

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

Any documents related to agenda items that are made available to the Board before the meeting will be available for review by the public at: 1633 Garden Highway, Sacramento, CA 95833

**CALL TO ORDER**

**SET THE AGENDA**

*OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO DIRECTLY ADDRESS THE BOARD ON SUBJECT MATTER NOT ON THE AGENDA WITHIN THE JURISDICTION OF THE BOARD.  
(Limit: 3 minutes per person)*

**ITEMS SCHEDULED FOR ACTION**

1. APPROVAL OF THE MINUTES OF THE BOARD OF TRUSTEES (Action)
  - A. Regular Meeting – June 8, 2018
  
2. ADMINISTRATIVE ITEMS
  - A. Treasurer’s Report for June 2018
  - B. Expenditure Report for June 2018
  - C. Budget to Actual Report for June 2018
  
3. COMMITTEE REPORTS (Information)
  - A. SAFCA Representatives
  - B. Executive Committee (7/06/18)
  - C. Personnel Committee (6/22/18)
  - D. Operations Committee (6/15/18)
  - E. Finance Committee (6/15/18)
  
4. BOARD BUSINESS (Action/Information)
  - A. Approve FY 18-19 Budget (Action)
  - B. Adoption of Official Pay Rate Schedule for 2017-2018 (CA Code of Regs. Section 570.5) (Action)
  - C. Public Hearing and adopt annual O&M Assessment Rate Resolution (Action)
  - D. Banking and Finance Authorizations (Action)
    1. Adopt annual Banking Resolution (Sacramento County)

2. Adopt annual Banking Resolution (BOW Checking and Money Market)
3. Adopt annual City Pool Investment Fund Authority Resolution
4. Adopt Local Agency Investment Fund Authority Resolution
- E. Sutter County Assessment Certification Resolution (Action)
- F. SCADA (Action)
  - Award Construction Contract
  - Amend ATEEM contract for construction services
- G. Contract for Executive Search Firm (Action)
- H. Potential contract amendment with LWA (Action)
- I. Engagement letter with Cropper Accountancy (Action)

#### **ITEMS SCHEDULED FOR INFORMATION/DISCUSSION**

5. GENERAL MANAGER'S REPORT
  - A. Regional Flood Control Issues
  - B. Corps Natomas Levee Project Update
  - C. Update on strategic plan implementation (Information)
  - D. Update on asset management roadmap (Information)
  - E. 400 Cleveland Street purchase offer (SAFCA) – (Information)
  - F. PRA request 7907 Garden Highway (Information)
6. PUBLIC OUTREACH REPORT – K. Pardieck
7. DISTRICT COUNSEL'S REPORT
8. SUPERINTENDENT'S REPORT
9. Correspondence/News/Information
10. ADJOURN

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

Trustees Present: Smith, Barandas, Avdis, Burns, Christophel, Gilbert, Harris

President Smith presided at the meeting.

Public Comments: There were no public comments

**1. Approval of the Minutes of the Board of Trustees**

There were no changes. A motion was made to approve the minutes of the May 8, 2018 Board meeting with minor edits. A motion was made by Trustee Harris, seconded by Trustee Christophel, and carried by a unanimous vote.

**2. Administrative Items**

**A. Treasurer's Report for May 2018**

Checking:	\$ 362,097.30
Money Market:	\$ 218,362.58
County Treasurer:	\$ 1134,530.61
LAIF:	\$2,748,204.45
City Pool A:	\$2,025,027.83

ASM Gutierrez reported healthy balances in all fund and investment accounts. She reported receiving reimbursements from FEMA, Sacramento County Department of Water Resources (for Metro Airpark pumping), and reimbursement from the landowner for incurred North Precinct development costs. Trustee Christophel inquired about the District's reimbursement process for developers. GM Devereux explained that the landowner makes the reimbursable payment. ASM Gutierrez also reported that the Budget for FY 17-18 is projected to be underspent. Trustee Christophel moved to approve the Treasurer's Report for May 2018, seconded by Trustee Barandas, and carried by a unanimous vote.

**3. Committee Reports**

**A. SAFCA**

Trustee Barandas reported the May SAFCA Executive Committee meeting was cancelled and looked for GM Devereux to provide any updates from his meetings with SAFCA.

**B. Operations Committee**

The Operations Committee met on May 25, 2018 to discuss the proposed FY 2018-19 Budget. In attendance were Trustee Tom Barandas, Chair, Committee Member Fred Harris, GM Paul Devereux and Superintendent Don Caldwell. A meeting summary was included in the board packet. The Committee reviewed proposed capital equipment purchases and capital improvements. The costs

associated with these projects are expected to exceed our revenues; hence, will require use of reserve funds. The Committee agreed to move forward with the budget as presented.

#### **C. Executive Committee**

The Executive Committee met on June 1, 2018. In attendance were Trustee Tom Barandas, and GM Devereux; Trustee Jeff Smith participated by phone. The Committee briefly reviewed the June board meeting agenda, discussed inviting Jon Roberts from Natomas Basin Conservancy to speak at an upcoming Board meeting, and reviewed the GM's evaluation.

#### **4. Board Business**

##### **A. Preliminary Budget FY 18-19**

*Preliminary Budget discussion has been deferred after other Board action items.*

##### **B. Approve Purchase and Sale Agreement – APN 035-080-015 (Sutter County) Pleasant Grove Creek Canal East Levee**

GM Devereux reported this property is encumbered by the existing levee. Historically, the District has not had right of way, but has operated by prescriptive right in maintaining the property. The owner wishes to let go of this property and has agreed to a \$500 sale price. An environmental review revealed this land was once used as railroad. The review has determined there is some, yet, minimal risk in assuming this property. GM recommends the District approve and execute the Real Property Purchase and Sale Agreement. A copy of the agreement was included in the board packet. Trustee Fred Harris moved to authorize approval of the agreement, seconded Trustee Tom Barandas, by unanimous vote, motion carries forward.

##### **C. Mead and Hunt General Engineering Services Contract --- Approval of Task Orders**

GM explained four Mead & Hunt task orders: 1) general engineering services \$50k, to assist with O&M questions, maintaining and accessing District construction documents, responding to technical inquiries, interior drainage model assistance, review minor encroachment permit issues, coordinating with outside agencies on Natomas Levee Project and other general engineering items; 2) Design Services for Main Drain Canal --\$35K to continue design services to repair damage from the 2017 emergency disaster events. District anticipates reimbursement from FEMA and Cal-OES under the approved disaster assistance grant; 3) Review Development Plans--\$10k each to review development plans for the Greenbriar and Cove (Beazer) projects in the City of Sacramento. Costs are reimbursable by the developer. All task orders in detail were included in the Board packet. It is expected that as task orders are completed, the GM will come back to the Board and request to approve additional task order items.

A motion was made by Trustee Christophel to authorize the GM to approve the Task Orders for continued General Engineering Services and Design Services for Main Drain Canal under the existing Mead and Hunt Agreements. Seconded by Trustee Burns, a, by unanimous vote, motion carries forward.

A second motion was made to authorize review of development plans for Greenbriar and Beazer Cove project, moved by Trustee Harris, seconded by Tom Barandas. Trustee Nick Avdis announced that Greenbriar and Beazer developers are clients of his firm and he would abstain from voting or participating in the discussion. Trustees Smith, Gilbert, Burns, Harris, Barandas



and Christophel voted to approve review of development plans, with Trustee Avdis abstaining. Motion carries.

**D. Reports by Scott Brown of Larsen-Wurzel Associates**

**a. Status of Supervisory Control and Data Acquisition (SCADA) project**

Scott Brown reported on SCADA final design and completion, a pre-bid walk will take place on June 20. He anticipates coming back to the Board in July, with a recommendation for a contract award. Plant 1, 3, and 8 would start SCADA work before flood season and the remaining work during flood season. Mr. Brown mentioned issues with Plant 4 have come up in regard to grant funding reimbursement and extension of time, Scott Brown is working to resolve these issues.

**b. Status of Plant 1 Spare Transformer Decision**

Status of Plant 1 spare transformer decision. There has been no action from SMUD. Scott Brown will follow up to request another meeting.

**c. District Support for Natomas Mutual Water Company Sankey Diversion Lift Station**

Status of Natomas Mutual Water Company (NCMWC) Sankey Diversion Lift Station. Mr. Brown explains this is a new project on District property and that minor impacts are being mitigated. This project will require an encroachment permit granting NMWC rights to use the land and agreement to reimburse costs and environmental mitigation. A draft review of the CEQA document has already been reviewed by legal counsel, and the Board must adopt this document before the Bureau will finalize the biological opinion. Scott Brown anticipates bringing this final document to the Board for approval at the July Board meeting.

**E. Natomas Pops in the Park Sponsorship**

ASM Gutierrez reported the annual event Pops in the Park will take place on September 15 from 5-8 pm. This event celebrates the unity of the Natomas Community and serves as a fundraiser for neighborhood parks projects and scholarships. The event is sponsored by Councilmember Jeff Harris and the City of Sacramento Gifts to Share, Inc. (a 501 c3). Staff is recommending a \$1,000 contribution to participate in this event. Public Outreach Consultant Karen Pardieck, determines this event to be an excellent opportunity for RD 1000 to connect with the community. A motion to support Pops in the Park with a \$1,000 contribution was moved by Trustee Avdis, seconded by Trustee Burns, and carried by a unanimous vote.

**5. General Manager's Report**

Review of the preliminary budget has been moved from Board Business to GM's Report. GM shared his preliminary FY 18-19 budget and welcomed questions and or one on one sit-downs to go through the budget. GM and ASM then walked through various line items and answered several questions from the Board. GM will seek FY 18-19 Budget approval in July.

**A. Regional Flood Control Issues**

GM did not have anything new to report about Regional Flood Control Issues, as he is still waiting for the appropriations side of things (both Corps Work Plan funding for Reach D and Supplemental Appropriations). He reported talking with SAFCA's new Director of Planning Gary Bardini and inviting him to come out to speak with the Board about the Sacramento Weir and Yolo Bypass widening projects.

