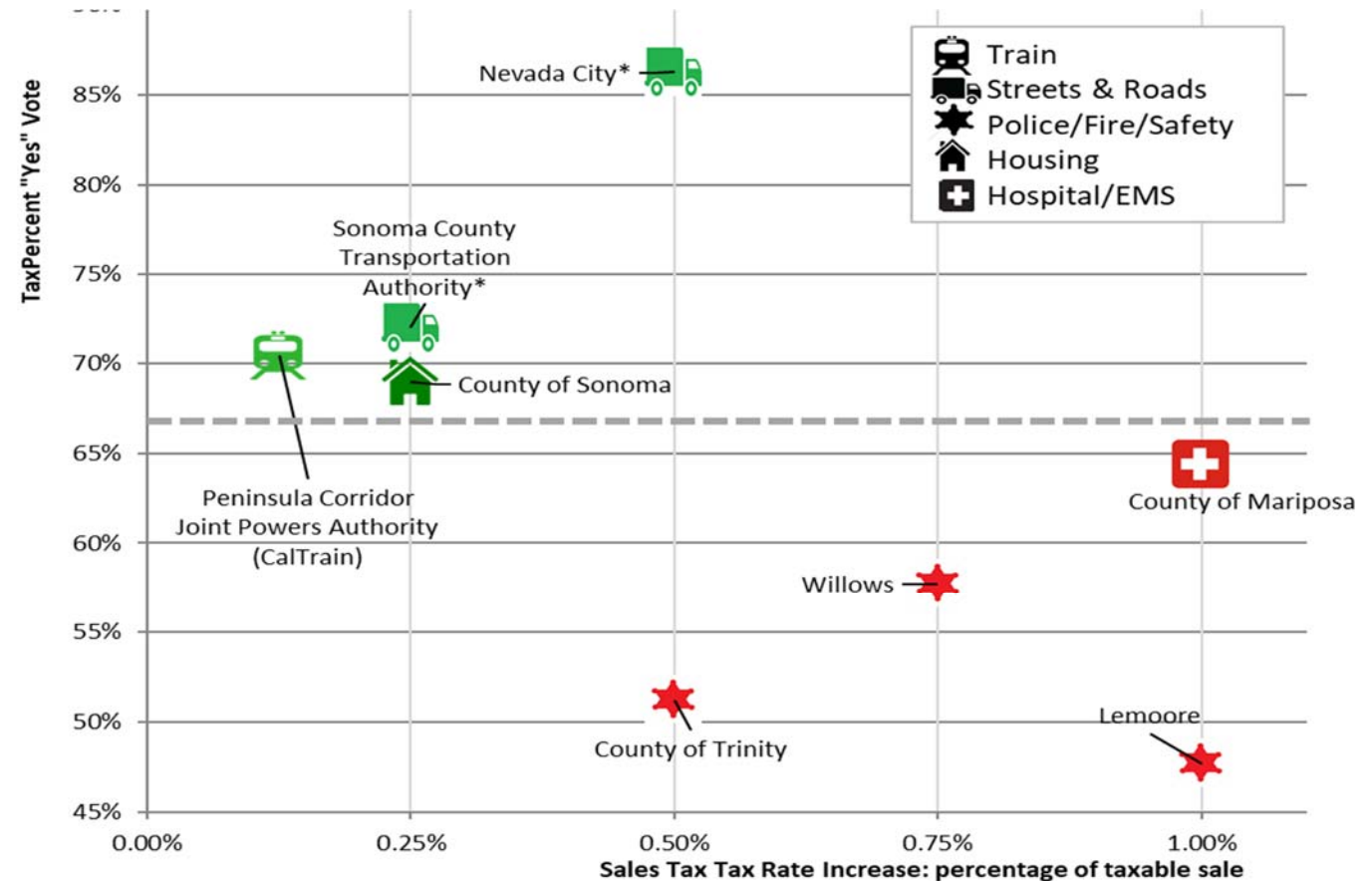


There were eight add-on sales tax measures earmarked for specific purposes including two extensions of previously approved rates three countywide measures for transportation improvements. Voters in San Francisco, San Mateo, and Santa Clara counties approved a 1/8 percent tax for CalTrain. Four measures, all in more rural locations, could not achieve the two-thirds vote threshold required for special tax increases.

Transactions and Use Tax (Add-on Sales Tax) - Special Tax - Two-Thirds Approval

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>		<u>Sunset Use</u>		<u>YES%</u>	<u>NO%</u>	
Nevada City	Nevada	Measure M	1/2 cent	extend	none	streets	88.1%	12.0%	PASS
Sonoma County Transportation	Sonoma	Measure DD	1/4 cent	extend	20yrs	transportation	72.0%	28.0%	PASS
Penninsula Corridor JPA (CalTrain)	San Francisco / San Mateo / Santa Clara	Measure RR	1/8 cent	increase	30 yr	rail	70.4%	29.6%	PASS
County of Sonoma		Measure O	1/4 cent	increase	10yrs	aff housing / homeless	68.1%	31.9%	PASS
County of Mariposa		Measure	1 cent	increase	none	hospital/ems	64.4%	35.6%	FAIL
Willows	Glenn	Measure H	3/4 cent	increase	none	fire/ems	57.7%	42.3%	FAIL
County of Trinity		Measure K	1/2 cent	increase		Sherriff/DA/Probation	51.2%	48.8%	FAIL
Lemoore	Kings	Measure K	1 cent	increase	7yrs	police/fire	47.7%	52.3%	FAIL

Transactions and Use Tax Measures – Special Purpose



Transient Occupancy (Lodging) Taxes ✓

There were 22 measures to increase Transient Occupancy (Lodging) Taxes (TOT), including 20 for general purposes (majority approval) and two two-thirds vote special taxes. The small central valley towns of Farmersville and Tulelake, among the few cities in California not to have a TOT, failed in their proposals for new taxes.

Transient Occupancy Tax Tax Measures - Majority Vote General Use

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Truckee	Nevada	Measure K	by 2% to 12%	84.5%	15.5%	PASS
Pismo Beach	San Luis Obispo	Measure B	by 1% to 11%	80.8%	19.2%	PASS
Novato	Marin	Measure Q	by 2% to 12%	77.1%	22.9%	PASS
San Mateo	San Mateo	Measure W	by 2% to 14%	76.1%	23.9%	PASS
Santa Clara	Santa Clara	Measure E	by 4% to 13.5%	75.1%	24.9%	PASS
Half Moon Bay	San Mateo	Measure U	by 3% to 15%	74.0%	26.0%	PASS
Monterey	Monterey	Measure Y	by 2% to 12%	73.2%	26.8%	PASS
San Bruno	San Mateo	Measure X	by 2% to 14%	72.6%	27.4%	PASS
Hayward	Alameda	Measure NN	by 5.5% to 14%	72.2%	27.8%	PASS
Chino Hills	San Bernardino	Measure M	by 2% to 12%	64.9%	35.1%	PASS
Malibu	Los Angeles	Measure T	by 3% to 15%	59.2%	40.8%	PASS
Sutter Creek	Amador	Measure B	by 2% to 12%	58.4%	41.6%	PASS
Sonora	Tuolumne	Measure I	by 2% to 12%	56.8%	43.2%	PASS
County of Tuolumne		Measure U	by 2% to 12%	54.2%	45.8%	PASS
Farmersville	Tulare	Measure Q	10% new	49.0%	51.0%	FAIL
Porterville	Tulare	Measure S	by 4% to 12%	47.5%	52.6%	FAIL
Pico Rivera	Los Angeles	Measure TT	by 5% to 15%	42.8%	57.2%	FAIL
Tulelake	Siskiyou	Measure O	8% new	34.5%	65.5%	FAIL

Transient Occupancy Tax Tax Measures: Two-thirds Vote Special Purpose

<u>City</u>	<u>County</u>	<u>Measure</u>	<u>Rate</u>	<u>Sunset Use</u>	<u>YES%</u>	<u>NO%</u>	<u>Pass/F</u>
County of Sierra	Sierra	Measure E	by 3.5% to 12.5%	none fire/ems	74.4%	25.6%	PASS
East Palo Alto	San Mateo	Measure V	by 2% to 14%	none affd housing	63.0%	37.0%	FAIL

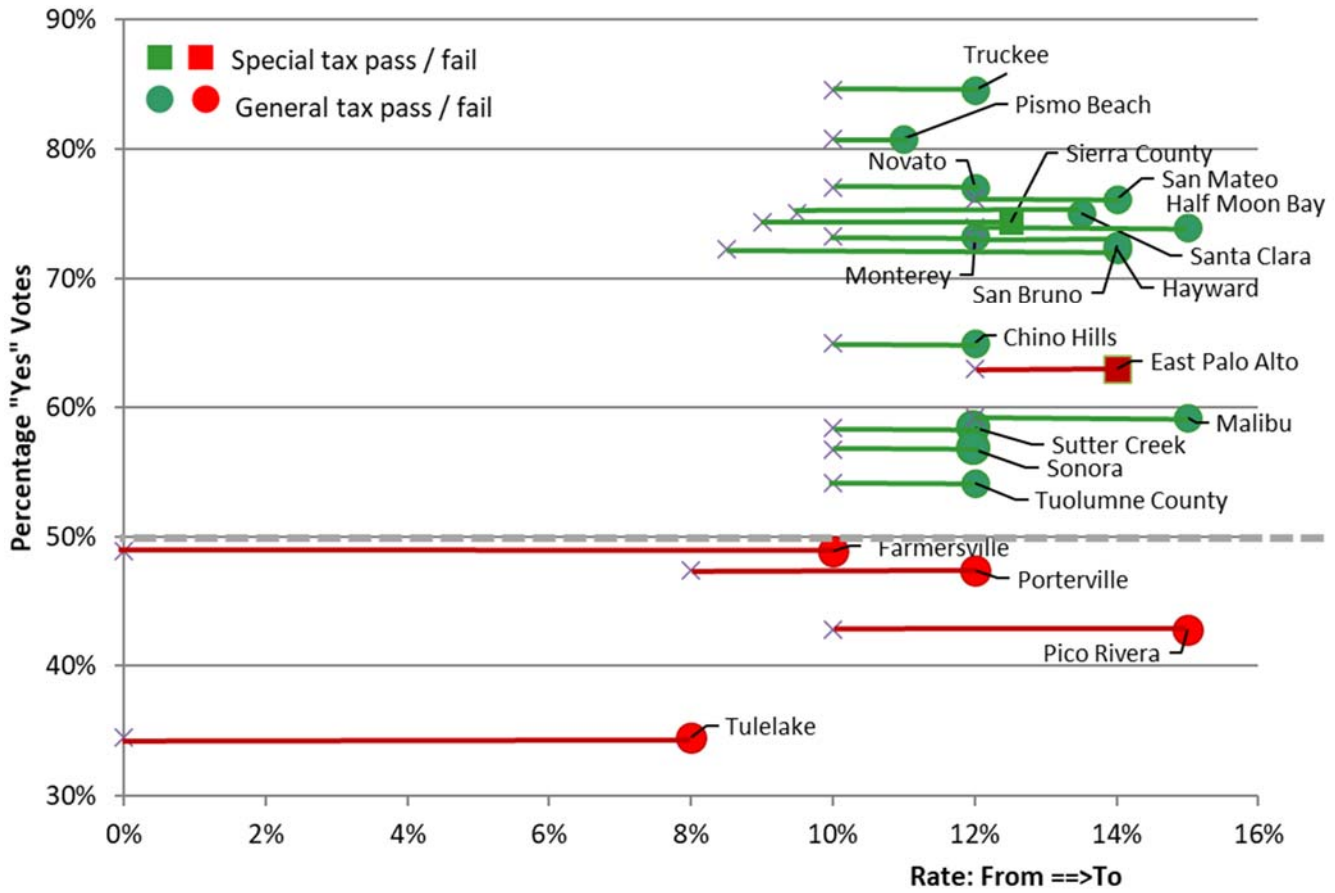
Admissions Tax ✓

Voters in the island city of Avalon approved a \$2 per passenger surcharge on visitors with the proceeds to go to their hospital.

