

RECLAMATION DISTRICT NO. 2035
BOARD OF TRUSTEES
MINUTES OF REGULAR MEETING
June 30, 2020

1. **Call to Order**

Pursuant to notice of a Regular meeting, which was posted and served on the members of the Board of Trustees of Reclamation District No. 2035 more than 72 hours prior to June 30, 2019, the Board of Trustees of Reclamation District No. 2035 held a special meeting. The meeting was held via teleconference due to the COVID-19 pandemic. The meeting was called to order at 9:30 a.m. by President Tsakopoulos.

2. **Roll Call**

President Tsakopoulos, Trustee Robert Baker and Trustee Angelo Christie were present via teleconference. President Tsakopoulos noted that there was a quorum was present for conducting business. Mike Hall, District General Manager, Scott Morris, General Counsel, Denise Costa, Will Vasilopoulos, Marti Holland, Ingrid Sheipline, CPA of Richardson & Company LLP (District Auditor, in attendance part-time) and Steve Gidaro were also present via teleconference at the meeting.

3. **Public Comment**

There was no public comment.

4. **Approve Minutes**

The Board consider approval of the April 29, 2020 Special Board meeting minutes. After review, Trustee Christie moved approval of the minutes and Trustee Baker seconded the motion. The minutes were approved by a 3-0 vote.

5. **Budget v. Actual Status Through May 2020 and Adoption of FY 2020-21 Budget**

Marti Holland reviewed a handout provided to the Board that showed the FY 2019-20 Budget v. Actual through the end of May 2020. She stated the District was in good shape, and the revenues were healthy due to three main reasons. First, the water rate increase helped, second, reimbursement of power expenses by the Woodland Davis Clean Water Agency added to revenues, and third, anticipated reimbursement from FEMA and DWR for the siphon repair (not received yet). On the expense side, District Manager Hall stated that the payments to the WDCWA for the pumping plant construction have been trued-up and are now complete. After additional questions and discussion by Trustees, the FY 2020-21 Budget was considered.

Marti Holland presented the proposed FY 2020-21 Budget to the Board. The Trustees then asked questions. President Tsakopoulos asked if the positive cash flow shown in the

proposed budget would allow reserves to be built up. Marti Holland replied in the affirmative. He then asked if this occurred over a few years could water rates potentially be decreased. Mike Hall said yes, that would be likely. Trustee Baker asked Mr. Hall what the reserve fund goal is, and Mr. Hall replied in the order of \$500,000.

After additional discussion, Trustee Baker moved to adopt the FY 2020-21 Budget. Trustee Christie seconded and the FY 2020-21 Budget was unanimously adopted.

6. **Draft Audit Report through YE 2019**

The District's Auditor, Ingrid Sheipline, Managing Partner of Richardson & Company LLP presented the draft audit of the District as of June 30, 2019. She proceeded to go over the draft audit and findings as presented in the PDF included in the Board's agenda packet. She highlighted that the result was a clean audit and the Management Letter contained a few comments, but no material weaknesses, and that the auditor did not have any problems conducting the audit. She said that the District had expended all of its reserves. President Tsakopoulos asked if there was a standard for reserves, and the auditor replied it is typically 6-months of expenses. One item the auditor recommended was to be sure the District reviewed its Investment Policy annually as required by the Government Code. The Board agreed to place this review on an upcoming agenda.

The YE 2019 Audit was received by the Board, and no action was taken on this item.

7. **Purchase of New Backhoe**

General Manager Mike Hall introduced this item by stating the District's existing Backhoe needs to be replaced, as it has over 2,000 hours on it and repairs costs over \$26,000 so far this year alone, plus the costs of backhoe rental while repairs were being made. Mr. Hall summarized a quote received from Holt of California for a Caterpillar backhoe as a part of the Government Sourcewell program. President Tsakopoulos asked if the quote was competitively bid. District Counsel Morris replied that the Sourcewell program offers an exception to competitively bidding as it is based on the a government group purchasing organization which negotiates competitive pricing on behalf of its member governmental agencies, and is thus, an exception to a competitive bidding process as it is already based on a collective competitive bidding procedure. The Board next discussed financing terms and suggested it might be possible to use the sale of the existing backhoe to help pay for the new one.

After additional discussion, Trustee Christie moved to direct the General Manager to purchase the Caterpillar 430 F2HRC Backhoe Loader as per the quote from Holt of California for \$142,447.74 or less. Trustee Baker seconded the motion, which was unanimously approved.

Levee repair Update

Mike Hall reported that at the last Board meeting the hope was to complete the last remaining repair site by September or October of this year. However, the Corps is

experiencing design issues and the completion date is now pushed back until Spring of 2021.

No action was taken on this item.

8. **Intake Facility – Erosion**

Mike Hall reported that repairs are needed at the Intake Facility due to erosion. He estimated the cost to repair at approximately \$18,000. Under the cost share agreement with WDCWA, the District's share would be about \$14,000.

This item was for information only, and no action was taken.

9. **Sierra Railroad Parking Agreement-WDCWA/RD2035**

General Manager Mike Hall reported that the survey of the parking lot as required was completed. The survey shows that the railroad has encroached on the Intake Site property. A meeting between the District, WDCWA and railroad took place and the parties are working towards resolving the encroachment problem. Mr. Hall will report back on the progress of resolution of that problem.

10. **Siphon Gate repair Reimbursement**

Mr. Hall stated that the Siphon Gate repairs were completed and the entire project cost the District \$155,000 of which \$130,000 has been reimbursed by the Federal/State governments so far. The District is trying to, and expects to be reimbursed for the full amount in the future. The Board thanked Mr. Hall and staff for their efforts in getting the

No action was taken on this item.

The meeting was adjourned at 10:32 am. The next meeting will be on September 29, 2020 at 9:30 am.

.

ATTEST:

Secretary, Reclamation District 2035