**B. Update Corps Design Progress Natomas Levee project**

The Natomas Levee Projects are in a holding pattern until the Reach I contract is awarded and Reach D protest is resolved. If funding is received from federal government, the pump station contract for Plant 4 reconstruction may be awarded.

**C. Replicon Time Sheet and Budget Tracking software implementation**

ASM Gutierrez provided an update on Replicon implementation. The District is now live and the platform is already in use by staff. ASM reported a training phase through July and then a full transition to paperless timekeeping. She reports and Superintendent Caldwell confirms the Replicon app is easy to learn and staff is receptive to this change.

**D. Update on erosion site at 7907 Garden Highway**

GM did not have anything new to report on erosion site 7907 Garden Highway; except that he will check with the Corps one more time to see if they are willing to make any repairs under PL84-99 authority.

**E. Encroachment Permits Endorsed**

GM Devereux endorsed one encroachment permit in the month of May for a domestic well at 6051 Garden Highway.

**F. Panhandle Development levee easement/dedication**

The Panhandle development will go before the planning commission in mid-June. GM Devereux is still working with SAFCA to secure the additional right of way for levee improvements and to ensure the land will be maintained.

**G. Floodway camping/homeless coordination with SAFCA**

GM Devereux provided an update on floodway camping. SAFCA would like to coordinate a plan to address this issue. They plan to meet with RD 1000 and American River prior to meeting with the city and county. GM hopes to have more information at the July Board meeting.

**6. Public Outreach Report**

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

**7. District Counsel's Report**

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

**8. Superintendent's Report**

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

**9. Correspondence/News/Information**

None.

**10. Closed Session: Employee Performance Evaluation, General Manager, Government Code Section 54957 (b) (1)**

The Board met in closed session to do a performance evaluation of the General Manager. No action was taken.

**11. Meeting Adjourned**

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

**STAFF  
SUMMARIES & RECOMMENDATIONS  
July 13, 2018  
AGENDA ITEM 2**

**SUBJECT: ADMINISTRATIVE ITEMS (Action)**

- A) Treasurer's Report**  
The Treasurers' Report for June 2018 is enclosed for your review
- B) Expenditure Report**  
The Expenditure report for the month of June 2018 is enclosed for your review
- C) Budget to Actual Comparison**  
Report covers July 1, 2017 to June 30, 2018

**RECOMMENDATION:**

- A)** Review and approve the Treasurers' Report.
- B)** Signing of the Expenditure Reports is Board approval of the Expenditure Report.

Reclamation District 1000  
 Treasurer's Report  
 June 2018

Treasurer's Report for June 2018

<b>June 2018</b>		
Total Funds		6,928,447.12
Bank of the West - Checking		91,457.60
Bank of the West - Money Market		218,377.42
Sacramento County Treasurer		1,945,379.82
State Treasurer - Local Agency Investment Fund		2,648,204.45
City of Sacramento - Pool A		2,025,027.83

<b>June 2018 - Operations and Maintenance Cash Flow</b>			
<b>Beginning Balance</b>			2,312,635.27
	Income	Expense	
Accounts Payable*		(291,717.45)	(291,717.45)
Payroll		(84,080.40)	(84,080.40)
Transfer from Bank of the West - Money Market	100,000.00		100,000.00
<b>Ending Balance</b>			2,036,837.42

\*See Attached Check Register

\_\_\_\_\_  
 President

\_\_\_\_\_  
 Secretary

3:00 PM

07/02/18

Accrual Basis

Reclamation District No. 1000  
Transactions by Account

As of June 30, 2018

Type	Date	Num	Name	Memo	Debit	Credit	Balance	
<b>Cash and Investments</b>							367,255.45	
<b>1010.00 - Bank of the West Checking Acct</b>							367,255.45	
Bill Pmt -Check	06/04/2018	33648	Kleinfelder, Inc.			7,200.00	360,055.45	
Bill Pmt -Check	06/04/2018	33649	Smile Business Products			201.63	359,853.82	
Bill Pmt -Check	06/04/2018	33651	Interstate Oil Company			4,210.73	355,643.09	
Bill Pmt -Check	06/04/2018	33652	Feather River AQMD			75.60	355,567.49	
Bill Pmt -Check	06/04/2018	33653	Karen Pardleck			1,800.00	353,767.49	
Bill Pmt -Check	06/04/2018	33654	SGS Colusa			6,605.44	347,162.05	
Bill Pmt -Check	06/04/2018	33655	Unico Engineering, Inc.			8,808.08	338,353.97	
Bill Pmt -Check	06/04/2018	33647	SMUD			28,522.03	309,831.94	
General Journal	06/04/2018			6/5/18 payroll activity		31,951.26	277,880.68	
General Journal	06/04/2018			6/5/18 payroll activity		15,216.59	262,664.09	
General Journal	06/04/2018			6/5/18 payroll activity		93.60	262,570.49	
General Journal	06/04/2018			6/5/18 payroll activity, ck # 10019		403.29	262,167.20	
General Journal	06/04/2018			6/5/18 payroll activity, ck # 10020		415.58	261,751.62	
Bill Pmt -Check	06/04/2018	33650	US Bank Corp			1,473.35	260,278.27	
Bill Pmt -Check	06/06/2018	EFT	Alhambra & Sierra Springs			26.52	260,251.75	
Bill Pmt -Check	06/06/2018	EFT	City of Sacramento			49.39	260,202.36	
Bill Pmt -Check	06/06/2018	EFT	Comcast			126.13	260,076.23	
Bill Pmt -Check	06/06/2018	EFT	City of Sacramento			145.97	259,930.26	
Bill Pmt -Check	06/08/2018	33663	A T.E.E.M. Electrical Engineering, i...			32,750.00	227,180.26	
Bill Pmt -Check	06/08/2018	33656	AT&T			258.61	226,921.65	
Bill Pmt -Check	06/08/2018	33657	Valley Hydraulics & Machine, Inc.			160.63	226,761.02	
Bill Pmt -Check	06/08/2018	33658	Valley Tire Center, Inc.			1,478.98	225,282.04	
Bill Pmt -Check	06/08/2018	33659	Valley Truck & Tractor Company			228.93	225,053.11	
Bill Pmt -Check	06/08/2018	33660	Yolo County Public Works			72.36	224,980.75	
Bill Pmt -Check	06/08/2018	33661	Contour Sierra Aebi, LLC			267.05	224,713.70	
Bill Pmt -Check	06/08/2018	33662	Brookman Protection Services, Inc.			4,200.00	220,513.70	
Bill Pmt -Check	06/08/2018	33664	Steve Yaeger Consulting			2,813.00	217,700.70	
Bill Pmt -Check	06/08/2018	33665	Bartel Associates, LLC			1,697.90	216,002.80	
Bill Pmt -Check	06/08/2018	33666	Tico's Cleaning Service, Inc.			260.00	215,742.80	
Bill Pmt -Check	06/08/2018	33667	Neopost, Inc.			47.42	215,695.38	
Bill Pmt -Check	06/08/2018	33668	Terrapin Technology Group			693.29	215,002.09	
Bill Pmt -Check	06/11/2018	EFT	City of Sacramento			4.38	214,997.71	
Bill Pmt -Check	06/11/2018	EFT	Napa Auto Parts			321.70	214,676.01	
Bill Pmt -Check	06/11/2018	EFT	PG&E			20.54	214,655.47	
Bill Pmt -Check	06/11/2018	EFT	Waste Management of Sacramento			419.36	214,236.11	
Bill Pmt -Check	06/14/2018	33669	Woodland Motors			160.34	214,075.77	
Bill Pmt -Check	06/14/2018	33670	Tractor Supply Credit Plan			221.97	213,853.80	
Bill Pmt -Check	06/14/2018	33671	Interstate Oil Company			2,109.11	211,744.69	
Bill Pmt -Check	06/14/2018	33672	Agriform			293.18	211,451.51	
Check	06/14/2018	33673	ACWA JPIA			1,639.09	209,812.42	
Check	06/14/2018	33674	Cal Pers			28,000.00	181,812.42	
Check	06/14/2018	33675	Gifts to Share - Celebrate Natomas			1,000.00	180,812.42	
Bill Pmt -Check	06/14/2018	33676	SGS Colusa			137.50	180,674.92	
Bill Pmt -Check	06/14/2018	33677	Carson Landscape Industries			615.00	180,059.92	
Check	06/14/2018	33678	Great America Financial Services			279.69	179,780.23	
Bill Pmt -Check	06/14/2018	EFT	Unico Engineering, Inc.			2,847.49	176,932.74	
Bill Pmt -Check	06/15/2018	EFT	The Home Depot			43.28	176,889.46	
Bill Pmt -Check	06/15/2018	EFT	PG&E			243.38	176,646.08	
Check	06/18/2018	EFT	Cal Pers			600.00	176,046.08	
Check	06/18/2018	EFT	Cal Pers			7,228.70	168,817.38	
Check	06/18/2018	EFT	Cal Pers			1,824.27	166,993.11	
Check	06/18/2018	EFT	Cal Pers			1,649.63	165,343.48	
Transfer	06/19/2018			Funds Transfer	100,000.00		265,343.48	
General Journal	06/19/2018			6/19/18 payroll		24,093.02	241,250.46	
General Journal	06/19/2018			6/19/18 payroll		11,826.81	229,423.65	
General Journal	06/19/2018			6/19/18 payroll		80.25	229,343.40	
Check	06/20/2018	33680	Raymond Lewis			228.37	229,115.03	
Bill Pmt -Check	06/21/2018	33681	Blankinship & Associates, Inc.			1,002.58	228,112.45	
Bill Pmt -Check	06/21/2018	33682	Day Carter & Murphy LLP			7,914.50	220,197.95	
Check	06/21/2018	33683	Berkshire Hathaway Homestate Co...			5,222.55	214,975.40	
Bill Pmt -Check	06/21/2018	33684	Core Logic Information Solutions, I...			251.75	214,723.65	
Bill Pmt -Check	06/21/2018	33685	Brookman Protection Services, Inc.			3,900.00	210,823.65	
Bill Pmt -Check	06/21/2018	33686	Streamline			200.00	210,623.65	
Bill Pmt -Check	06/21/2018	33687	CH2M Hill			11,312.20	199,311.45	
Bill Pmt -Check	06/21/2018	33688	H.T. Harvey & Associates			15,808.23	183,503.22	
Bill Pmt -Check	06/21/2018	33689	Skill Path/NST Seminars			159.00	183,344.22	
Check	06/22/2018	EFT	Cal Pers			14,549.71	168,794.51	
Check	06/27/2018	33700	Bay Cities Paving & Grading, Inc.			20,000.00	148,794.51	
Check	06/27/2018	33701	Sierra National			5,000.00	143,794.51	
Bill Pmt -Check	06/27/2018	EFT	PG&E			32.47	143,762.04	
Bill Pmt -Check	06/27/2018	EFT	Alhambra & Sierra Springs			34.61	143,727.43	
Bill Pmt -Check	06/27/2018	EFT	Verizon			322.59	143,404.84	
Bill Pmt -Check	06/27/2018	33699	Chavez, Silva & Company			1,955.00	141,449.84	
Bill Pmt -Check	06/27/2018	33690	Holt of California			47.25	141,402.59	
Bill Pmt -Check	06/27/2018	33696	Larsen Wurzel & Associates			4,531.66	136,870.93	
Bill Pmt -Check	06/27/2018	33693	Mead & Hunt			13,321.01	123,549.92	
Bill Pmt -Check	06/27/2018	33698	Neofunds by Neopost			100.00	123,449.92	
Bill Pmt -Check	06/27/2018	33694	Security & Asset Management, LP			1,975.02	121,474.90	
Bill Pmt -Check	06/27/2018	33697	SGS Colusa			6,204.58	115,270.32	
Bill Pmt -Check	06/27/2018	33692	SMUD			23,137.72	92,132.60	
Bill Pmt -Check	06/27/2018	33695	Total Compensation Systems, Inc.			675.00	91,457.60	
Total 1010.00 - Bank of the West Checking Acct						100,000.00	375,797.85	91,457.60
Total Cash and Investments						100,000.00	375,797.85	91,457.60
<b>TOTAL</b>						<b>100,000.00</b>	<b>375,797.85</b>	<b>91,457.60</b>