Admissions Tax - Special - Two-thirds Approval

<u>Agency</u>	<u>County</u>		<u>Rate</u>	<u>Sunset Use</u>	<u>YES%</u>	<u>NO%</u>	
Avalon	Los Angeles	Measure H	\$2/passenger	none Hospital	72.1%	27.9%	PASS

Transient Occupancy (Lodging) Tax Measures- November 2020



Cannabis – Local Excise Taxes ✓

There were 27 measures taxing cannabis, all majority general purpose except in San Joaquin County where the tax increase was earmarked for “early childhood education and youth programs, including literacy, gang reduction, after-school programs, and drug prevention, with emphasis on children facing the greatest disparities, and promoting public health, homeless mitigation, and enforcing cannabis laws.” That measure is failing narrowly.

Cannabis Taxes - Majority Vote General Purpose

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>		
Sonoma	Sonoma	Measure X	4%gross Rcpts	77.8%	22.2%	PASS	
County of Trinity	INIT	Measure G	2.5%gross Rcpts	72.0%	28.0%	PASS	
Lemon Grove	San Diego	Measure J	8%gross Rcpts	71.9%	28.1%	PASS	
San Buenaventura	Ventura	Measure I	8%gross Rcpts	71.9%	28.2%	PASS	
King City	Monterey	Measure P	5%gross Rcpts	71.4%	28.6%	PASS	
La Habra	Orange	Measure W	to6%gross Rcpts	70.5%	29.5%	PASS	
Ojai	Ventura	Measure G	3%gross Rcpts	69.2%	30.8%	PASS	
Banning	Riverside	Measure L	10%gross Rcpts	68.6%	31.4%	PASS	
Artesia	Los Angeles	Measure Q	15%gross Rcpts	67.5%	32.5%	PASS	
Madera	Madera	Measure R	6%gross Rcpts	67.0%	33.0%	PASS	
Fairfield	Solano	Measure C	6%gross Rcpts	66.6%	33.4%	PASS	
Costa Mesa	Orange	Measure Q	4%to7%gross Rcp	66.0%	34.0%	PASS	
Vacaville	Solano	Measure V	6%gross Rcpts	65.6%	34.4%	PASS	
San Bruno	San Mateo	Measure S	10%gross Rcpts	64.1%	35.9%	PASS	
County of Calaveras		Measure G	4%to7%gross Rcp	64.1%	35.9%	PASS	
Hawthorne	Los Angeles	Measure CC	5%gross Rcpts	63.7%	36.3%	PASS	
Marysville	Yuba	Measure N	6%gross Rcpts	63.4%	36.6%	PASS	
Tracy	San Joaquin	Measure W	6%gross Rcpts	63.3%	36.8%	PASS	
Calabasas	Los Angeles	Measure C	10%gross Rcpts	63.0%	37.0%	PASS	
Oceanside	San Diego	Measure M	6%gross Rcpts	61.8%	38.2%	PASS	
Grass Valley	Nevada	Measure N	8%gross Rcpts	60.3%	39.7%	PASS	
Porterville	Tulare	Measure R	10%gross Rcpts	59.1%	40.9%	PASS	
Waterford	Stanislaus	Measure S	15%gross Rcpts	58.6%	41.4%	PASS	
County of Ventura		Measure O	4%gross Rcpts	57.2%	42.8%	PASS	
Jurupa Valley	INIT	Riverside	Measure U	6%gross Rcpts	48.5%	51.5%	FAIL
Yountville	Napa	Measure T	3%gross Rcpts	32.8%	67.2%	FAIL	

Cannabis Taxes - Two-Thirds Vote Special Purpose

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
County of San Joaquin	Uninc	Measure X	3.5to8%gross Rcpt	64.6%	35.4%	FAIL

*An initiative measure legalizing cannabis businesses in Solana Beach would have “authorized” a 1.5 percent “sales tax.” As structured in the citizen drafted initiative, the tax would have been illegal and could not have been implemented. It is not included here. The measure failed.

Cannabis Tax Measures – November 2020



Business Operations Taxes ✓

There were seven business operations tax measures other than the cannabis tax measures, all majority vote. All but Lynwood’s unusual “for-profit hospital” tax passed.

Business Operations Tax Measures (other than on cannabis) - Majority Vote, General Use

Agency	County	Measure	YES%	NO%	Result
San Jose	Santa Clara	Measure H	73.5%	26.5%	PASS
To fund general San José services, including fire protection, disaster preparedness, 911 emergency response, street repair, youth programs, addressing homelessness, and supporting vulnerable residents, shall an ordinance be adopted increasing the cardroom tax rate from 15% to 16.5% , applying the tax to third party providers at these rates: up to \$25,000,000 at 5%; \$25,000,001 to \$30,000,000 at 7.5%; and over \$30,000,000 at 10%, increasing card tables by 30, generating approximately \$15,000,000 annually, until repealed?					
Richmond	Contra Cost	Measure U	72.5%	27.5%	PASS
To maintain quality of life in Richmond by continuing certain City services, including 911 emergency response, pothole/street repair, homeless/youth services and other general services, shall an ordinance amending the City’s business tax to charge businesses 0.06% to 5.00% of gross receipts, and other rates as stated , with the highest rates on cannabis, firearm and the biggest businesses, providing approximately \$9.5 million annually until ended by voters, be adopted?					
San Francisco		Proposition F	68.3%	31.7%	PASS
Shall the City eliminate the payroll expense tax ; permanently increase the registration fee for some businesses by \$230-460, decreasing it for others; permanently increase gross receipts tax rates to 0.105-1.040%, exempting more small businesses ; permanently increase the administrative office tax rate to 1.61% ; if the City loses certain lawsuits, increase gross receipts tax rates on some businesses by 0.175-0.690% and the administrative office tax rate by 1.5%, and place a new 1% or 3.5% tax on gross receipts from commercial leases, for 20 years; and make other business tax changes ; for estimated annual revenue of \$97 million?					
San Francisco		Proposition I	65.2%	34.8%	PASS
Shall the City place an additional tax permanently on some businesses in San Francisco when their highest-paid managerial employee earns more than 100 times the median compensation paid to their employees in San Francisco, where the additional tax rate would be between 0.1% -0.6% of gross receipts or between 0.4% -2.4% of payroll expense for those businesses in San Francisco, for an estimated revenue of between \$60-140 million a year?					
Berkeley	Alameda	Measure GG	58.8%	41.2%	PASS
Shall an ordinance enacting a tax on users of Transportation Network Companies for prearranged trips originating in Berkeley, at a rate of 50 cents per trip for private trips and 25 cents per trip for pooled trips , regardless of the number of passengers on the trip, which is estimated to generate \$910,000 annually for general municipal services in the City of Berkeley until January 1, 2041, be adopted?					
Long Beach	Los Angeles	Measure US	58.5%	41.5%	PASS
To provide funding for community healthcare services; air/water quality and climate change programs; increase childhood education/ youth programs; expand job training opportunities; and maintain other general fund programs, shall a measure be adopted increasing Long Beach’s general oil production tax from 15¢ to maximum 30¢ per barrel , subject to annual adjustments, generating approximately \$1,600,000 annually, until ended by voters, requiring audits/ local control of funds?					
Lynwood	Los Angeles	Measure LH	46.2%	53.8%	FAIL
To protect, maintain and enhance vital public safety services, infrastructure needs including streets, utility maintenance, park and recreation services including programs for youth and seniors, and other essential services, shall the City of Lynwood impose a three percent (3%) privilege tax on the gross receipts of for-profit hospitals operating within the City of Lynwood? All funds to be deposited in Lynwood general fund.					

Property Transfer Taxes ✓

Voters in six charter cities considered increasing their taxes on transfers of real estate. Voters in the wealthy enclave of Piedmont turned down their Measure TT.

Property Transfer Taxes

<u>City</u>	<u>County</u>	<u>Measure Na</u>	<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Santa Monica	Los Angeles	Measure SM	by \$3 to \$6/\$1k AV if <\$5m AV	73.1%	26.9%	PASS
San Francisco	San Francisco	Proposition I	by 2.75%to5.5% for \$10m-\$25mAV, by3%to6% for	58.0%	42.0%	PASS
Albany	Alameda	Measure CC	by\$3.50 to \$15/\$1000AV	57.9%	42.1%	PASS
San Leandro	Alameda	Measure VV	by\$5to \$11/\$1000AV	54.2%	45.8%	PASS
Culver City	Los Angeles	Measure RE	1.5% on \$1.5m+, 3% on \$3m+, 4% \$10m+	53.3%	46.7%	PASS
Piedmont	Alameda	Measure TT	by\$4.50 to \$17.50/\$1000AV	47.8%	52.3%	FAIL

Utility User Taxes ✓

Voters in ten cities and one county unincorporated area considered measures to increase or continue utility user taxes for general purposes.

Utility User Taxes

<u>City</u>	<u>County</u>	<u>Measure</u>	<u>Rate</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>	
South Pasadena	Los Angeles	Measure U	7.5% tele,electr,gas,video,w extend	none	77.3%	22.7%	PASS
Newark	Alameda	Measure PP	3.25% tele,electr,gas,video extend	9yrs	71.7%	28.3%	PASS
County of Alameda	UNINC	Measure V	6.5% tele, electr, gas extend to 6/30/2033		69.1%	30.9%	PASS
Albany	Alameda	Measure DD	by 2.5%to9.5% electr, gas, 7.5% on water increase	none	58.0%	42.0%	PASS
Union City	Alameda	Measure WW	5% tele,electr,gas,video increase	8yrs	56.9%	43.1%	PASS
Cloverdale	Sonoma	Measure R	3% tele, electr, gas, video extend	none	53.4%	46.6%	PASS
Hawthorne	Los Angeles	Measure UU	by 2.5%to7.5% tele,electr,gas,video,water increase	none	47.8%	52.2%	FAIL
Berkeley	Alameda	Measure HH	by 2.5%to10% electr,gas increase	none	47.0%	53.0%	FAIL
Brawley	Imperial	Measure R	4% to video* expand		28.6%	71.4%	FAIL
Calipatria	Imperial	Measure T	5% tele, electr, gas, water, trash, sewer, catv increase	none	24.8%	75.2%	FAIL
Pomona	Los Angeles	Measure PA	by 0.75%to 9.75% tele,elect,gas,video,water increase		14.6%	85.5%	FAIL

Utility Transfer Taxes ✓

Voters in Pasadena authorized the continued transfer of 12% of annual revenue from their electric utility to support general fund services such as police, fire, paramedics and parks.

Utility Transfer Taxes

<u>City</u>	<u>County</u>	<u>Measure</u>	<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Pasadena	Los Angeles	Measure P	12% of gross electric revenue extend	84.6%	15.4%	PASS

General Obligation Bonds ✓

There were five non-school general obligation bond measures totaling \$1.9 billion. Four passed. In all, \$1.0 billion in local non-school general obligation bonds were approved. The largest, San Diego's \$900 million measure for affordable and homeless housing failed.