Reclamation District No. 1000  
 Budget to Actual Comparison  
 July 1, 2017 to June 30, 2018 (Twelve Months Ending of Fiscal 2018)

	Year to Date July 1, 2017 to June 30, 2018	Budget	Percent of Budget
<b>Operation &amp; Maintenance Income</b>			
Property Assessments	2,098,475	2,248,421	93.33%
Rents	19,871	20,000	99.36%
Interest Income	63,076	13,000	485.20%
Finance Charges/Penalty	-	200	0.00%
CERBT Reimbursement	-	-	Not Budgeted
SAFCA - O/M Assessment	-	1,300,000	0.00%
Miscellaneous	1,373	5,000	27.46%
FEMA/OES Disaster Reimbursement	133,533	-	Not Budgeted
<b>Total</b>	<b>2,316,328</b>	<b>3,586,621</b>	<b>64.58%</b>
<b>Restricted Fund</b>			
Metro Airpark Groundwater Pumping	24,581	20,000	122.91%
<b>Total Combined Income</b>	<b>2,340,909</b>	<b>3,606,621</b>	<b>64.91%</b>
<b>Operations and Maintenance - Expense</b>			
<b>Administration</b>			
Election Cost	46,602	50,000	93.20%
City/County Fees	11,543	10,000	115.43%
Legal	92,869	85,000	109.26%
Liability/Auto Insurance	106,984	110,000	97.26%
Office Supplies	5,674	5,500	103.16%
Assessment Costs	23,157	30,000	77.19%
Computer Costs	16,701	10,000	167.01%
Uninsured Losses	-	1,000	0.00%
Accounting/Payroll Services	44,459	36,000	123.50%
Admin. Services	31,408	26,000	120.80%
Utilities (Phone/Water/Sewer)	19,122	23,500	81.37%
Mit. Land Expenses	106	3,000	3.53%
Other	11,495	10,000	114.95%
SAFCA (CAD)	6,359	3,600	176.64%
New Office Furniture	3,331	-	Not Budgeted
<b>Sub Total</b>	<b>419,810</b>	<b>403,600</b>	<b>104.02%</b>
<b>Personnel/Labor</b>			
Wages	923,035	987,688	93.45%
Group Insurance	108,868	118,305	92.02%
Worker's Compensation Insurance	27,152	46,000	59.03%
Annuitant Health Care	87,354	-	Not Budgeted
OPEB - ARC	-	38,785	0.00%
Dental/Vision/Life	19,057	26,000	73.30%
Payroll Taxes	72,416	76,580	94.56%
Pension	150,101	156,044	96.19%
Trustee Fees	33,750	39,000	86.54%
<b>Sub Total</b>	<b>1,421,733</b>	<b>1,488,402</b>	<b>95.52%</b>

**Operations**

Power	392,410	500,000	78.48%
Supplies/Materials	16,572	22,000	75.33%
Herbicide	67,309	135,000	49.86%
Fuel	46,482	55,000	84.51%
Field Services	167,963	96,500	174.05%
Field Operations Consultants	19,366	20,000	96.83%
Equipment Rental	2,519	10,000	25.19%
Refuse Collection	12,818	10,000	128.18%
Equipment Repair/Service	6,976	22,000	31.71%
Equipment Parts/Supplies	64,029	55,000	116.42%
Facility Repairs	78,348	250,500	31.28%
Shop Equipment (not vehicles)	194	13,000	1.49%
Field Equipment	315	11,000	2.86%
Misc/Other 2	3,343	-	Not Budgeted

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<b>Sub Total</b>	<b>878,644</b>	<b>1,200,000</b>	<b>73.22%</b>
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**Equipment**

Small Equipment/Software	5,500	12,500	44.00%
Service Truck Replacement	44,193	-	Not Budgeted
Large Equipment	203,941	209,000	97.58%
Construction in Progress SCADA	90,011	-	Not Budgeted

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<b>Sub Total</b>	<b>343,645</b>	<b>221,500</b>	<b>155.14%</b>
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**Consulting/Contracts/Memberships**

Public Relations	23,900	35,000	68.29%
Engineering/Admin Consultants	259,493	150,000	173.00%
Memberships	21,487	35,000	61.39%
Security Patrol	57,600	83,000	69.40%
Contingency Levee Patrol	-	5,000	0.00%

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<b>Sub Total</b>	<b>362,480</b>	<b>308,000</b>	<b>117.69%</b>
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<b>Total O &amp; M Expenses</b>	<b>3,426,312</b>	<b>3,621,502</b>	<b>94.61%</b>
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**Capital Expenses**

Capital Facilities	112,525	300,000	37.51%
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<b>Total All Expenditures</b>	<b>3,538,837</b>	<b>3,921,502</b>	<b>90.24%</b>
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Note: Included in Capital Facilities is the security fencing for plant 1 of \$53,775, asphalt for \$23,600, and the new shop well for \$35,150.



**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 3**

**SUBJECT:**      Committee Reports (Information)

- A.      SAFCA Representatives – verbal report
- B.      Executive Committee (7/06/18)
- C.      Personnel Committee (6/22/18)
- D.      Operations Committee (6/15/18)
- E.      Finance Committee (6/15/18)

Personnel Committee Minutes  
June 22, 2018

The Personnel Committee met on May 4; in attendance was Trustees Fred Harris, David Christophel and Chris Burns. Staff in attendance was General Manager (GM) Devereux. Admin Service Manager Gutierrez joined during the CalPERS discussion.

GM Devereux presented the draft FY 2018-19 budget and recommended salary adjustments. He provided some background information on how the COLA and merit adjustments were determined based on the adopted Compensation Philosophy policy. After discussion, the Committee recommended the salary adjustments provided to them based on the adopted policy which included a 2.5% COLA. Later in the meeting, the Committee discussed the merit increase for the GM (GM Devereux left the meeting). After discussion, the Committee recommended the GM receive a 2% merit increase in addition to the COLA based on his outstanding performance evaluation and recognizing a previously approved financial incentive upon completion of the levee work in Natomas which will occur after the GM's retirement.

Committee member C. Burns had requested they discuss the District's current anti-nepotism policy and consider adopting a more restrictive policy for hiring relatives given the small size of our staff. The Committee agreed to review the current policy and gave direction to GM Devereux to review with our HR Counsel and discuss at a future Committee meeting.

GM Devereux provided the Committee an update on the succession plan for his position. The RFP was sent to five local executive search firms. Proposals are due July 6. Based on these, the Committee may want to interview one or more before recommending one to the Board for contract approval at the July meeting. Trustee Christophel indicated he will not be available for the interviews and will also miss the July meeting. Trustees Harris and Burns indicated they are available.

GM Devereux then presented information on the status of CalPERS benefits for the Admin Service Manager J. Gutierrez. Trustee Burns has also been working with CalPERS staff on options and has confirmed that her benefits while working at the District will be based on the 2%@60 formula as a result of the Board action in 2012 creating a new employment tier. GM Devereux shared results of an actuarial study done by Bartels Associates showing the benefit difference between the 2%@55 and 2%@60 formulas. The retirement benefit is dependant upon the age of retirement and the assumed rate of return on funds invested. The difference is greatest for retirement at age 55 and is very minor if retirement is delayed until 62. After discussion, ASM Gutierrez joined the Committee meeting. Committee members state their support to find a fair and equitable solution to the issue confirming the District hired her assuming she would continue to be a 2%@55 Classic member. They agreed to have the actuary do an additional analysis assuming retirement at age 55. They also requested Ms. Gutierrez share these results with her financial advisor to help formulate a fair and reasonable financial solution.

There being no further business to discuss, the meeting was adjourned.

## Operation Committee Meeting Minutes

June 15, 2018

The Operations Committee met to discuss the proposed FY 2018-19 Budget. In attendance at this meeting were Trustee Barandas, Chair, Trustee Jeff Smith and General Manager Paul Devereux; Trustee Christophel participated by phone. GM Devereux reviewed the proposed changes in the Capital Improvements for the FY 18-19 budget. He is recommending we not pursue the FEMA grant funding previously presented based on feedback from our consultant Scott Brown indicating we are unlikely to be successful in being selected for the grant. Trustee Barandas and Christophel stated we should continue to pursue grants and document our efforts as well as decisions not to pursue grants to demonstrate our fiduciary responsibility to the District's rate payers. After discussion, the Committee voted to recommend Board approval of the revised Operations and Capital Improvement portion of the proposed budget.

GM Devereux then reviewed the status of the Asset Management Roadmap initiatives and priorities with the Committee consistent with the Board's direction to staff. He noted some have been implemented including the electronic time sheet, SCADA and 5-year cash flow tool per Board actions. Others such as staff/management training, document management, Standard Operating procedures and improved communications are either budgeted or being implemented without any additional cost to the District. He laid out the proposed schedule for the remaining items. Trustee Smith suggested we reach out to the CH2M (Jacobs) team for samples of Standard Operating Procedures to use as a template for us; and he supports using a more technical consultant than K. Grace to assist with their preparation as well as the O&M plan.

Trustee Barandas recommends our field crew visit other similar organizations to share experiences and learn how others may do similar maintenance activities to our mutual benefit. The Committee also suggested the GM look at options to fill our immediate peak work load demand while we continue to develop a long term plan to meet our resource needs.

Being no further business to discuss, the meeting was adjourned.

## Finance Committee Meeting

June 15, 2018

The Finance Committee met on June 15; in attendance were Trustees Thom Gilbert, Fred Harris and Trustee Chris Burns sat in on this meeting. Trustee Jeff Smith was not available to attend this meeting. Staff in attendance were GM Paul Devereux and Asm Joleen Gutierrez.

The Committee met to review the FY 18-19 Budget. GM Devereux distributed printed copies of the preliminary budget along with documentation to support funding of specific line items. GM reported that staff is still reviewing its capital budget and is hopeful final numbers will be presented soon. He plans to finalize numbers for the District's operations budget when he meets with the Operations Committee on 6/15/18. The Personnel Committee meets on 6/22 and GM intends to solidify employee wages during this meeting.

GM walked the Finance Committee through his preliminary budget by individual line item, explaining presentation changes and new categories. He also referenced supplementary budget documents that provided additional information to discern what expenses are driving budget line items.

Committee members were pleased to see a continuing education line item, as education is important to the District. Education was also highlighted as a necessary initiative for implementation through the District's Strategic Plan.

After reviewing employee group healthcare costs, Trustee Harris requested that staff consider looking into health provider possibilities. He articulated CalPERS costs continue to increase. This conversation led to a discussion of Other Post-Employment Benefits (OPEB), how best to present the formerly known "ARC Payment" amount, and how this number should be derived in the future. With GASB changes, OPEB funding will be difficult to project.

The Committee discussed the preliminary operations budget extensively, focusing closely on projected high costs of 'facility repair' and 'Herbicide' costs. After closely reviewing the projected expenses driving both line items, the Committee better understood the requested amounts. Committee members next discussed capital equipment which is projected to be purchased during FY 18-19 using the District's reserve funds. The Committee also drilled down on all projected capital expenditures and discussed how best to track and present reimbursable expenditures on the District's budget document. For transparency, Trustee Burns would like the budget document to include the District's total fund amounts and reserve fund amounts for a more transparent presentation of actual balances and how funds are being allocated among budgeted line items.

The Committee ended the meeting with a brief discussion about defining the District's accountant consultant and auditor consultant tasks/duties. GM Devereux agreed to discuss expectations with consultants as the District continues to move away from internal preparation of financial documents and instead rely upon contactor consultants.

As MaryAnn Cropper from Cropper Accountancy is going on her 8<sup>th</sup> year of auditing the District's financial documents, the Finance Committee continues to be pleased with her service and desires to retain her services for the District's 2017-2018 audit. The Committee is interested in discussing fees and caveat that her District audit is prepared no later than December 2018. The Committee will seek Board approval to extend the Cropper Accountancy audit renewal for one more year at the July 13, 2018 Board meeting.

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 4A**

**SUBJECT:**       **Adopt 2018-19 Operation and Maintenance Assessment Rate**

**SUMMARY:**

The District is required to adopt an Operation and Maintenance assessment rate each fiscal year.

A Resolution has been prepared setting the 2018-19 Operation and Maintenance Assessment rate at .75 per \$100 of assessed value with no change in the current rate. This rate has not been adjusted since 1996-97.

**RECOMMENDATION:**

After hearing public testimony, if any, discuss and adopt the 2018-19 Assessment Resolution as prepared, setting the rate at .75 per \$100 of assessed value.

**RESOLUTION LEVYING MAINTENANCE ASSESSMENT**

**No. 2018-7-1**

BE IT RESOLVED AND ORDERED that it is necessary to raise the sum of Two million two hundred forty eight thousand, four hundred twenty one dollars (\$2,248,421 for maintenance, repair and operation of the District reclamation works and the payment of incidental expenses of the District, and that in order to raise said sum the Board of Trustees of RECLAMATION DISTRICT NO. 1000 hereby levies an operation and maintenance assessment in said amount and fixes the rate of assessment at seventy-five cents (\$.75) on each One Hundred Dollars (\$100.00) of assessed valuation as shown on the Operation and Maintenance Assessment Roll of said RECLAMATION DISTRICT NO. 1000 heretofore prepared and approved by the Board of Supervisors of the County of Sacramento, with a minimum assessment of Twenty-five Dollars (\$25.00) per parcel;

BE IT FURTHER RESOLVED AND ORDERED that a Supplement to said Assessment Roll be prepared and filed with the County Treasurer of Sacramento County with a copy filed with the County Treasurer of Sutter County, California, setting forth the assessed value (hereby adjusted to reflect changes in land use as of July 14, 2018, pursuant to Water Code Section 51346.5 and reapportioned to reflect division of parcels as of July 14, 2018, pursuant to Water Code Section 51892.5) the rate and the total assessment for each tract of land, in accordance with the provisions hereinabove set forth and that said Supplement, when so filed, be deemed a part of the original Operation and Maintenance Assessment Roll without the necessity of actually inserting the rate and total assessment in said Roll; that a copy of the Resolution, duly certified by the Secretary of this District, be also filed in the offices of such County Treasurer;

BE IT FURTHER RESOLVED AND ORDERED that said assessment so levied shall be payable in two (2) installments; the first to be due and payable upon receipt of the County Property Tax Bill and delinquent on December 10, 2018, and the second to be due and payable on receipt of the County Property Tax Bill and delinquent on April 10, 2019, both of which are to be paid to and collected by the Tax Collector in the county in which the parcel is located and placed in the District's Operation and Maintenance Fund maintained by the Sacramento County Treasurer in the manner provided by law;

BE IT FURTHER RESOLVED AND ORDERED that if any of said installment shall remain unpaid on its delinquency date as above established, then the said installment will be delinquent and shall bear interest from the date of the delinquency at the rate of one percent (1%) per month and a ten percent (10%) penalty will be added thereto and collected for the use of the District;

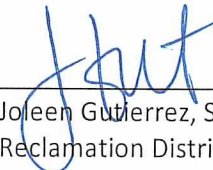
BE IT FURTHER RESOLVED AND ORDERED that a notice of this levy of assessment be given as hereinafter provided and be entered in these Minutes in substantially the following form, to with:

**NOTICE OF FIRST INSTALLMENT UPON  
ASSESSMENT CALL FOR MAINTENANCE PURPOSES  
RECLAMATION DISTRICT NO. 1000**

**PRINCIPAL PLACE OF BUSINESS:  
SACRAMENTO COUNTY, CALIFORNIA**

NOTICE IS HEREBY GIVEN that at a meeting of the board of Trustees of RECLAMATION DISTRICT NO. 1000 held July 13, 2018, a total assessment of Two million two hundred forty eight thousand, four hundred twenty one dollars (\$2,248,421) based on the 1984 Valuation Assessment of said District (adjusted to reflect changes in land use categories as of July 14, 2018, pursuant to Government Code Section 51346.5 and reapportioned to reflect division of parcels as of July 14, 2018, pursuant to Government Code Section 51895.5) was ordered paid in two (2) equal installments. The first installment is payable upon receipt of the County Property Tax Bill and delinquent December 10, 2018. The installment is payable as will be directed on the County Property Tax Bill. Any installment which shall remain unpaid on its delinquency date will be delinquent and shall bear interest from the date of delinquency at the rate of one percent (1%) per month and a ten percent (10%) penalty will be added thereto and collected for the use of the District.

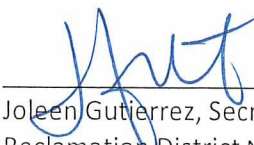
Dated: July 13, 2018

  
\_\_\_\_\_  
Joleen Gutierrez, Secretary  
Reclamation District No. 1000

BE IT FURTHER RESOLVED AND ORDERED that a copy of said Notice of First Installment be published once a week for two successive weeks commencing September 29, 2018 in the "Sacramento Bee" a newspaper of general circulation and devoted to the publication of general news, printed and published in the City of Sacramento, the County Seat of the County wherein is situated the greater portion of this Reclamation District, there being no newspaper printed and published within the boundaries of said Reclamation District, and that a similar notice for the second installment be published in the same manner commencing January 26, 2019.

I, Joleen Gutierrez, hereby certify that I am and at all times mentioned herein was the duly elected, qualified and acting Secretary of RECLAMATION DISTRICT NO. 1000, a Reclamation District organized and existing under and by virtue of the laws of the State of California; that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted at a meeting of the Board of Trustees of said District held the 13th day of July, 2018, a majority in quorum of the members of said Board being present and all voting in favor of said Resolution; and that said Resolution has not been modified, rescinded, altered or amended and is now in full force and effect.