City, County and Special District General Obligation Bond Measures (2/3 vote)

Agency Name	County	Amount	Use	Rate	YES%	NO%	
San Francisco		Proposition A \$487.5m	housing, homeless	\$14/\$100k	71.1%	28.9%	PASS
Piedmont	Alameda	Measure UU \$19.5m	community pool	\$26/\$100k	68.5%	31.5%	PASS
Alameda County Fire	Alameda	Measure X \$90m	fire/ems	\$16/\$100k	67.7%	32.3%	PASS
Washington Township Health Care District	Alameda	Measure XX \$425m	hospital	\$10/\$100k	67.2%	32.8%	PASS
San Diego	San Diego	Measure A \$900m	housing, homeless	\$21/\$100k	57.6%	42.5%	FAIL

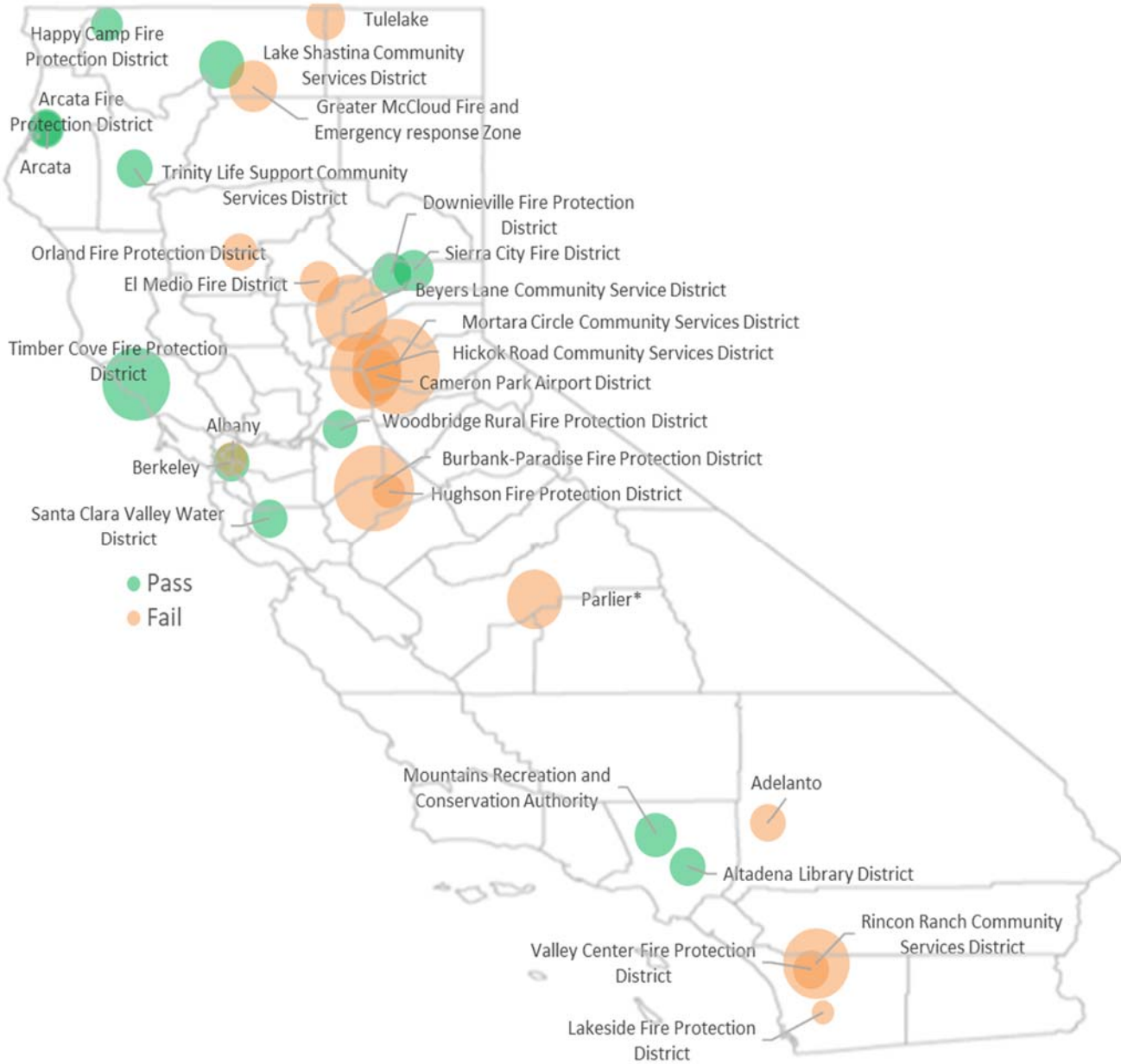
Parcel Taxes – Non-School ✓

There were 30 parcel tax measures for a variety of public services. Fourteen passed. The Beyers Lane tax received one “yes” among six votes counted on election eve.

City, County and Special District Parcel Taxes (2/3 vote)

Agency Name	County	Amount	Purpose	sunse	YES%	NO%	
Mountains Recreation and Conservatio	Los Angeles	Measure HH \$68/parcel	fire	10yrs	83.1%	16.9%	PASS
Santa Clara Valley Open Space Authori	Santa Clara	Measure T \$24/parcel	parks/open spac	none	81.8%	18.2%	PASS
Arcata	Humboldt	Measure A \$37/parcel	park/wildlands	none	78.4%	21.6%	PASS
Arcata Fire Protection District	Humboldt	Measure F \$118/parcel	fire	6/30/30	77.1%	22.9%	PASS
Timber Cove Fire Protection District	Sonoma	Measure AA \$185/parcel	fire/ems	15yrs	76.5%	23.5%	PASS
Sierra City Fire District	Sierra	Measure H \$60/parcel	fire/ems	none	75.9%	24.1%	PASS
Santa Clara Valley Water District	Santa Clara	Measure S \$.006/sf	water	none	75.7%	24.3%	PASS
Berkeley	Alameda	Measure FF \$0.1047/sf	fire/ems	none	74.2%	25.8%	PASS
Altadena Library District	Los Angeles	Measure Z \$.10/sf	library	none	73.3%	26.7%	PASS
Woodbridge Rural Fire Protection Dist	San Joaquin	Measure U 8c/sf	fire	none	73.4%	26.6%	PASS
Trinity Life Support Community Servic	Trinity	Measure I \$45/parcel	ems	none	72.9%	27.1%	PASS
Lake Shastina Community Services Dis	Siskiyou	Measure J \$80/parcel	fire/ems	none	70.7%	29.3%	PASS
Downieville Fire Protection District	Sierra	Measure G \$60/parcel	fire/ems	none	70.1%	29.9%	PASS
Happy Camp Fire Protection District	Siskiyou	Measure D \$39/parcel	fire/ems	none	67.1%	32.9%	PASS
Parlier	Fresno	Measure G \$120/parcel*	police	none	66.2%	33.8%	FAIL
Adelanto	San Bernardi	Measure R \$50+ to \$600+/acre	vacant property	20yrs	65.7%	34.3%	FAIL
Greater McCloud Fire and Emergency n	Siskiyou	Measure G \$94/parcel	fire/ems	none	65.5%	34.5%	FAIL
Cameron Park Airport District	El Dorado	Measure P by \$900 to \$1200/parcel	airport	none	62.7%	37.3%	FAIL
Albany	Alameda	Measure EE by \$44.34 to \$68	fire/ems	none	58.9%	41.1%	FAIL
Hughson Fire Protection District	Stanislaus	Measure W \$39.75/rdu	fire	12yrs	61.5%	38.5%	FAIL
Rincon Ranch Community Services Dis	San Diego	Measure Z \$170/parcel+\$6/acre	fire		60.6%	39.5%	FAIL
Orland Fire Protection District	Glenn	Measure G \$45+/parcel	fire	none	57.4%	42.6%	FAIL
Valley Center Fire Protection District	San Diego	Measure AA 6c/sf	fire	none	56.6%	43.4%	FAIL
Hickok Road Community Services Dist	El Dorado	Measure N by \$200 to \$400/parcel	streets/roads	none	52.2%	47.8%	FAIL
Burbank-Paradise Fire Protection Distri	Stanislaus	Measure Z \$250/parcel	fire	none	54.4%	45.6%	FAIL
El Medio Fire District	Butte	Measure D \$60+/parcel	fire/ems	none	50.8%	49.2%	FAIL
Lakeside Fire Protection District	San Diego	Measure Y by \$15 to \$25+/parcel	fire	none	39.7%	60.3%	FAIL
Mortara Circle Community Services Dis	El Dorado	Measure Q by \$600 to \$950/parcel	streets/roads	none	26.1%	73.9%	FAIL
Tulelake	Siskiyou	Measure N \$60+/parcel	police	none	24.9%	75.1%	FAIL
Beyers Lane Community Service Distric	Nevada	Measure O \$300/parcel	streets/roads		54.4%	45.6%	FAIL

Parcel Taxes – Non-School – November 2020



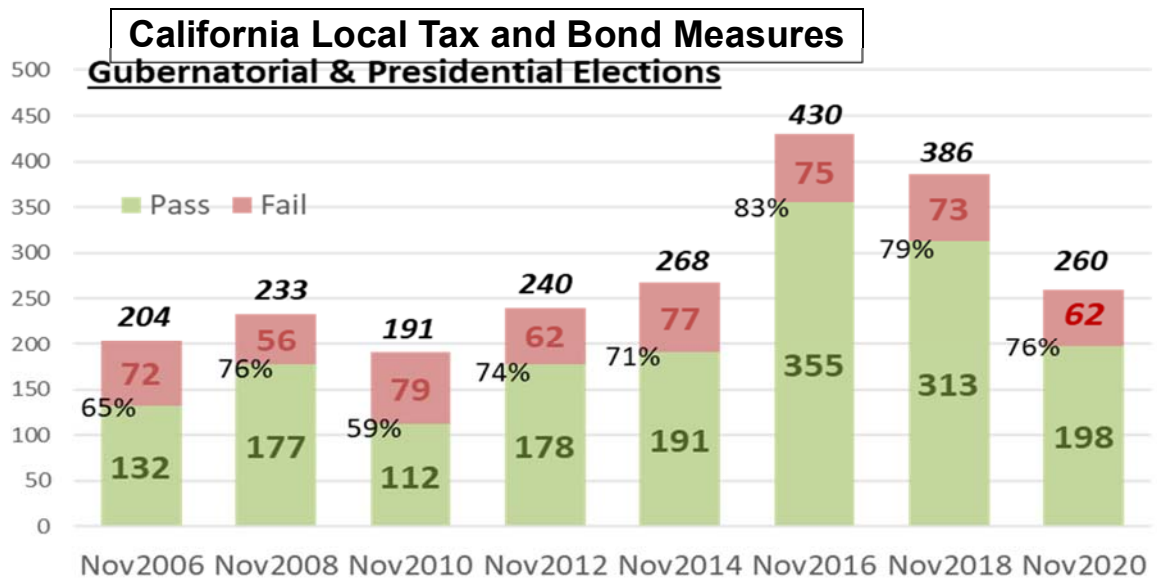
Some Historical Context

The passage rates this election are in dramatic comparison to the anomalous March 2020 election. In March, 96 of the 239 local tax and bond measures passed (40%), a dramatically lower overall passage rate compared to prior elections. Just 44 of 121 school bond measures passed (37%). But the 121 was more than twice as many local school bond measures on a spring primary election ever in California. Interestingly, the *number* of approved measures (44) and the \$6.6 billion of bond authorization are the highest ever for a spring primary election.

School Bonds in California - Fall General Elections

	Nov 2012	Nov 2014	Nov 2016	Nov 2018	Nov 2020
Approved	\$ 13.279	\$ 9.782	\$ 23.236	\$ 15.047	\$ 12.168
Requested	\$ 14.429	\$ 11.775	\$ 25.314	\$ 15.704	\$ 13.383

The unusual March results were, it appears, not so much due to a trend as to the pre-pandemic over-expectations of communities that March 2020 would be a favorable climate for such proposals. In the last presidential primary election, June 2016, 81% (72/89) of measures passed, including 91% of school bonds (42/46). But this perception led to a record number of attempts in March 2020, including many more chancy proposals that would likely not have made it to the ballot in another time.