Witness my hand the 13th day of July 2018

  
\_\_\_\_\_  
Joleen Gutierrez, Secretary  
Reclamation District No. 1000

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 4B**

**SUBJECT:** District Fiscal Year 2018-19 Budget (Action)

**Summary:**

A copy of the Proposed Fiscal Year 2018-2019 Budget is included in the Board packet. The Operations Committee, Personnel Committee and Finance Committee have reviewed the proposed Fiscal Year 2018-2019 Budget.

**Recommendation:**

Review/Adopt the Fiscal Year 2018-2019 proposed budget.



Preliminary Budget FY 18/19

Estimate for Fiscal Year End 2018	Estimate @ June 30	Adopted Budget FY 17/18	(Over)/Under	Proposed Budget FY 18/19
<b>Revenues</b>				
District O&M Assessment	2,200,000.00	2,248,000.00		2,250,000.00
SAFCA CCAD	1,300,000.00	1,300,000.00		1,400,000.00
Interest	48,000.00	13,000.00		50,000.00
Leases	19,871.00	20,000.00		20,000.00
Metro AirPak Pumping	22,000.00	20,000.00		22,000.00
FEMA/OES Disaster Reimbursement	133,000.00			
	<b>3,722,871.00</b>	<b>3,601,000.00</b>		<b>3,742,000.00</b>
<b>Operations and Maintenance Expenses</b>				
<b>Administration</b>				
<u>Accounting/Audit</u>	42,000.00	36,000.00	(6,000.00)	45,000.00
<u>Administrative Consultants</u>			0.00	52,000.00
<u>Admin - Misc./Other Expenses</u>	12,000.00	10,000.00	(2,000.00)	5,000.00
<u>Admin. Services</u>	32,000.00	26,000.00	(6,000.00)	17,000.00
<u>Computer Costs (Tech/Website/Software)</u>	16,000.00	10,000.00	(6,000.00)	17,000.00
<u>Govt Fees/Permits</u>	12,000.00	10,000.00	(2,000.00)	12,000.00
<u>Legal</u>	115,000.00	85,000.00	(30,000.00)	100,000.00
<u>Liab/Auto/Business Insurance</u>	107,000.00	110,000.00	3,000.00	110,000.00
<u>Memberships</u>	30,000.00	35,000.00	5,000.00	30,000.00
<u>Mitigation Land Expenses</u>	2,750.00	3,000.00	250.00	3,000.00
<u>Office Maintenance &amp; Repair</u>			0.00	24,000.00
<u>Office Supplies</u>	5,800.00	5,500.00	(300.00)	5,500.00
<u>Payroll Services</u>	3,400.00	3,000.00	(400.00)	3,000.00
<u>Public Relations</u>	25,000.00	35,000.00	10,000.00	40,000.00
<u>Small Office &amp; Computer Equipment</u>			0.00	5,000.00
<u>Utilities (Phone/Water/Sewer/Internet)</u>	20,000.00	23,500.00	3,500.00	22,000.00
<u>Assessment/Property Taxes (SAFCA - CAD)</u>	6,350.00	3,600.00	(2,750.00)	6,350.00
Subtotal	429,300.00	395,600.00	(33,700.00)	496,850.00
<b>Personnel/Labor</b>				
Wages	968,000.00	987,688.00	19,688.00	1,000,000.00
Trustee Compensation	38,000.00	39,000.00	1,000.00	39,000.00
Group Health Insurance	110,000.00	118,305.00	8,305.00	130,000.00
Annuitant Health Care	59,354.00		(59,354.00)	
Dental/Vision/Life	19,000.00	26,000.00	7,000.00	26,000.00
Workers Compensation Insurance	30,000.00	46,000.00	16,000.00	40,000.00
OPEB - ARC	28,000.00	38,785.00	10,785.00	28,000.00
<u>Continuing Education</u>	0.00		0.00	15,000.00
Payroll Taxes	75,000.00	76,850.00	1,850.00	77,500.00
Pension	156,000.00	156,044.00	44.00	165,000.00
Subtotal	1,483,354.00	1,488,672.00	5,318.00	1,520,500.00
<b>Operations</b>				
Consultants - Field Operations	18,500.00	20,000.00	1,500.00	20,000.00
Equipment Parts/Supplies	65,000.00	55,000.00	(10,000.00)	60,000.00
Equipment Rental	2,700.00	10,000.00	7,300.00	10,000.00

**Preliminary Budget FY 18/19**

Equipment Repairs/Service	9,000.00	22,000.00	13,000.00	22,000.00
Facility Repairs	65,000.00	250,500.00	185,500.00	273,000.00
Field Equipment	7,500.00	11,000.00	3,500.00	8,000.00
Field Services	170,000.00	96,500.00	(73,500.00)	142,000.00
Fuel	50,000.00	55,000.00	5,000.00	65,000.00
Herbicides	70,000.00	135,000.00	65,000.00	115,000.00
Power	400,000.00	500,000.00	100,000.00	500,000.00
Refuse Collection	14,000.00	10,000.00	(4,000.00)	25,000.00
Shop Equipment (Not Vehicles)	7,000.00	13,000.00	6,000.00	9,000.00
Supplies and Materials	20,000.00	22,000.00	2,000.00	22,000.00
Utilities			0.00	
<b>Subtotal</b>	<b>898,700.00</b>	<b>1,200,000.00</b>	<b>301,300.00</b>	<b>1,271,000.00</b>
<b>Equipment</b>				
SCADA	90000		(90,000.00)	
Equipment	248000	250,000.00	2,000.00	150,000
<b>Subtotal</b>	<b>338,000.00</b>	<b>250,000.00</b>	<b>(88,000.00)</b>	<b>150,000.00</b>
<b>Consulting/Contracts</b>				
Technical Consultants	270,000.00	150,000.00	(120,000.00)	250,000.00
Security Patrol	50,000.00	83,000.00	33,000.00	80,000.00
Contingency Levee Patrol (Outside staff)		5,000.00	5,000.00	
<b>Subtotal</b>	<b>320,000.00</b>	<b>238,000.00</b>	<b>(82,000.00)</b>	<b>330,000.00</b>
<b>Total Operations and Maintenance</b>	<b>3,469,354.00</b>	<b>3,572,272.00</b>	<b>102,918.00</b>	<b>3,768,350.00</b>
<b>Capital Expenditures</b>				
**Capital Facilities	120,000.00	300,000.00	180,000.00	715,000.00
Capital - Office Upgrades	25,000.00			15,000.00
Capital - RE Acquisition				120,000.00
Capital - Office Facility Repair				30,000.00
Document Management				8,800.00
<b>Total Capital Expenditures</b>	<b>145,000.00</b>	<b>300,000.00</b>	<b>180,000.00</b>	<b>888,800.00</b>
<b>Total All Expenditures</b>	<b>3,614,354.00</b>	<b>3,872,272.00</b>	<b>282,918.00</b>	<b>4,657,150.00</b>
<b>Net Expense to Revenue</b>	<b>108,517.00</b>			

Fund Balance Report - Summary

	Restricted	Restricted	Assigned - Unrestricted	Assigned - Unrestricted	Assigned - Unrestricted	Unassigned - Unrestricted	Total All
	1. FEMA Funds	2. Metro Airpark Ground Water Pumping	3. Emergency Flood Fight	4. Capital Reserve Fund	5. O/M Reserved	O/M Fund	2017-2018
Beg FY Fund Balances (7/1/18) - Projected	\$ 513,914.00		\$ 1,500,000.00	\$ 3,129,785.00	\$ 2,929,002.00		\$ 8,072,701.00
<b>Revenues</b>							
All Revenues						\$ 3,720,000.00	\$ 3,720,000.00
MAP Groundwater Pumping		\$ 24,580.00					\$ 24,580.00
Capital Reserve Funding							
<b>Total Revenues</b>	\$ 513,914.00	\$ 24,580.00	\$ 1,500,000.00	\$ 3,129,785.00	\$ 2,929,002.00	\$ 3,720,000.00	\$ 3,744,580.00
<b>Expenditures</b>							
Operations		\$ 24,580.00				\$ 3,598,350.00	\$ 3,622,930.00
Capital Outlay				\$ 888,800.00		\$ 150,000.00	\$ 1,038,800.00
<b>Total Expenditures</b>		\$ 24,580.00		\$ 888,800.00		\$ 3,748,350.00	\$ 4,661,730.00
Excess revenues (under) over expenditures				\$ (888,800.00)		\$ (28,350.00)	\$ (917,150.00)
Allocation of Excess Funds					\$ (28,350.00)	\$ 28,350.00	
<b>End FY Fund Balances (6/30/19) - Projected</b>	\$ 513,914.00	\$ -	\$ 1,500,000.00	\$ 2,240,985.00	\$ 2,900,652.00	\$ -	\$ 7,155,551.00
							\$ (917,150.00)
							Net Change

**Definitions**

There are two categories of reserves – Restricted and Unrestricted – defined by Generally Accepted Accounting Principles (GAAP)

**Restricted Reserves:** Funds for which uses are constrained by either (a) externally imposed obligations with creditors, grantors, contributors, or laws/regulations of other governments; or (b) laws enacted through constitutional provisions or enabling legislation.

**Unrestricted Reserves:** Funds for which uses are not constrained by externally imposed restrictions. The uses of these funds are at the discretion of the Board of Trustees

Fund Balance Report -  
Summary

1	FEMA Restricted Fund—Funds from FEMA Disaster Assistance Grant for Plant 2 Reconstruction. Current funds in account are reimbursement from FEMA/CalOES for engineering/design soft costs which are reimbursable to SAFCA. Waiting project close out audit before sending. Note: District due 10% construction retention funds from FEMA/CalOES of approximately \$600,000.
2	Reclamation District No. 1000 currently has no restricted reserves. The Metro Airport Restricted Fund is utilized in full annually to offset pumping costs at Plant 3.
3	The Flood Fight Reserves are to provide sufficient funds for the District to respond during a flood emergency including use of outside contractors to supply materials, labor and equipment to prevent a catastrophic levee failure. While we recognize a large scale flood emergency is beyond the financial capabilities of the District and require assistance from the State of California and U.S. Army Corps of Engineers; we must be in a position financially to initiate the emergency response and stabilize a potential levee failure until the State and Corps can mobilize and assist. The target funding level for the Flood Fight Reserve is \$1.5 million which would allow the District to fund a flood emergency response until the State and Federal government provide assistance. The amount in this reserve will be reviewed annually by the Board and adjusted as appropriate.
4	The Capital Fund reserves provide funds for the orderly and timely improvement, repair and/or replacement of existing District facilities to maintain its current level of service. The District has developed a Capital Improvement Plan in 2014 which identifies capital projects and funding need projections for the next 20 years. As noted by the CIP, the District will need between \$1.1 million and \$3.3 million annually (depending on anticipated capital work by others) to meet its CIP goals. Currently there is no funding target level for the Capital Reserves; the remaining funds after the Operation and Maintenance and Flood Fight targets are met are designated as Capital Fund reserves.
5	This Operating Reserves are to ensure adequate working capital for cash flow needs during the year. Since the District does not receive its first annual benefit assessment installment until January, it must have sufficient reserves to fund its budgeted operations and maintenance activities and capital expenditures for

STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 4C

**SUBJECT:** Adoption of Official Pay Rate Schedule for 2018-2019 (CCR §570.5)

**Summary:**

The California Code of Regulations Section 570.5, adopted by the CalPERS Board of Administration, clarifies existing law and makes specific requirements for a publicly available pay schedule - as that phrase is used in the definition of pay rate and special compensation. The regulations became effective August 2011. This Section requires a pay rate schedule be approved by the Board of Trustees at a regular public meeting. In addition, the pay rate schedule must be readily accessible to members of the public upon request. The Pay Rate Schedule included in the Board packet has been prepared in accordance with wages proposed in the 2018-2019 Budget, and the Wage schedule approved this year by the Personnel Committee.

**Recommendation:**

Staff recommends the Board adopt the attached Pay Rate Schedule which is in accordance with the wages adopted in the 2018-2019 Budget as presented.

RECLAMATION DISTRICT NO. 1000

OFFICAL PAY RATE SCHEDULE

2018-19

Position	Minimum	Maximum
General Manager	11,021/Mo	15,216/Mo
Superintendent	6,968/Mo	9,621/Mo
Administrative Service Manager	5,902/Mo	8149/Mo
Foreman	30.73/hr.	42.43/hr.
Equipment Maintenance Specialist	24.92/hr.	34.40/hr.
Flood Operations Specialist II	24.92/hr.	34.40/hr.
Flood Operations Specialist I	20.71/hr.	28.59/hr.
Administrative Assistant	17.54/hr.	24.21/hr.

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 4D**

**SUBJECT:**        **Banking and Finance Authorizations**

**BACKGROUND:**

The California Water Code allows the Board to create a revolving fund for paying expenses.

In December 1997 the board adopted Resolution 1997-12B outlining the District's signature authorization and check signing limits. Specimen signatures were provided at that time for the Sacramento County Treasurer and Bank of the West.

In December of 2014 the Board authorized payment to specific vendors via electronic payment and set a limit of \$20,000.00 per transaction. Transactions over \$20,000.00 require the written authorization of a Trustee. An email authorizing payments over \$20,000.00 will serve for a written authorization.

**SUMMARY:**

The Board is required to adopt and file a new Banking Resolution with the Sacramento County Treasurer annually and with Bank of the West when signatories change. Due to the appointment of a new Board Trustee, it is necessary to adopt a new banking resolution with the appropriate signatures. New signatures will also be required for the District's accounts at Bank of the West, the LAIF and City Pool A Fund. Resolutions have been prepared for each of these funds.

**RECOMMENDATION:**

Move to adopt the resolution as prepared by staff. Provide specimen signature on Resolutions.



RECLAMATION DISTRICT NO. 1000

OPERATION AND MAINTENANCE FUND

RESOLUTION NO. 2018-07-2

WHEREAS, Reclamation District No. 1000 maintains an Operation and Maintenance Fund held by the Sacramento County Treasurer; and

WHEREAS, Reclamation District No. 1000 also maintains a Revolving Fund pursuant to Water Code Section 50657; and Reclamation District No. 1000 assumes responsibility for disbursement of such Revolving Fund and agrees to hold and save the Sacramento County Treasurer harmless from any improper disbursement of such Revolving Fund as required by Water Code Section 50658; and

WHEREAS, the Board of Trustees by this Resolution desires to set forth the names and specimen signatures of the officers and Trustees of Reclamation District No. 1000 and set forth the names and required signatures for withdrawal or payment of funds from such accounts;

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The following are the names and specimen signatures of Trustees of Reclamation District No. 1000:

Nicholas Avdis



Tom Barandas



Christopher Burns



David Christophel



Thom Gilbert



Fred Harris



Jerome Smith

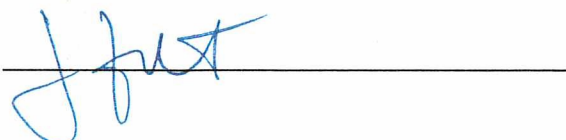


2. The following are the name and specimen signatures of the Reclamation District No. 1000 General Manager and Administrative Service Manager:

Paul Devereux  
General Manager



Joleen Gutierrez  
Administrative Service Manager

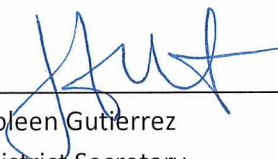




3. Funds held in the Reclamation District No. 1000 Operation and Maintenance Fund held by the Sacramento County Treasurer may be withdrawn or paid solely by warrant signed by any four or more of the Trustees of the District as identified in Paragraph 1 of this resolution and attested to by the Secretary of the Board of Trustees or General Manager as identified in Paragraph 2 of this resolution.

CERTIFICATION

I, Joleen Gutierrez, Secretary of Reclamation District No. 1000, hereby certify that the foregoing Resolution 2018-7-2 duly adopted by the Board of Trustees of Reclamation District No. 1000 at the regular meeting held July 13, 2018 and made a part of the minutes thereof.

  
\_\_\_\_\_  
Joleen Gutierrez  
District Secretary

RECLAMATION DISTRICT NO. 1000  
OPERATION AND MAINTENANCE FUND  
RESOLUTION NO. 2018-7-3

WHEREAS, Reclamation District No. 1000 maintains an Operation and Maintenance Checking and Money Market fund held at Bank of the West, 1650 Response Road, Sacramento, CA; and

WHEREAS, Reclamation District No. 1000 assumes responsibility for disbursement of such Operation and Maintenance Fund and agrees to hold and; and

WHEREAS, the Board of Trustees by this Resolution desires to set forth the names and specimen signatures of the officers and Trustees of Reclamation District No. 1000 and set forth the names and required signatures for withdrawal, transfer or payment of funds from such accounts;

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

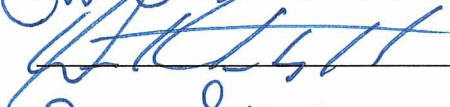
1. The following are the names and specimen signatures of Trustees of Reclamation District No. 1000:

Tom Barandas




---

David Christophel



---

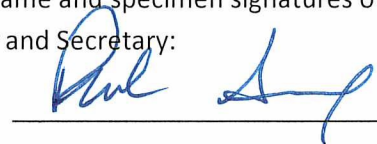
Jerome Smith



---

2. The following are the name and specimen signatures of the Reclamation District No. 1000 General Manager and Secretary:


Paul Devereux



---

General Manager

Joleen Gutierrez



---

Administrative Service Manager

3. Funds on deposit in the District's revolving fund may be withdrawn or paid by check signed by any one of those identified in paragraph 1 of this resolution or the District Manager or Administrative Service Manager as identified in paragraph 2 of this resolution, for amounts less than \$20,000.00 and any two of the Trustees as identified in Paragraph 1 or the General Manager as identified in paragraph 2 and a Trustee as identified in paragraph 1 of this resolution for amounts exceeding \$20,000.00.

5. Funds on deposit in the District's revolving fund may be withdrawn or paid via electronic fund transfer (ACH) to specific vendors as shown on Attachment A. Electronic fund transfers paid to vendors specified in Attachment 1 shall not exceed \$20,000.00. If an amount to be paid via electronic transfer exceeds \$20,000.00, a written authorization must be received from a Trustee as identified in Paragraph 1 of this Resolution in addition to authorization by the General Manager, an email authorization is considered a written authorization. Amounts of \$20,000.00 or less may be authorized by any of those identified in paragraph 1 of this resolution or the District Manager or Administrative Service as identified in paragraph 2 of this resolution.

CERTIFICATION

I, Joleen Gutierrez, Secretary of Reclamation District No. 1000, hereby certify that the foregoing Resolution 2018-7-3 was duly adopted by the Board of Trustees of Reclamation District No. 1000 at the regular meeting held July 13, 201 and made a part of the minutes thereof.

  
\_\_\_\_\_  
Joleen Gutierrez  
District Secretary

ATTACHMENT 1

The following is a list of Vendors approved by the Board to be paid electronically:

CalPERS – Pension/Health/Deferred Comp

SMUD – Utilities

PG & E – Utilities

City of Sacramento – Utilities

County of Sacramento – Utilities

AT& T Phone Service

Verizon - Wireless Service

Comcast – Internet Service

JanPro – Janitorial Service

Smile Business – Office Equipment Maintenance

Terminix - Pest Control Service

Neopost - postal service

RESOLUTION AUTHORIZING INVESTMENT  
OF RECLAMATION DISTRICT NO. 1000 MONIES IN  
CITY OF SACRAMENTO, POOL A  
Resolution 2018-7-4

WHEREAS, the City of Sacramento maintains a fund of the City Treasury known as "Pool A" through which funds are invested by the City Treasurer pursuant to Sacramento City Charter Section 73, with cash pool operations authorized by Sacramento City Charter Section 113. Pool A funds include assets of external participants; and

WHEREAS, the City of Sacramento and Reclamation District No. 1000 have entered into a Joint Exercise of Powers Agreement pursuant to California Government Code Sections 6500 et seq. under which, and in accordance with Section 6509.7 of the California Government Code, the City of Sacramento and Reclamation District No. 1000 will jointly exercise the common power to invest funds in their treasury by Reclamation District No. 1000's deposit of funds in Pool A pursuant to such Joint Exercise of Powers Agreement; and

WHEREAS, the Trustees do hereby find that the deposit and withdrawal of money in Pool A for purposes of investment as stated therein as in the best interest of the Reclamation District.