Local Revenue Measures in California Passed/Proposed

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Gubernatorial and Presidential Elections

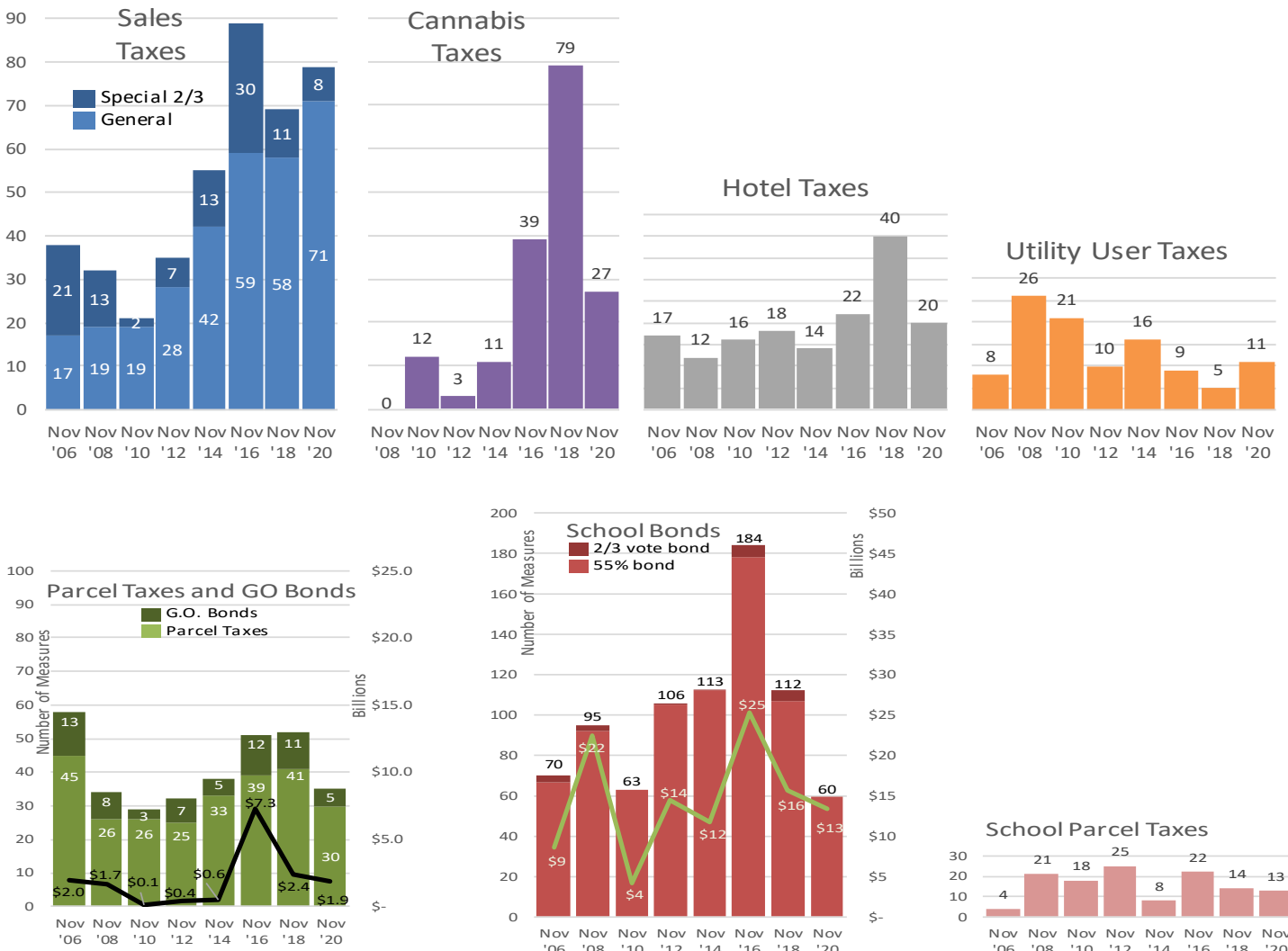
	Nov2006	Nov2008	Nov2010	Nov2012	Nov2014	Nov2016	Nov2018	Nov2020
City General Tax (Majority Vote)	31/43 72.1%	40/56 71.4%	44/67 65.7%	48/60 80.0%	62/88 70.5%	102/120 85.0%	153/167 91.6%	108/132 81.8%
County General Tax (Majority Vote)	2/5 40.0%	5/9 55.6%	6/12 50.0%	4/6 66.7%	2/6 33.3%	12/15 80.0%	14/19 73.7%	8/8 100.0%
City SpecialTax, GObond (2/3 Vote)	18/34 52.9%	11/21 52.4%	7/11 63.6%	5/15 33.3%	14/23 60.9%	19/33 57.6%	20/33 60.6%	6/14 42.9%
County SpecialTax, GObond (2/3 Vote)	5/13 38.5%	7/12 58.3%	0/3 0.0%	7/12 58.3%	4/9 44.4%	10/23 43.5%	6/9 66.7%	5/8 62.5%
Special District 2/3 vote	19/35 54.3%	10/19 52.6%	6/17 35.3%	7/16 43.8%	10/21 47.6%	21/33 63.6%	14/32 43.8%	13/25 52.0%
School ParcelTax 2/3 vote	2/4 50.0%	17/21 81.0%	2/18 11.1%	16/25 64.0%	8/8 100.0%	17/22 77.3%	11/14 78.6%	10/13 76.9%
School Bond 2/3 vote	0/3 0.0%	2/3 66.7%	0/0	1/1 100.0%	0/1 0.0%	2/6 33.3%	3/5 60.0%	0
School Bond 55% vote	55/67 82.1%	85/92 92.4%	47/63 74.6%	90/105 85.7%	91/112 81.3%	172/178 96.6%	92/107 86.0%	48/60 80.0%
Total	132/204 64.7%	177/233 76.0%	112/191 58.6%	178/240 74.2%	191/268 71.3%	355/430 82.6%	313/386 81.1%	198/260 76.2%

The numbers at this November general election appear more in line with historic trends both in number of proposals and passage rates. The volume and make-up of measures in this election was somewhat lower than the previous two presidential and gubernatorial general elections in 2018 and 2016, but comparable to years prior. The drop off in proposed measures was specific to certain types of measures: 1) those with higher vote thresholds, and 2) cannabis tax measures.

The 79 proposed sales tax measures is comparable to November 2018 (69) and November 2016 (89) and the 71 majority vote sales taxes is actually the highest of this type of tax proposal at any election, ever. Cannabis taxation has been hot for the last several years since legalization and the drop-off in those measures is essentially a function of this area of taxation and regulation running its course.

Other than cannabis tax measures, the most precipitous drop off in proposed measures from November 2016 and November 2018 is in school bonds. There were just 60 school bond measures this election, all 55 percent (i.e. no two-thirds vote school bond measures). This is about half as many as in 2018 and a third of the 184 proposed in 2016. It appears that school boards anticipated this election to be a more difficult one for the higher vote threshold parcel taxes and bonds.

Likewise, there were just 35 non-school parcel taxes and general obligation bonds on local ballots compared to 52 in November 2018 and 51 in November 2016.



Other measures of Note

- There were twelve measures to convert elected city clerk or treasurer positions to appointed (by city council or manager) and one initiative (in Dixon) to revert to an elected city clerk. Seven passed.
- Voters in Sacramento turned down a proposal to move to a “strong mayor” form of governance from their current “council-manager” form, common in all but the largest cities in California.
- Oxnard voters rejected an initiative measure to cede major new powers to that city’s elected city treasurer, even as they re-elected him. Oxnard voters narrowly approved a “ballot box budgeting” measure dictating that a previously approved general purpose sales tax be used for streets and roads or repealed.
- Dixon voters approved an initiative repeal of a water rate increase.
- Menifee voters rejected an initiative to repeal a recently approved sales tax increases. Voters in the San Bernardino County Fire Protection District turned down an initiative to repeal a recently enacted (two-thirds voter approved) parcel tax.
- Albany and Eureka approved ranked choice voting.

Appointed City Clerk / City Treasurer / etc.

<u>City</u>	<u>County</u>			<u>YES%</u>	<u>NO%</u>	
Sierra Madre	Los Angeles	Measure AC	appoint city clerk	67.5%	32.5%	PASS
Nevada City	Nevada	Measure L	appoint city clerk and city treasurer	65.6%	34.4%	PASS
Placerville	El Dorado	Measure R	appoint city treasurer	63.5%	36.5%	PASS
Coalinga	Fresno	Measure B	appoint city clerk	57.4%	42.7%	PASS
Yreka	Siskiyou	Measure E	appoint city clerk	55.6%	44.4%	PASS
Sonora	Tuolumne	Measure R	appoint city clerk	52.3%	47.7%	PASS
Sonora	Tuolumne	Measure S	appoint city treasurer	50.3%	49.7%	PASS
Suisun City	Solano	Measure R	appoint city clerk	47.1%	52.9%	FAIL
Plymouth	Amador	Measure D	appoint city treasurer	45.4%	54.6%	FAIL
Plymouth	Amador	Measure C	appoint city clerk	45.3%	54.7%	FAIL
Pittsburg	Contra Costa	Measure Q	appoint city clerk	36.9%	63.1%	FAIL
Brawley	Imperial	Measure S	appoint city clerk	34.7%	65.3%	FAIL

Tax and Fee Initiative to Repeal or Revise

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Dixon INIT	Solano	Measure S	repeal water rate increase	72.8%	27.2%	PASS
Oxnard INIT	Ventura	Measure N	use TrUT for streets or end	51.8%	48.2%	PASS
San Bernardino County Fire	San Bernardino	Measure U	repeal tax	48.0%	52.0%	FAIL
Menifee INIT	Riverside	Measure M	repeal TrUT	36.4%	63.6%	FAIL

For more information: Michael Coleman 530-758-3952. coleman@muniwest.com



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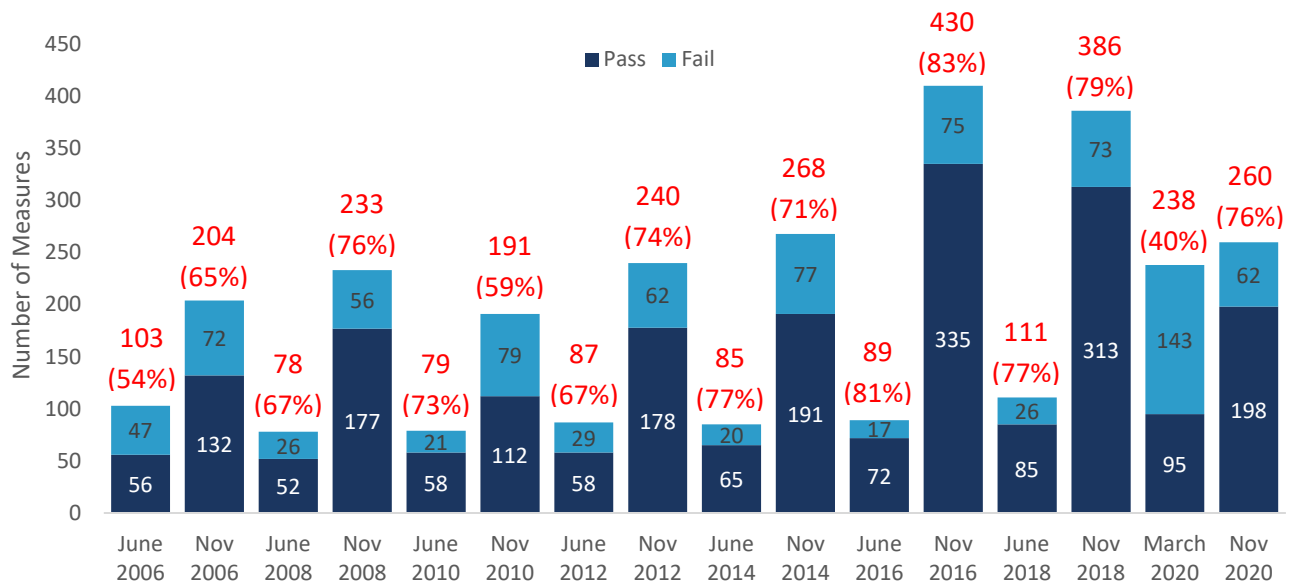
NOVEMBER 2020 ELECTION OBSERVATIONS FROM FM3 RESEARCH

This Election Represented a Return to Normalcy for Local Finance Measures

As noted in Michael Coleman's post-election summary, the passage rates of local finance measures in California rebounded from a disappointing March 2020 primary election. As of the publishing date of this summary, 76% of local finance measures passed in California this past November, a passage rate very comparable to the 2012 (74%) and 2008 (76%) presidential elections and a massive uptick from the abysmal March 2020 and its 40% passage rate.