NOW, THEREFORE BE IT RESOLVED that the Trustees do hereby authorize the deposit and withdrawal of Reclamation District No. 1000 monies in Pool A for the purpose of investment.

BE IT FURTHER RESOLVED that the following two officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in Pool A:

Joleen Gutierrez  
Administrative Service Manager

Paul Devereux  
General Manager

PASSED AND ADOPTED by the Board of Trustees of Reclamation District No. 1000 State of California on July 13, 2018.

CERTIFICATION

I, Joleen Gutierrez, Secretary of Reclamation District No. 1000, hereby certify that the foregoing Resolution was duly adopted, on motion made, seconded and unanimously carried by the Board of Trustees of Reclamation District No. 1000, at the regular meeting of the Board held July 13, 2018, and made a part of the minutes thereof.

  
\_\_\_\_\_  
Joleen Gutierrez, District Secretary

RESOLUTION AUTHORIZING INVESTMENT  
OF RECLAMATION DISTRICT NO. 1000 MONIES IN  
LOCAL AGENCY INVESTMENT FUND  
2018-07-5

WHEREAS, pursuant to Chapter 630 of the Statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Trustees do hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for purposes of investment as stated therein as in the best interest of the Reclamation District.

NOW, THEREFORE BE IT RESOLVED that the Trustees do hereby authorize the deposit and withdrawal of Reclamation District No. 1000 monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of Government code for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED that the following two officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

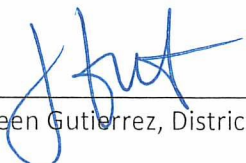
Joleen Gutierrez  
Administrative Service Manager

Paul Devereux  
General Manager

PASSED AND ADOPTED by the Board of Trustees of Reclamation District No. 1000 State of California on July 13, 2018.

CERTIFICATION

I, Joleen Gutierrez, Secretary of Reclamation District No. 1000, hereby certify that the foregoing Resolution was duly adopted, on motion made, seconded and unanimously carried by the Board of Trustees of Reclamation District No. 1000, at the regular meeting of the Board held July 13, 2018, and made a part of the minutes thereof.

  
\_\_\_\_\_  
Joleen Gutierrez, District Secretary

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 4E**

**SUBJECT: 2018-07-6 A Resolution of the Board of Trustees of Reclamation District No. 1000  
Certifying to the County of Sutter the Validity of the Legal Process Used to Place Direct Charges  
(Special Assessments) on the Secured Tax Roll**

**Summary**

Sutter County requirements must be met in order to place the District's annual assessment on the Sutter County tax roll.

1. Proposition 218 or Compliance Certification & Hold Harmless Statement
2. Authority to Approve Direct Assessment Changes
3. A Resolution that states the following:
  - a. The assessment is being levied in compliance with all laws pertaining to it, including Proposition 218;
  - b. The assessment is being levied without regard to property valuation;
  - c. The purpose of, and the authority (Government Code) for the levy.

Counsel has reviewed the required documentation and prepared a resolution which complies with the Sutter County Request. The authority to approve direct assessment changes will be granted to Jeanette Hynson, the District's assessment engineer and to Joleen Gutierrez, the District Administrative Service Manager.

**Recommendation**

Adopt Resolution 2018-07-6 as prepared. Authorize Jeanette Hynson of SCI and the Administrative Service Manager, to approve direct assessment changes. Designate the General Manager, ASM or Ms. Hynson to sign the Compliance Certification and Hold Harmless statement.



RESOLUTION NO. 2018-07-06

A RESOLUTION OF THE BOARD OF TRUSTEES OF RECLAMATION DISTRICT NO. 1000 CERTIFYING TO THE COUNTY OF SUTTER THE VALIDITY OF THE LEGAL PROCESS USED TO PLACE DIRECT CHARGES (SPECIAL ASSESSMENTS) ON THE SECURED TAX ROLL.

WHEREAS, the special assessment fees for the purpose of operation and maintenance of District facilities is a continuation of a special assessment which predates Article XIII C of the California Constitution (Proposition 218) which has not been increased, and is therefore permitted under California Constitution Article XIII C, Section 5(a), and is to be included on the regular County property tax bill for property owners within Reclamation District No. 1000; and

WHEREAS, the District is placing the special assessments on the Sutter County secured property tax roll for collection; and

WHEREAS, **the District has complied with all laws pertaining to the levy of the special Assessments, including Proposition 218, to be collected per Government Code Section 29304;** and

WHEREAS, **the assessment is being levied without regard to property valuation of the properties involved;** and

WHEREAS, the District agrees that it shall be solely liable and responsible, and will defend and hold the County of Sutter harmless from any liability as a result of claims or claims for refunds and related interest due filed by taxpayers against any assessments, fees, charges or taxes placed on the roll for the District by the County; and

NOW THEREFORE BE IT RESOLVED by the Board of Trustees of Reclamation District No. 1000 that the list submitted with parcel numbers and amount are certified as being correct, the District Secretary, or Jeanette Hynson of SCI Consulting Group are hereby authorized to sign any documents required and directed to give the list to the Sutter County Auditor on behalf of the District for placement on the secured tax roll for collection:

1. Prop 218 or Compliance Certification and Hold Harmless Statement
2. Property Tax Data Bill Form
3. Authority to Approve Direct Assessment Charges
4. Parcel Listing

UPON MOTION OF BOARD MEMBER **Chris Burns** SECONDED BY BOARD MEMBER **Tom Barandas**, THE FOLLOWING WAS ADOPTED BY THE BOARD OF **Reclamation District NO. 1000**, AT AN OFFICIAL MEETING HELD ON **July 13, 2018** BY THE FOLLOWING VOTE:

AYES: 4

NOS: 0

ABSTAIN: 0

ABSENT: 3

ATTEST:

SECRETARY OF THE BOARD



**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 4F**

**SUBJECT: SCADA (Action)**

- Award Construction Contract - SCADA
- Amend ATEEM contract for SCADA Construction Services

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 4G**

**SUBJECT:      Contract for Executive Search Firm (Action)**

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 4H**

**SUBJECT:       Contract amendment with LWA for Project Management Services (Action)**

Item No. 4H  
Contract Extension and Amendment with Larsen Wurzel Associates  
for consulting Project Management Services

Summary and Recommendation

Staff is recommending the Board authorize the General Manager to extend the contract with Larsen Wurzel Associates (LWA) for Project Management Services through June 30, 2019.

The proposed contract amendment with Larsen Wurzel Associates (LWA) provides project management assistance to GM Devereux during the current peak work load in a cost efficient manner. Staff is recommending the Board authorize the GM to execute a contract amendment with LWA covering the period through June 30, 2019 without an increase in the not to exceed amount.

Background

In September 2017, the Board authorized a contract amendment with LWA to include Project Management consulting services to be provide by Scott Brown, one of the company's principals. The need was based on anticipated work load and key projects being implemented during the past year. The amendment was for a not to exceed amount of \$80,000 through June 30, 2018.

The primary projects for which service is being provided are implementation of the SCADA system, long term resolution of Plant No. 1's transformer, and a decision on future power supply to District pumping plan facilities. Mr. Brown has managed these projects in a competent and professional manner. Staff is recommending we extend the contract to allow Mr. Brown to continue working on these projects and other similar work as determined by the General Manager. Also, with the anticipated retirement of the current General Manger, Mr. Brown's services will provide a benefit during the new manager's transition.

To date, we have used \$32,400 of the authorized amount. Based on anticipated work load and the hourly rate, the existing contract authority is sufficient to cover services through June 2019. Therefore, staff is only requesting authority to extend the contract through June 2019. As we approach the end of the fiscal year, staff will evaluate the work load and determine if a contract extension is warranted or if another solution is more cost efficient.

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 4I**

**SUBJECT:      Engagement Letter with Cropper Accountancy for Audit Services (Action)**

## Item No 4-I

### Audit Engagement Letter with Cropper Accountancy for FY 2017-18

#### Summary and Recommendation

Staff and the Finance Committee are recommending the Board approve the attached Audit Engagement Letter from Cropper Accountancy to prepare the FY 2017-2018 Audit and delegate authority for the final scope and not to exceed fee to the Finance Committee.

#### Background

The District has been using Cropper Accountancy (CA) for our annual audit for a number of years. Last year, with the retirement of the previous Administrative Services Manager and the retention of an outside accountant, there were some additional services CA had to provide as part of the FY 2016-17 audit. Given our continued transition to an outside consultant for our accounting services, the Finance Committee is recommending we have CA provide our audit services for at least one more year. We have asked CA to provide an Engagement Letter outlining their scope of services and a not to exceed fee. We have requested the proposal include a base scope and fee and a schedule for additional services based on our experience this past year.

The attached draft Engagement Letter proposes a base fee not to exceed \$9250 plus a schedule of additional services and fees (additional \$5400 if all are included). Staff is recommending the Board delegate authority for the final scope and fee to the Finance Committee with an overall authority not to exceed \$14,650 based on the CA quote.

Based on the proposed schedule, the audit would be completed for Board review and action at the November meeting.