To put this in a historical context, there were on average 227 local finance measures on the ballot in each November election from 2006-2014, meaning the 260 measures on this November's ballot were modestly on the high side, but definitely in that same range (Figure 1). The real outliers were November 2016 and 2018 with counts more around 400 measures. The same can be said for March 2020. From 2006-2018, there were on average 90 ballot measures for each primary election, but 238 in March 2020—a number much more comparable to a 2006-2014 November election.

Figure 1: Numbers of Measures and Passage Rates (2006-2020)



While voters seemed undaunted by the high number of ballot measures in the November 2016 and 2018 elections—passing local finance measures at roughly an 80% clip—that rubber band snapped back in brutal

fashion in March 2020 with only a 40% passage rate. Refreshingly, this November's estimated 77% passage rate looks much more similar to those of prior election cycles.

Fewer Local Measures on the Ballot

As previously noted, the March 2020 election featured roughly double the usual number of local finance measures on a statewide primary election ballot, and the two preceding general elections in November of 2016 and 2018 saw 430 and 386 measures, respectively — while only 260 were on the ballot this November. Clearly, fewer agencies placed finance measures on the November 2020 ballot compared with recent years. However, a number of the measures on the ballot this November garnered support exceeding 70%, suggesting that agencies weren't shy about placing measures that had high probabilities of success on the ballot. If that was the case, why did the total number of local finance measures decline? A few of our theories include:

- **The March 2020 results made rolling the dice with "borderline" measures less appealing.** This year, FM3 worked with several clients on local finance measures that viability survey research had indicated were likely to receive levels of support at — or just above — the vote thresholds for passage. While many of our clients who faced similar situations during the 2016 or 2018 November elections opted to place those measures on the ballot, this year a meaningful proportion decided - particularly after seeing 60% of local finance measures fail this past March - that they weren't willing to take that risk.
- **Asking voters to support a tax measure in an evolving recession didn't feel like the right timing.** Many residents have been struggling financially since the first shelter-in-place order hit California this spring, and with federal and state aid packages expiring, many more face uncertainty this winter heading into 2021. We repeatedly heard concerns about raising taxes and/or fees in this economic climate. (This is clearly a point of tension given that local tax revenues are also decreasing significantly.)
- **Many agencies simply had other priorities.** For some agencies (e.g., school districts having to adopt distance learning protocols) pursuing a local finance measure was a luxury they didn't have the resources to pursue, even if one appeared to be viable. They simply didn't have the internal bandwidth to dedicate to the process.
- **There was reluctance to pursue property tax-related measures.** An enormous number of measures to raise local property taxes were on the ballot in March 2020—partly due to the great success of November 2018; partly due to an anticipated "blue wave" of tax-friendly voters; and partly due to the desire to avoid sharing the November ballot with the statewide initiative on property taxes that would become Prop. 15. Far fewer agencies were willing to put similar measures on the ballot this November, especially after the dismal passage rates for such measures in March and continuing concerns about sharing the ballot with Prop 15. Looking at local G.O. bond measures alone (just one type of local property tax measure), there were 126 such measures on the March 2020 ballot and only 65 on the November 2020 ballot — a decline of more than 48%. Further, while there were a handful of success stories of agencies with narrow defeats in March that came back and passed property tax-related measures in November (e.g., Clovis Unified School District and Manteca Unified

School District), many agencies that suffered election disappointments in March opted to hold back on asking their voters for additional funding until a future election cycle.

Not Everything Was "Normal" this November

Turnout was way, way up

This is a story where the details will matter and we won't be able access the final turnout figures until the official Statement of Vote is available from the Secretary of State, likely in early January. (The March 2020 Statement of Vote was released in early May.) That being said, it's clear that overall turnout was record-setting. In Figure 2, we combined the last official numbers from the Secretary of State on the total number of eligible and registered voters (as of 10/19/20) and the most recent online reporting status numbers from the Secretary of State's website. Based on the percentage of registered voters, it appears that November 2020 will reach or exceed the November 2008 high-water mark of 79.4% turnout, though still in the range of prior presidential elections. However, November 2020 will have roughly 10% more eligible voters participating than in November 2008, and nearly 20% more eligible voters than November 2000 — a clear break with past precedent.

Figure 2: Estimated Statewide Turnout

(Eligible and Registered Totals as of 10/19/20 and Total Votes as of 12/3/20)

Presidential Election	Eligible Voters	Registered Voters	% Registered	Total Votes	% of Registered	% of Eligible
Nov 2020	25,090,517	22,047,448	87.9%	17,783,784	80.7%	70.9%
Nov 2016	24,875,293	19,411,771	78.0%	14,610,509	75.3%	58.7%
Nov 2012	23,802,577	18,245,970	76.7%	13,202,158	72.4%	55.5%
Nov 2008	23,208,710	17,304,091	74.6%	13,743,177	79.4%	59.2%
Nov 2004	22,075,036	16,557,273	75.0%	12,589,683	76.0%	57.0%
Nov 2000	21,461,275	15,707,307	73.2%	11,142,843	70.9%	51.9%

The Late Vote Didn't Break in Support of Local Finance Measures

Figure 3 shows the average change in the "Yes" vote share for local revenue measures (Column 2) as well as the change in the proportion of local revenue measures passing (Column 3) between Michael Coleman's preliminary results summaries (compiled from incomplete vote tallies available in the days immediately following each election) to his final results summaries for the past three November elections. In the 2016 and 2018 November elections, we saw the initial "Yes" vote share for local finance measures increase a little after all the votes were

counted, with shifts of +0.62% in November 2016 and +0.87% in November 2018. While there were always exceptions, this meant that measures flirting with their vote thresholds stood a good chance of ultimately passing once the tallying was complete. This was reflected by the fact that in both of these elections, between three and four percent of all local revenue measures on the ballot throughout the state appeared to fall short of passage in the preliminary results, only to secure approval with the required level of support in the final, certified results. This pattern was generally owed to the fact that Democratic-leaning and younger voters—who are frequently more supportive of finance measures—were less likely to vote by mail, and if they were, more likely to wait until the last minute to turn in their ballots.

Figure 3: Change in "Yes" Vote from Preliminary to Final Results Reports for Local Revenue Measures

(Column 1) Election	(Column 2) Change in "Yes" Vote Share for Local Revenue Measures in Preliminary vs. Final Results	(Column 3) Change in Proportion of Local Finance Measures Passing in Preliminary vs. Final Results
November 2020	-0.06%	+0.5%
November 2018	+0.87%	+3.6%
November 2016	+0.62%	+3.5%

This changed in the November 2020 election, when the average shift from late-counted ballots was essentially zero. At least two factors likely contributed to this discontinuity. First, the vast majority of Californians who participated in this year's November election did so by mail — meaning that many more finance measure supporters voted prior to election day than was the case in prior elections. Second, there were so many concerns about ballots being counted—or delivered by the Postal Service—that many voters who might otherwise have held on to their mail ballot until the very end instead sent them in early. Many Democratic campaigns also advised their supporters to cast their ballots early, with high-profile figures such as Nancy Pelosi stating that doing so was critical to preventing Trump from prematurely declaring victory based on unrepresentative early election returns. In California, with so much enthusiasm among Biden voters, that meant that many Democrats didn't want to risk waiting until the last moment.

All of this meant that as the vote has continued to be counted, agencies with measures 1-2 points above or below their vote thresholds were more likely to be disappointed than in prior years.

Implications for the 2021-2022 Election Cycle

There are probably a lot of potential measures in the queue

We know that there are dozens of agencies that had finance measures defeated in March 2020 and subsequently opted against putting them before voters again on the November 2020 ballot. We also know that numerous other

agencies that were planning finance measures for this November had to temporarily put them on the back burner and focus on their response to COVID-19. Many, if not most will presumably explore their viability once again during the 2021-2022 cycle. Does this mean 2022 will have more measures than is typical, or are we going back to a more conventional pattern of ~90 measures in the primary and ~230 in the general?

The turnout and election process going forward is currently uncertain

Given the extraordinary increases in voter turnout for the November 2020 election, will the policy changes that likely contributed to this increase — such as automatic registration and universal vote-by-mail balloting — be further scaled up and made permanent? If so, should we regularly expect much higher participation rates, or was this election and set of circumstances truly unique? In either case, pollsters will need to take a wider range of turnout scenarios into consideration when assessing ballot measure viability in the future.

2022 could look a bit like 2010

While not a perfect comparison, the Great Recession left nearly all of California's local government agencies facing budget shortfalls in 2009-2010 (if not beyond). Many agencies turned to their voters to pass local finance measures to stave off cuts and service reductions to the extent possible. The June 2010 election looked a lot like prior years in terms of total measures (79) and its passage rate (73%). However, the November 2010 election was on the low end of the range of prior November elections, with 59% of 191 measures passing — not an implosion like March 2020, but clearly a more challenging environment. It may therefore be a good baseline for setting expectations; on the other hand, it also seems possible that recent vaccine breakthroughs mean California's economy will rebound more quickly, leading to a better political environment for finance measures in 2022.

What will the mix of local finance measures look like in 2022?

We see no reason to doubt that funding measures for school and community college districts will continue to be the most common category of local finance measures on the primary and general election ballots in 2022. The financial needs are still there—especially with the failure of Prop 15—and school bond measures (with their 55% vote threshold) are still generally attainable. The real question is likely to be what types of measures cities and counties will consider. Sales tax measures are likely to continue to be popular, but many communities are running up against their statutory sales tax caps. Coming out of the Great Recession, many municipalities turned to utility user taxes (UUTs) as a minimally volatile source of revenue in economically uncertain times, though a number of those measures were modernizations of outdated ordinances to reflect current communications technology. Looking at the entirety of 2020, cannabis tax measures will likely continue to be common in 2022, as may transient occupancy taxes (TOTs) if the state's hospitality industry recovers substantially during the coming year. That said, more communities may also consider other, less common types of general taxes such as business license taxes and property transfer taxes, as well as (potentially) establishing assessment districts, which can be enacted via a simple majority vote among property owners.

Fairbank, Maslin, Maullin, Metz & Associates, Inc., or FM3 Research, is a California-based company that has been conducting public policy-oriented opinion research since 1981. In addition to political surveys for candidate and ballot measure campaigns, FM3 conducts a broad range of opinion research to educate, influence, and better serve communities. Learn more about FM3 at <https://fm3research.com>.



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 6.3

TITLE: Cost Allocation Plan

SUBJECT: Review and Consider Adoption of Resolution 2021-12-02, District's Cost Allocation Plan and Implementation of Full Cost and OMB Compliant Rates.

EXECUTIVE SUMMARY:

Reclamation District No. 1000 (RD 1000; District) solicited requests for qualifications for the Indirect Cost Allocation Plan on March 31, 2021. The District received Statements of Qualifications from three (3) firms including Matrix Consulting Group on May 14, 2021 in accordance with the Request for Qualifications. The District's Finance Committee interviewed the respondents on May 25, 2021 and subsequently reviewed the submittals on June 1, 2021. Matrix Consulting Group was recommended by the Finance Committee for award of a Professional Services Agreement for the project.

Matrix Consulting Group's proposal for the Indirect Cost Allocation Plan was approved by the Board on June 11, 2021. The Cost Allocation Plan (Attachment 1 – Exhibit A) was reviewed by the Finance Committee on November 23, 2021. After review and discussion, the Finance Committee, unanimously recommended the Board approve the Cost Allocation.

RECOMMENDATION:

Staff recommends the Board of Trustees Review and Consider Adoption of Resolution 2021-12-02, District's Cost Allocation Plan and Implementation of Full Cost and OMB Compliant Rates.

ATTACHMENTS:

1. Resolution 2021-12-02 – Cost Allocation Plan

STAFF RESPONSIBLE FOR REPORT:

Kevin L. King, General Manager

Date: 12/06/2021



RECLAMATION DISTRICT NO. 1000
RESOLUTION NO. 2021-12-02

A RESOLUTION OF THE BOARD OF TRUSTEES OF RECLAMATION DISTRICT NO. 1000
ADOPTING THE DISTRICT'S COST ALLOCATION PLAN AND
IMPLEMENTATION OF FULL COST AND OMB COMPLIANT RATES

At a regular meeting of the Board of Trustees of Reclamation District No. 1000 held at the District Office on the 10th day of December 2021, the following resolution was approved and adopted:

WHEREAS, the Reclamation District No. 1000's (District) mission is flood protection for the Natomas Basin providing for the public's health and safety by operating and maintaining the levees, and the District's canals and pump stations; and

WHEREAS, the Board of Trustees (Board) of the District recognizes the importance of providing flood protection in a safe, efficient and responsible manner; and

WHEREAS, it is appropriate and necessary to employ staff to achieve the goals and objectives of the District; and

WHEREAS, the establishment and adoption of a Cost Allocation Plan and Implementation of Full Cost and OMB Compliant Rates is necessary; and

WHEREAS, the Board has been presented with, reviewed, and considered the Cost Allocation Plan and Implementation of Full Cost and OMB Compliant Rates for Fiscal Year 2021/2022 and considers the proposed rates as necessary and appropriate for Fiscal Year 2021/2022.

NOW, THEREFORE BE IT RESOLVED THAT:

1. The facts contained in the recitals above are true and correct, and the Board so finds and determines.
2. The Reclamation District No. 1000 Cost Allocation Plan and Implementation of Full Cost and OMB Compliant Rates for Fiscal Year 2021/2022 is hereby adopted as presented, and as attached hereto as Exhibit "A".
3. The Cost Allocation Plan and Implementation of Full Cost and OMB Compliant Rates will become effective on March 1, 2022.

BE IT FURTHER RESOLVED THAT: The General Manager and Administrative Services Manager are responsible for adherence to this resolution.

ON A MOTION BY Trustee _____, seconded by Trustee _____,
the foregoing resolution was passed and adopted by the Board of Trustees of Reclamation District
No. 1000, this 10th day of December 2021, by the following vote, to wit:

AYES: Trustees:

NOES: Trustees:

ABSTAIN: Trustees:

RECUSE: Trustees:

ABSENT: Trustees:

Thomas M. Gilbert
President, Board of Trustees
Reclamation District No. 1000

CERTIFICATION:

I, Joleen Gutierrez, Secretary of Reclamation District No. 1000, hereby certify that the foregoing Resolution 2021-12-02 was duly adopted by the Board of Trustees of Reclamation District No. 1000 at the regular meeting held on the 10th day of December 2021 and made a part of the minutes thereof.

Joleen Gutierrez, District Secretary

Full Cost and OMB Compliant Indirect Cost Rates and Supporting Documentation

RECLAMATION DISTRICT NO. 1000,
SACRAMENTO, CA

November 2021



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1. Executive Summary

The Matrix Consulting Group has developed Full Cost and OMB Compliant Indirect rates for Reclamation District No. 1000 (District). This report presents a summary of the comprehensive analysis undertaken to identify the appropriate distribution of district-wide administrative and support costs to all District operations.

1 Background

The primary objective of a Cost Allocation Plan is to determine the indirect costs associated with District Operations. The Matrix Consulting Group worked with the District to develop two different types of Cost Plans: Full Cost and Federal Office of Management and Budget (OMB) 2 CFR Part 200 Compliant Cost Plan. The purpose of the Full Cost Plan is to recover costs from private developer or consulting types of projects, whereas the OMB Compliant Cost Plan is used to recover costs from State and / or Federal projects. The results of these plans are indirect rates.

The indirect cost rates developed for the District are calculated based upon indirect costs established in the Indirect Cost Rate Workbooks (provided under separate cover). These workbooks were compiled in accordance with Generally Accepted Accounting Principles. The OMB Compliant indirect rate is based on the methods of indirect cost allocation defined by Super Circular 2 CFR Part 200.

2 Methodology

Indirect cost rates are a mechanism for fairly and equitably determining what proportions of organizational administration costs projects should bear. An indirect cost rate represents the ratio between the total indirect costs and benefitting direct costs, after excluding unallowable, extraordinary or distorting expenditures. This will allow for the district to recover for indirect costs related to oversight and management of projects by applying the appropriate indirect rate.

The first step in developing an Indirect Cost Rate Proposal is to develop the Indirect Cost Rate Workbook. The Indirect Cost Rate Workbook identifies costs as indirect and direct. The Indirect Cost Rate Workbook should be established in compliance with OMB Super Circular guidelines.

The Indirect Cost Rate Workbook establishes specific dollar amounts of support associated with projects; however, the Indirect Cost Rate Proposal converts those dollar amounts into rates. The conversion of dollar amounts to rates is done by taking the total indirect costs associated with a project or service and dividing it by a rate base. The base

being utilized depends on the item that the rate will be applied towards – if it is being applied towards personnel costs then the rate base will be direct personnel costs, if it is being applied towards total direct costs then the base will be total direct expenditures. Two types of rates were developed for the District: (1) Total Expenditures and (2) Salary and Benefits.

- **Total Expenditures Rate:** These rates provide a singular indirect rate that can be used for any and all projects to account for indirect costs and is applied to the total personnel and non-personnel expenditures of the project. This rate is developed by taking total indirect costs and dividing it by total direct District expenditures.
- **Salary and Benefits Rate:** These rates are calculated based on salary and benefits of district staff that can be applied to the total salary and benefits of each staff billing hours to a project to account for indirect costs. This rate is developed by taking total indirect costs and dividing it by the total direct salary and benefits costs.

The Indirect Rates developed utilize the indirect costs calculated from the Indirect Cost Rate Workbooks (provided under separate cover), resulting in four Indirect Cost Rates based on either the total direct allowable expenditures or the total direct salaries and benefits. **These are fixed indirect rates** and are based on Fiscal Year 2020 actual expenditures.

3 Summary of Results

Four indirect rates were developed for the District to use in order to recover indirect costs. Two expenditure rates were developed using Full Cost and OMB indirect calculations, and two salary and benefit rates were developed using Full Cost and OMB indirect calculations. The results of this analysis are outlined in the following subsections:

(3.1) Total Expenditures Indirect Rates

Two rates were calculated based on the total expenditures, one Full Cost rate that includes all indirect costs and one OMB cost rate that excludes OMB unallowable costs. The following detail the Expenditures Indirect Cost Rate calculations:

$$\frac{\text{FY20 Full Cost Indirect Costs}}{\text{FY20 Full Cost Direct Allowable Expenses}} = \frac{\$945,750}{\$2,315,260} = 40.85\%$$

$$\frac{\text{FY20 OMB Indirect Costs}}{\text{FY20 OMB Direct Allowable Expenses}} = \frac{\$869,705}{\$2,315,260} = 37.56\%$$

In FY20, approximately \$945,000 of actual expenditures were identified as indirect costs allowable for the Full Cost plan, while \$870,000 were identified as allowable indirect operating costs in accordance with OMB guidelines. The indirect rate base is direct Flood Protection Project expenditure costs, which reflect FY20 actual allowable expenditures. The full cost indirect rate can be applied to expenditures relating to private developer or consulting projects in order to determine proportionate indirect costs. The OMB indirect rate would be charged for State or Federal projects that require an OMB Compliant rate.

(3.2) Salary and Benefits Indirect Rates

Similar to the rates above, two rates were calculated based on total salary and benefits costs, one Full Cost rate that includes all indirect costs and one OMB cost rate that excludes OMB unallowable costs. The following detail the Salary and Benefit Indirect Cost Rate calculations:

<u>FY20 Full Cost Indirect Costs</u>	<u>\$945,750</u>	=	92.48%
FY20 Full Cost Direct Salaries & Benefits	\$1,022,656		
<u>FY20 OMB Indirect Costs</u>	<u>\$869,705</u>	=	85.04%
FY20 OMB Direct Salaries & Benefits	\$1,022,656		

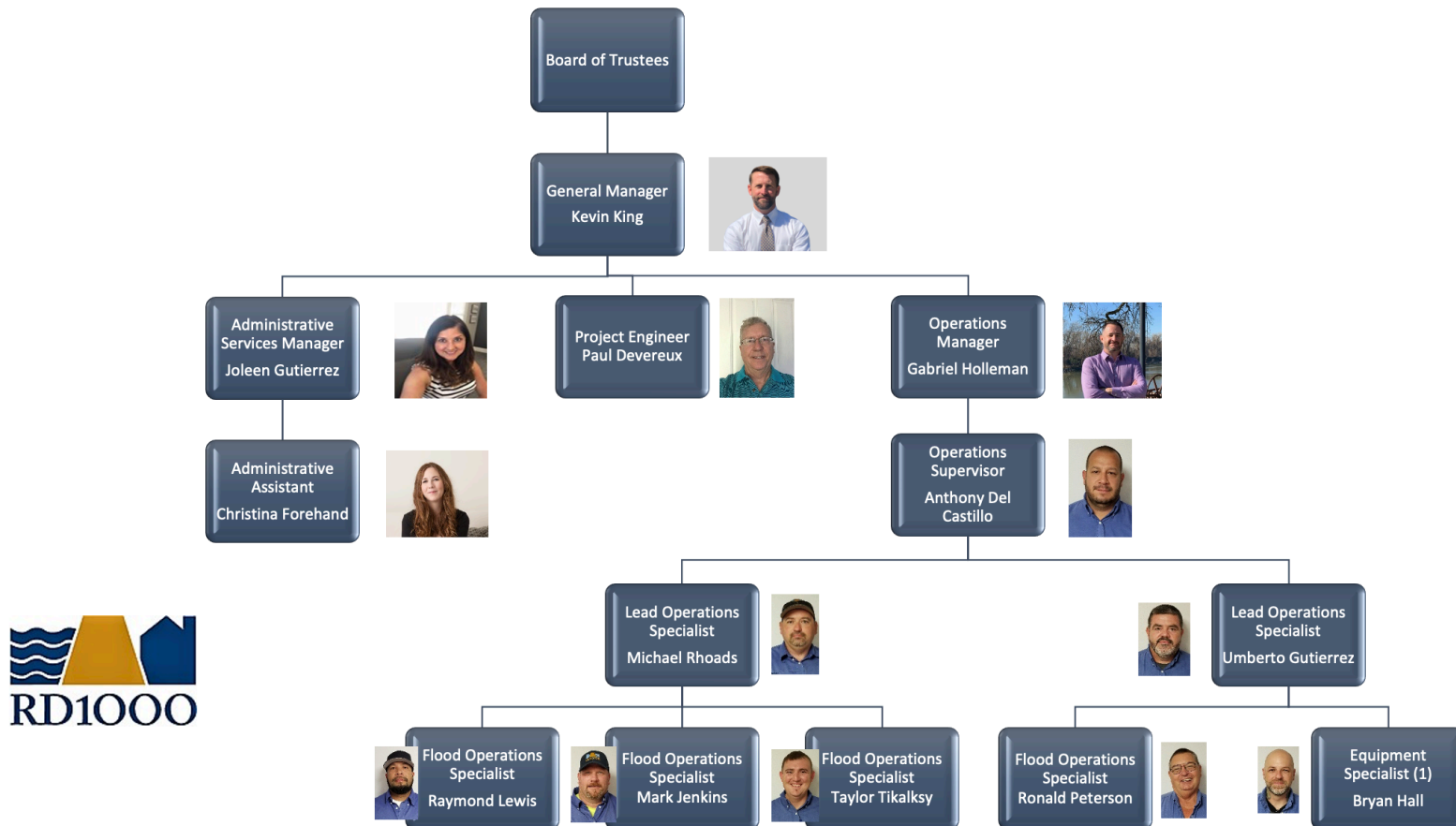
The same indirect costs as in the above subsection are applied here again, but are divided by the total direct salary and benefit costs for non-administrative District personnel. The Full Cost rate would be applied to fully burdened hourly rates for District staff who work on private developer or consulting projects. The OMB Compliant rate would be applied to fully burdened hourly rates for District staff who work on State or Federal projects where an OMB compliant rate is required.

The remaining chapters in this report provide further detail on the calculation of these rates and the types of costs included. In order to submit the OMB rate for approval to a cognizant agency, the District would need to provide additional documentation (provided under separate cover).