July 1, 2018

To the Board of Trustees of  
Reclamation District 1000  
1633 Garden Highway  
Sacramento, California 95833

We are pleased to confirm our understanding of the services we are to provide Reclamation District 1000 for the year ended June 30, 2018. We will audit the financial statements of the governmental activities, the business-type activities (if applicable), each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Reclamation District 1000 as of and for the year ending June 30, 2018. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany Reclamation District 1000's basic financial statements. As part of our engagement, we will apply certain limited procedures to Reclamation District 1000's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Analyses
- 3) Schedule of the District's Net Proportionate Share of the Net Pension Liability
- 4) Schedule of the District's Pension Contributions
- 5) Schedule of the Proportionate Share of the Collective Total OPEB Liability
- 6) Schedule of the District's OPEB Contributions

#### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for 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*, and will include tests of the accounting records of Reclamation District 1000 and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we

will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of the audit committee, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that Reclamation District 1000 is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Management Responsibilities**

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Reclamation District 1000 and the respective changes in financial position, where applicable, in conformity with U.S. generally accepted accounting principles. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

You are responsible for management decisions and functions. As part of the audit, we will prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and



ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether 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. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

### **Audit Procedures—Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and

detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Reclamation District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Audit Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing. A copy of schedules and other information needed to perform the audit is included in Attachment I.

We will provide copies of our reports to Reclamation District 1000; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Cropper Accountancy Corporation and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to regulators (as applicable) or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such

request. If requested, access to such audit documentation will be provided under the supervision of Cropper Accountancy Corporation personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the regulators, if applicable. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to perform our audit work according to the following schedule:

Audit Planning	September 2018
<u>Year-end Fieldwork:</u> All schedules and analyses provided to CAC (except report and MD&A)	October 1, 2018
Start of audit fieldwork	October 8, 2018
Draft audit adjustments provided to management for review with support	October 15, 2018
Draft report and MD&A provided to CAC	October 22, 2018
Exit Conference (with final draft and draft Required Communications)	October 29, 2018
	Early November board meeting
Preparation of the State Controller's report	No later than January 2018

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will be \$9,250, and our fee for preparation of the State Controller's report will not exceed \$900, and assumes preparation of the report, report

checklists, and schedules in Attachment I. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2016 peer review report has been previously provided to you but another copy is available upon request.

We appreciate the opportunity to be of service to Reclamation District 1000 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Cropper Accountancy Corporation

RESPONSE:

This letter correctly sets forth the understanding of Reclamation District 1000.

By: [    ]

Title: [    ]

Date: [    ]

**RECLAMATION DISTRICT 1000  
Audit Schedules Needed  
Year Ending June 30, 2018**

1. Trial balance as of June 30, 2018 (with all post closing adjustments) in Excel
2. Draft financial statements, footnotes, and RSI, including:
  - a) Management's Discussion and Analysis
  - b) Budgetary Comparison Analyses
  - c) Implementation of GASB 75
  - d) Schedule of the District's Net Proportionate Share of the Net Pension Liability
  - e) Schedule of the District's Pension Contributions
  - f) Schedule of the Proportionate Share of the Collective Total OPEB Liability
  - g) Schedule of the District's OPEB Contributions
  - h) Preparation of the GAAP report checklists
  - i) Reconciliation of government-wide to fund financial statements (worksheet)
3. Copy of GL transaction register for the year
4. Copy of 2018 Budget (original and final)
5. Board (as well as Finance/Audit Committee) minutes for all meetings held during 2017/2018 and through audit fieldwork (hard copy)
6. New or revised financial policies and procedures
7. Analysis of lease commitments (equipment, space), if any, and copies of new lease agreements
8. Listing of any transactions with related parties

**ASSETS AND DEFERRED OUTFLOWS**

9. Copies of all bank, County Treasury, LAIF, or other investment account reconciliations, as of June 30, 2018 and July 31, 2018, including all account statements and access to all others
10. Assessments Statements from the County by month and reconciliation of assessments revenue per County to the general ledger

11. Detailed listing of all receivables (individually by type), including an aging of the respective receivables as of June 30, as well as a statement as of year end audit fieldwork (October 31, 2018) and support for subsequent receipts
12. Analysis of outstanding grants and/or reimbursements receivable including related correspondence from CalOES or FEMA
13. Documentation of all receipts on outstanding receivables (since June 30)
14. Supporting documentation/correspondence related to all capital contributions during the year (or after year end), including any correspondence from SAFCA
15. Analysis of inventory (if changed)
16. Detail schedule of prepaid expenses, including supporting documentation
17. Fixed asset activity schedule by property type and general ledger account detailing beginning balance, additions, retirements and ending balance – by asset and accumulated depreciation
18. Copy of fixed asset sub-ledger reports
19. Supporting documentation for all significant property additions with in-service dates, as well as retirements
20. Listing of all construction in progress at year end, with stage of completion analysis of each project

#### **LIABILITIES AND DEFERRED INFLOWS**

21. Subsidiary ledger or detailed listing of accounts payable and accrued expenses at June 30, 2018
22. Listing of all checks/disbursements since fiscal year end (June 30)
23. Detail schedule of accrued payroll and vacation
24. Analysis of developer and other customer deposits at June 30
25. Copy of GASB 68 support including respective actuarial and fund (CalPERS) reports as of June 30, as well as Bartel pension footnote analysis (see also RSI reports listed above)
26. Copy of GASB 75 support including respective actuarial and trust reports as of June 30, as well as Bartel OPEB footnote analysis (see also RSI reports listed above). We will also need the detail of OPEB expense paid on behalf of eligible retirees.

## **NET ASSETS**

27. Reconciliation of beginning fund balance to prior year audited financial statements, if different
28. Analysis of fund balance allocations (restricted, committed, non-spendable, assigned and unassigned) as of June 30

## **REVENUES AND EXPENSES**

29. Reconciliation of quarterly payroll summaries to payroll expense
30. Copy of payroll register for last run in fiscal year and first run in subsequent year
31. Copy of all grant agreements, as applicable and grant billings made during the year
32. Listing of any capital contributions received (or promised) during the year and related support
33. Copy of parcel/assessment study by SCI (or other engineers)

**AUDIT FEE PROPOSAL 2018**

Base Audit Fee (includes preparation of all items in Attachment I)	\$9,250
<u>Fee for other possible assistance:</u>	
Implementation of GASB 75	1,500
Reconciliation worksheet of government-wide statements to fund financial statements	1,000
Preparation of footnotes and RSI	1,500
GAAP checklist	800
MD&A tables	600



**STAFF  
SUMMARIES & RECOMMENDATIONS  
July 13, 2018  
AGENDA ITEM 5**

**SUBJECT:     General Manager's Report (Information/Discussion)**

- A. Regional Flood Control Issues
- B. Corps Natomas Levee Project Update
- C. Update on strategic plan implementation (Information)
- D. Update on asset management roadmap (Information)
- E. Cleveland Street purchase offer (SAFCA) – (Information)
- F. PRA Request 7907 Garden Highway (Information)

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 6**

**SUBJECT:** Public Outreach Update – K. Pardieck

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 7**

**SUBJECT:** District Counsel's Report

This will be a verbal report by District Counsel Jim Day.

STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 8

**SUBJECT:** Superintendent's Report

**To:** Trustees of Reclamation District No. 1000

**From:** Superintendent Don Caldwell

**Date:** July 1, 2018

**Re:** Report of activities within the District during the month of June 2018

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The chart below represents the various activities the field crew spent their time working on during the month of June 2018.

RD 1000 Field Crew	*Days Worked	Activity
	1	Plant Maintenance
	0	Grounds
	0	Levee Maintenance
	1	Pump Maintenance
	0	Ditch Maintenance
	1	Fence Repair
	1	Garbage
	34	Weed Control
	43	Mowing
	0	Upper GGS
	16	Equipment Repairs

*\*Days worked do not include: sick, vacation, holiday or Superintendent's time*

**Bannon** H: 8.08'  
L: 6.98'

**River** H: 9.2'  
L: 6.2'

**Rain totals**

Rain totals for the month of June were 0"  
Rain totals since July 1st were 15.67"

**Pumping**

The district did some pumping for bridge construction at Gateway Park Project

**Pumping Plant # 8**

Pump # 3 ran for 5 hours and pumped 19.0 A/F

**Safety topics for the month of June:** Equipment Safety – Watch for other equipment working in the area.

**STAFF  
SUMMARIES & RECOMMENDATIONS  
JULY 13, 2018  
AGENDA ITEM 9**

**SUBJECT:** Correspondence/News/Information

**Subject: Matsui Announces Major Funding Milestone for Sacramento's Flood Protection**

Dear SAFCA Board Members,

Rick and I are pleased to announce today SAFCA received confirmation that the Sacramento region will receive \$1.8 billion (\$1.565 for WRDA 2016 and \$217 million for the Folsom Dam Raise) in Federal funding for the U.S. Army Corps of Engineers to complete necessary flood control work. Attached below is a press statement from Congresswoman Matsui's office with further detail regarding the announcement. It is likely that a Sacramento BEE story could run as soon as tomorrow, July 6.

Additionally, the Federal funding comes just a week after Governor Brown signed the State's Fiscal Year 2018 Budget, which includes \$170 million in funding to support critical Army Corps' flood control projects in urban areas such as the Capital Region.

**Matsui Announces Major Funding Milestone for Sacramento's Flood Protection**

*Washington, D.C. - Today, Congresswoman Doris Matsui (CA-06) announced that the Sacramento region would be receiving \$1.8 billion in federal funding as part of long-term disaster recovery project funding from the U.S. Army Corps of Engineers.*

*"It's extremely significant that the Sacramento region has received such a substantial portion of this overall funding," said Congresswoman Matsui. "This nearly \$2 billion will allow us to advance critical projects across the region, increasing our overall resiliency against flooding and making our residents more safe. This is a huge milestone for our region."*

*Specifically, the American River - Common Features project, which includes levee work in the Pocket area, work in the North Area above the American River, erosion work on the American River, and the widening of the Sacramento Weir Bypass, will receive \$1,565,750,000 billion. The Folsom Dam Raise will receive \$216,523,185 million. Through this supplemental funding from the Corps, these American River Watershed Projects are now fully funded. In total, California received approximately \$2.5 billion in funding.*

Best Regards,

**Jason D. Campbell**  
Deputy Executive Director

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