2. Organizational Chart

The following chart shows the overall organizational structure for Reclamation District No. 1000 in FY20. The information in this chart was utilized as the basis for determining the indirect and direct components of the District’s organization.

RECLAMATION DISTRICT NO. 1000 ORGANIZATIONAL CHART



3. Direct and Indirect Personnel Costs

The first component of the indirect cost rate workbooks is in relation to direct and indirect personnel costs. While District staff do keep track of their indirect vs direct time, each position can be fully attributable to either indirect or direct functions. The following subsections define direct and indirect specific personnel as well as their time allocated to direct and indirect activities.

1 Direct Personnel

Direct Personnel are all staff members that work directly on projects and provide services in relation to Flood Protection within the District. This time includes patrolling, monitoring, and maintaining District levees, canals, and pump stations. District positions that are entirely attributable to direct flood protections operations are as follows: Flood Operations Specialist I, Flood Operations Specialist II, Lead Flood Operations Specialist, Operations Manager, Operations Supervisor, Project Engineer, and Vehicle and Equipment Maintenance Specialist.

2 Indirect Personnel

Indirect Personnel are staff who perform administrative functions for the District. This time spent by staff is related to District operations and cannot be directly attributable to flood protection projects. As this time is considered administrative, it is considered as indirect costs.

Three primary positions spend all their time on administrative (indirect) tasks. These positions include the Administrative Assistant, Administrative Services Manager, and the General Manager. The following points provide further information regarding these positions and the support services they provide:

- **Administrative Assistant:** The Administrative Assistant performs general administrative duties for the District including serving as the front desk receptionist to greet visitors and answer phones, records filing, and managing all District mail. This position is also responsible for providing accounting support to the District.
- **Administrative Services Manager:** The Administrative Services Manager manages and oversees internal office operations for the District including accounting services and records management, managing contracts for human resources and IT services, coordinating and overseeing the development of the budget, and supervising office support staff. This position also serves as the District Secretary.

- **General Manager:** The General Manager oversees and manages all District operations, projects, and flood control systems. This position ensures all District operations run in accordance with policy directives from the Board of Trustees, oversees District financials, and manages all administrative functions for the District.

The three positions spend all of their time in relation to the District's general operations.

3 Identified Indirect and Direct Support

Based upon the discussion in the previous sections, direct and Indirect time is attributable to the position title and function within the District. The following table shows for each position within the District the percent of time spent on indirect and direct projects.

Position	Indirect	Direct
Operations Supervisor (Anthony Del Castillo)	0%	100%
Administrative Assistant (Christina Forehand)	100%	0%
Administrative Services Manager (Joleen Gutierrez)	100%	0%
Lead Flood Operations Specialist (Umberto Gutierrez)	0%	100%
Vehicle and Equipment Maintenance Specialist (Bryan Hall)	0%	100%
Operations Manager (Gabriel Holleman)	0%	100%
Flood Operations Specialist I (Mark Jenkins)	0%	100%
General Manager (Kevin King)	100%	0%
Flood Operations Specialist II (Raymond Lewis)	0%	100%
Flood Operations Specialist II (Ronald Peterson)	0%	100%
Lead Flood Operations Specialist (Michael Rhoads)	0%	100%
Flood Operations Specialist II (Taylor Tikalsky)	0%	100%
Project Engineer (Paul Devereux)	0%	100%

The majority of the District's staff work directly on projects, fulfilling the District's mission. The three staff coded as indirect work to support direct staff, and ensure that the District is run appropriately.

4. Total Costs Included

The second component of the indirect cost rate calculation is the determination of direct compared to indirect expenses. The following subsections provide information regarding the types of expenses incurred by the District in FY20, and how those expenses are categorized.

1 Description of Cost Allocation Methodology

The following elements provide information regarding the District's description of its current expense categories:

A. Salary and Wages

1. **Direct Costs** – All costs associated with positions that are directly attributable to District projects are coded as direct expenditures.
2. **Indirect Costs** – Costs for the positions that are administrative in nature are coded as indirect. These positions are the Administrative Assistant, Administrative Services Manager, and General Manager.

B. Fringe Benefits: The District contributes to the following fringe benefits for its employees: Social Security, Medicare, State Unemployment Insurance, Education and Employment Training, Worker's Compensation, Health Insurance, and Retirement. Fringe Benefits also include costs for trustee fees, continuing education, and car allowances.

C. Administration: Administration costs include: travel, office equipment, administrative consultants, office maintenance and repair, computer costs, accounting and auditing services, utilities, office improvements, legal services, liability insurance, assessment management fees, general supplies, miscellaneous admin, and SAFCA fees. These costs are considered and coded as indirect.

D. Operations and Maintenance: These costs include operational and maintenance costs for project-related field operations and are considered and coded as direct.

E. FMAP Grant: Relates to FMAP project costs and are coded as direct.

F. Contracts / Memberships / Consult: Includes costs for temporary hires, security patrol contracts, and engineering / technical consultants. Costs for temporary

hires and engineering / technical consultants were considered as direct costs while the security patrol contract costs was coded as indirect.

- G. Capital:** Includes costs for office improvements, the District server, and CIP facility repairs. Office improvements and District server costs are considered and coded as indirect, while CIP facility repairs are considered direct.
- H. Other Expense:** Includes costs associated with insurance reimbursable field equipment and as such has been coded as direct.
- I. Unallowable Costs:** The District recognizes that unallowable costs, as defined in 2 CFR Part 200, cannot be charged to Federal awards and has internal controls in place to ensure that this is followed. Examples of unallowable costs are: trustee fees, litigation and elections related legal services, public relations, memberships, elections, bad dept expenses, and depreciation.

2 Total Costs

For the District, the project team calculated two different types of indirect costs –OMB Compliant and Full Cost. The following subsections detail the direct, indirect, and unallowable costs calculated for the OMB Compliant and Full Cost Plans.

(2.1) OMB Compliant

In order to determine the total costs allowable for the OMB Compliant Cost Plan, FY20 actual costs were summarized by expense category and broken out by direct, indirect, and unallowable in accordance with OMB guidelines. The following table details this summary.

Expense Category	Direct	Indirect	Unallowable	Total
Personnel	\$1,022,656	\$469,310	\$34,980	\$1,526,946
Administration		\$324,300	\$1,021,006	\$1,345,306
Capital	\$108,420	\$2,826		\$111,246
Contracts / Memberships / Consult	\$141,682	\$73,270		\$214,952
FMAP Grant	\$277,221			\$277,221
Operations and Maintenance	\$756,837			\$756,837
Other Expense	\$8,443			\$8,443
TOTAL	\$2,315,260	\$869,705	\$1,055,986	\$4,240,950

As discussed above, direct costs relate to project specific expenditures, indirect costs relate to general management and oversight of the District, and unallowable costs are those which cannot be considered for overhead purposes. The District's unallowable costs, as dictated by OMB guidelines are outlined below:

- **Memberships - Admin:** These costs relate to membership fees for ACWA, CA Special Districts Association, CA Central Valley Flood Control Association, and Sacramento LAFCO.
- **Public Relations:** These relate to costs associated with gifts and promotional materials.
- **Homeless Expenses:** These costs are associated with clean ups of homeless encampments and are not related to normal District operations.
- **Legal Services:** Costs associated with legal matters in relation to Litigation, Elections, and Board of Trustees.
- **Election Costs:** Costs associated with managing, overseeing, and conducting District elections.
- **Misc. / Other Admin:** These costs relate to internal events and special occasion food purchased for staff.
- **Bad Debt Expense:** These costs are in relation to write off amounts due from FEMA, and are a one-time expense.
- **Depreciation:** These costs are related to purchase of buildings and equipment.

Unallowable costs from the Administration category are considered one-time costs or are unallowable under OMB guidelines, and therefore have been excluded from OMB Compliant indirect cost rate calculations.

(2.2) Full Cost

In order to determine the total costs allowable for the Full Cost Plan, FY20 actual costs were summarized by expense category and broken out by direct, indirect, and unallowable, in accordance with Generally Accepted Accounting Principles. The following table details this summary.

Expense Category	Direct	Indirect	Unallowable	Total
Personnel	\$1,022,656	\$504,290		\$1,526,946
Administration		\$365,365	\$979,941	\$1,345,306
Capital	\$108,420	\$2,826		\$111,246
Contracts / Memberships / Consult	\$141,682	\$73,270		\$214,952
FMAP Grant	\$277,221			\$277,221
Operations and Maintenance	\$756,837			\$756,837
Other Expense	\$8,443			\$8,443
TOTAL	\$2,315,260	\$945,750	\$979,941	\$4,240,950

As discussed previously, direct costs are related to project specific expenditures, indirect costs relate to general management and oversight of the District, and unallowable costs are those which cannot be considered for overhead purposes. Many of the costs identified as unallowable based on OMB guidelines are allowable in a Full Cost Plan, in accordance with Generally Accepted Accounting Principles. Therefore, only costs associated with depreciation, legal services, elections, and bad debt were excluded from the Full Cost calculation, as they are not part of general overhead for District activities.

5. Indirect Cost Rate Calculation

To develop indirect rates for the District, the total indirect costs, direct costs, and total direct personnel costs from the previous sections of the report were used. The following subsections discuss the rates developed based upon the two different types of Cost Plans.

1 OMB Indirect Rates

The OMB Compliant Indirect Cost rates are based upon the OMB Compliant Indirect Cost Workbook. The rate takes into account all allowable indirect costs. Two types of fixed indirect cost rates were calculated based on the FY20 OMB allowable actual indirect costs and direct cost rate bases. The following tables outline the two different OMB indirect rates:

$$\frac{\text{FY20 OMB Indirect Costs}}{\text{FY20 OMB Direct Allowable Expenses}} = \frac{\$869,705}{\$2,315,260} = 37.56\%$$

$$\frac{\text{FY20 OMB Indirect Costs}}{\text{FY20 OMB Direct Salaries \& Benefits}} = \frac{\$869,705}{\$1,022,656} = 85.04\%$$

As noted previously in the report, OMB allowable indirect costs are approximately \$870,000. These indirect costs are then divided by either the direct allowable expenses or the salary and benefits to develop the two rate types. These rates can be used to collect indirect costs on projects that only allow the OMB compliant rate, which are typically grant related activities or federally funded projects.

2 Full Cost Indirect Rates

In addition to an OMB Compliant Cost Plan, Matrix Consulting Group also developed a Full Cost Allocation Plan for the District. This plan can incorporate additional indirect costs for reimbursement from development, consultant, and fee-related activities. Two types of fixed indirect cost rates were calculated based on the FY20 Full Cost actual indirect costs and direct cost rate bases. The following tables outline the two different Full Cost indirect rates:

$$\frac{\text{FY20 Full Cost Indirect Costs}}{\text{FY20 Full Cost Direct Allowable Expenses}} = \frac{\$945,750}{\$2,315,260} = 40.85\%$$

$$\frac{\text{FY20 Full Cost Indirect Costs}}{\text{FY20 Full Cost Direct Salaries \& Benefits}} = \frac{\$945,750}{\$1,022,656} = 92.48\%$$

As noted previously in the report, full cost allowable indirect costs are approximately \$945,000. Like the OMB calculations above, these indirect costs are then divided by either the direct allowable expenses or the salary and benefits to develop the two rate types. These rates can be used to collect indirect costs on any projects that allow indirect overhead rate, which are not restricted by OMB guidelines.

6. Application of Indirect Rates

As discussed, the District has developed four different types of indirect cost rates. This chapter of the report provides insight into the application of these indirect rates. The following subsections outline the indirect rates calculated, and discuss how each rate can be applied.

1 Personnel Indirect Rate

The first type of rate developed was based upon personnel costs. This means that this rate can only be applied to the District's salaries and benefits and personnel costs. The OMB Salary and Benefits rate of 85.04% and the Full Cost Salary and Benefits rate of 92.48% should be applied to salary and benefit costs for direct hours billed to a project and should be accounted for in the fully burdened hourly rate per staff position. To demonstrate the application of these rates, the project team took the District's current hourly rates (salary and benefits) and applied the OMB and Full Cost rates. The results of this analysis are outlined in the following table:

Position	Base Salary & Benefit Hourly Rate	FY20 OMB Fully Burdened Hourly Rate	FY20 Full Cost Fully Burdened Hourly Rate
Operations Supervisor	\$70.08	\$129.68	\$141.59
Lead Flood Operations Specialist	\$55.21	\$102.16	\$111.54
Vehicle and Equipment Maintenance Specialist	\$53.56	\$99.11	\$108.21
Operations Manager	\$97.91	\$181.17	\$197.80
Flood Operations Specialist I	\$35.90	\$66.43	\$72.53
Flood Operations Specialist II	\$48.09	\$88.99	\$97.16
Flood Operations Specialist II	\$53.55	\$99.08	\$108.18
Lead Flood Operations Specialist	\$47.83	\$88.51	\$96.63
Flood Operations Specialist II	\$43.19	\$79.93	\$87.26
Project Engineer	\$115.20	\$213.17	\$232.74

By taking the base salary and benefit hourly rate per position and adding on the costs from the indirect rate, fully burdened hourly rates have been calculated for each billable position based on both the OMB and Full Cost indirect rate.

The Full Cost Fully Burdened Hourly Rate should be applied to private developer or consulting types of projects that the District bills hourly for their services. The OMB Compliant Fully Burdened Rate should be applied to State or Federal projects that the District bills hourly for their services in which the project only allows OMB Compliant rates.

2 Total Expenditures Indirect Rate

The OMB Expenditure rate of 37.56% and the Full Cost Expenditure rate of 40.85% should be applied to total project costs in order to recover indirect costs for overseeing and managing projects. These rates would be applied to the total personnel and operating expenditures of each project.

For example, if a project is budgeted at \$100,000 and allows the Full Cost rate of 40.85%, the total indirect costs for the project would be \$40,850, and the total costs for the project including indirect overhead would be \$140,850.

The Full Cost indirect rate can be applied to private developer or consulting types of project expenditures in order to determine proportionate indirect costs. The OMB indirect rate would be charged for State or Federal projects that require an OMB Compliant rate.



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 6.4

TITLE: Natomas Basin Interior Levee Re-Certification

SUBJECT: Review and Consider Authorizing the General Manager to Negotiate a Reimbursement Agreement with the City of Sacramento for Funding Geo-Technical Investigations.

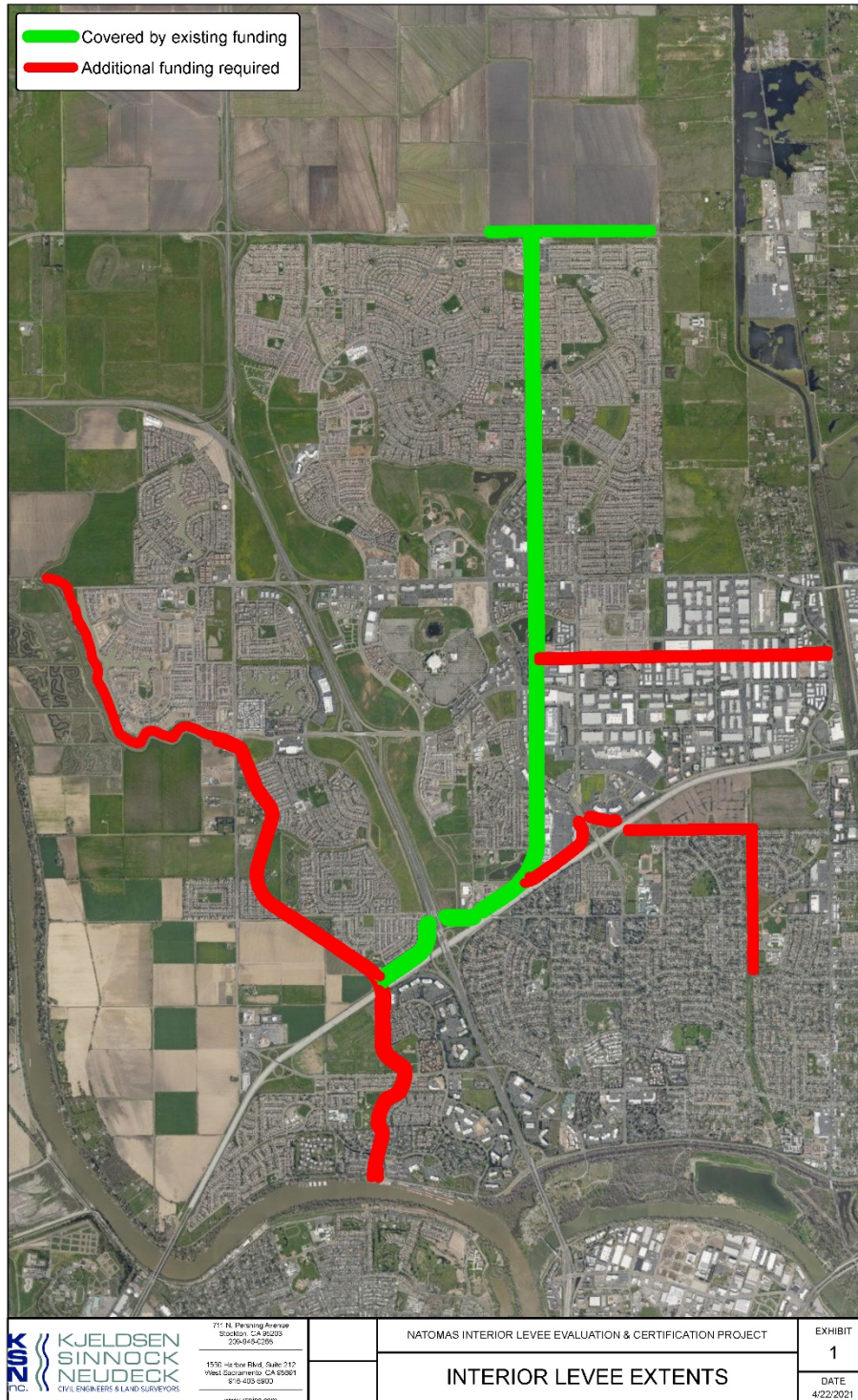
EXECUTIVE SUMMARY:

Completion of the Natomas Levee Improvement Project (NLIP) will restore FEMA 100-Year accreditation to the Natomas exterior levee system. However, for FEMA remapping of the Natomas area to occur and to show the area behind the exterior levees being removed from a FEMA designated Special Flood Hazard Area, it must be shown that interior drainage systems behind those exterior levees can collect and convey interior 100-year events without residual floodplains developing. Reclamation District No. 1000's (RD 1000; District) facilities are the backbone of the Natomas area's interior drainage infrastructure (see Figure 1 on the following page), and they must be evaluated to show they meet or exceed FEMA's criteria.

The City of Sacramento (City) took the lead in developing the data needed to certify RD1000's interior drainage facilities as meeting as FEMA criteria. The City retained a consultant team to identify and document data gaps in the FEMA required information. The consultants reviewed the most recent certification effort (late 1990s), development plans from the 1990s until the present, along with additional studies, models, and data sources pertaining to RD1000 levees to understand what additional data would need to be developed for accreditation.

TITLE: Natomas Basin Interior Levee Re-Certification

Figure 1 - Interior Levee Extents



TITLE: Natomas Basin Interior Levee Re-Certification

Identified Date Gaps

The primary 'data gaps' identified by the City's consultant team were a lack of geotechnical data, and the need to update the basin hydraulic model. RD1000 is leading the effort in developing a new hydraulic model by retaining a consultant to undertake the needed hydraulic analysis. RD1000 entered into a reimbursement agreement with the City and Sacramento County for their share of the hydraulic model costs.

The City's consultant team used preliminary hydraulic analyses to reduce the miles of levee needing accreditation by showing, that in select reaches, the 100-year water surface does not hydraulically load the levees.

Regarding the geotechnical data gaps for levees which do need to be accredited, the City used available funding to collect new geotechnical data along the Eastern Drainage Canal and the Elkhorn Boulevard Levees; however, the City does not have funding to collect the needed geotechnical and other data to close the gaps on the remaining levees requiring accreditation.

The estimated costs to close the gaps and complete the engineering analyses of the Natomas Interior Levees are identified below in Table 1. Note, these costs do not account for any potential mitigations or improvements to the levees to achieve a 100-year level of flood protection should deficiencies be identified.

Table 1 - Estimated Cost

Task	Cost Estimate
Professional Land Surveying Costs	\$80,000
Geotechnical Engineering Analyses, including explorations	\$750,000
General Civil Engineering Analyses, including final certification package	\$170,000
Total	\$1,000,000

RECOMMENDATION:

Staff recommends the Board of Trustees Review and Consider Authorizing the General Manager to negotiate with the City to provide funding and identify a reimbursement schedule for the levee accreditation data collection.

ATTACHMENTS:

1. None.

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/06/2021



RECLAMATION DISTRICT 1000

DATE: DECEMBER 10, 2021

AGENDA ITEM NO. 7.1.1

TITLE: Committee Meeting Minutes

SUBJECT: Committee Meeting Minutes since the November Board Meeting

EXECUTIVE SUMMARY:

Finance Committee Meeting – November 23, 2021

A meeting of the Reclamation District No. 1000 Finance Committee was held on Tuesday, November 23, 2021, at 08:00 a.m. via GoToMeeting and Conference Call. In attendance were Trustees Gilbert, Bains, and Burns. Staff in attendance were General Manager King, Administrative Services Manager Gutierrez, and Administrative Assistant Forehand. District Consultants in attendance were, Ingrid Sheipline & Stephen Armstrong (Richardson & Company, LLP); Rob Merritt (Chavez Accountancy Corp.); Greg Ghironzi (NBS); and Courtney Ramos (Matrix Consulting Group). There were no members of the public present, therefore no public comments were received.

The Finance Committee met and discussed the following Items:

1.1. Review and Discuss Draft Audit Review FY 2020-2021

Richardson & Company presented the Committee with the Draft Audited Financial Report for Fiscal Year FY 2020/2021. After discussion the Committee, unanimously approved a recommendation to the Board of Trustees to Review and Receive the Audit Financials at the December 2021 Board of Trustees meeting as presented in the Committee Meeting.

1.2. Review and Discuss Draft Comprehensive Financial Plan Phase 2.1

NBS, Inc. presented the Comprehensive Financial Plan – Phase 2.1 Report. The Committee asked questions about the report and next steps. Staff explained that Phase 2.1 is intended to make a distinction between funding alternatives for the District to pursue. If Phase 2.1 is approved by the Board at the December Board of Trustees meeting, and the General Manager is authorized to proceed with Phase 2.2, many of the details and additional information the Committee inquired about would be included in that Phase. After discussion the Committee unanimously approved a recommendation to the Board of Trustees to approve Phase 2.1 and authorize the General Manager to work with NBS on Phase 2.2 at the December 2021 Board of Trustees meeting.

1.3. Review and Discuss Draft Cost Allocation Plan

Matrix Consulting Group presented the District's Cost Allocation Plan. Matrix and Staff answered Committee questions regarding the Full Cost and OMB Compliant Plans. After discussion, the Committee unanimously approved a recommendation to the Board of Trustees to approve the Cost Allocation Plan at the December 2021 Board of Trustees meeting.

TITLE: Committee Meeting Minutes

With no further business on the Finance Committee Agenda, meeting adjourned at 9:58 a.m.

Executive Committee Meeting – December 1, 2021

A meeting of the Reclamation District No. 1000 Executive Committee was held on Wednesday, December 1, 2021, at 8:10 a.m. via GoToMeeting and Conference Call. In attendance were Trustees Gilbert and Lee-Reeder. Staff in attendance were General Manager King and General Counsel Smith. There were no members of the public present, therefore no public comments were received.

General Manager King presented the proposed agenda for the December 10, 2021, Board of Trustees meeting. The Committee reviewed the agenda and approved as presented.

With no further business on the Executive Committee Agenda, meeting adjourned at 8:56 a.m.

STAFF RESPONSIBLE FOR REPORT:



Kevin L. King, General Manager

Date: 12/06/2021