**RECLAMATION DISTRICT NO. 2035**

**BOARD OF TRUSTEES**

**MINUTES OF REGULAR MEETING**

**June 20, 2018**

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 20, 2018, the Board of Trustees of Reclamation District No. 2035 held a regular meeting at 45332 County Road 25, Woodland California. The meeting was called to order at 12 noon by President Thomas.

1. **Roll Call**

Trustee Christie, Trustee Baker and President Thomas were present. All Trustees were present, and President Thomas noted that a quorum was present for conducting business. Mike Hall and Marti Holland of the District; Scott Morris, District Counsel; Jay Punia, District Engineer; and Steve Gidaro was also present.

1. **Public Comment**

There was no Public Comment.

1. **Approve Minutes**

The Board review and considered approval of the Minutes from the April 5, 2018 Regular Board of Trustees meetings Thereafter, Trustee Christie moved approval of the minutes and Trustee Baker seconded. The minutes were unanimously approved 3-0.

1. **Budget vs. Actual Status Thru 5/31/18**

Marti Holland summarized information regarding the current year budget as presented on the spreadsheet handout. The Water Delivery budget is showing net income of $231,670 and the M&O budget is showing a $46,186 loss. President Thomas stated he wanted more detail on the Line of Credit usage. He also stated the District should renew the Line of Credit for 5-years in order to help bridge fund various upcoming projects until grant reimbursements were made. He stated the LOC amount should be $1M.

No action was taken on this item as it was informational only.

1. **Status Report of M&O Assessment – Possible Increase of O&M Assessment of 5%**

President Thomas introduced the topic by stating the O&M Budget (revenue) is not keeping pace with expenses and needs. He stated that District Legal Counsel advised that under the existing O&M Assessment, the Board could raise rates by a compounded 5% per year dating from the original assessment, which could generate a significant revenue stream for O&M purposes. However, he wanted to be transparent and preferred that the District pass a new assessment based on the recently completed engineer's report. If the new assessment is rejected by the landowners, then the old assessment would remain in place and he saw little choice but to then ask the Board to increase assessments under the existing assessment to meet the needs of the District's important O&M functions.

District Engineer Jay Punia listed several reasons to increase the O&M assessment, including the completion of work needed to get the levees compliant with PL 84-99 requirements. Without compliance, maintenance costs could be much more and the District would not be eligible for grants and flood fighting reimbursements. Mr. Punia stated if approved by the Board today, the plan was to hold a Proposition 218 hearing regarding the proposed assessment on **July 24, 2018 at 9:30 am at the Ranch club house**.

After additional discussion and questions from the Trustees, Trustee Baker made a two-part motion to 1) Approve a 5% increase in the existing O&M assessment for the 2018-2019 assessment; and 2) schedule a hearing and provide notice of same for 9:30 on July 24, 2018 at the Conaway Ranch club house to consider the new O&M assessment. Trustee Christie seconded the motion. Thereafter, the Trustees unanimously approved the motion 3-0.

1. **Adoption of 2018-2019 Budget**

Marti Holland went over the handout depicting the proposed 2018-19 proposed budget showing two O&M options, with and without a 5% assessment increase. Since the Board had just previously approved the 5% increase, she explained the budget under that option. The Board reviewed the proposed budget and after questions and discussion by the Trustees, Trustee Christie made a motion to adopt the 2028-19 budget. The motion was seconded by Trustee Baker. Thereafter, the Trustees unanimously approved the motion 3-0.

1. **Responses to the Management Letter from the 16/17 Audit**

Marti Holland presented this item and referred the Board to the Management Letter and the District's responses to same. After further discussion regarding the Management Letter responses, a motion was made by Trustee Baker to approve the District's responses to the Management letter. The motion was seconded by trustee Christie. The motion was unanimously approved by the Trustees 3-0.

1. **Local Cooperation Agreement – PL 84-99 – Update on Levee Repair Work**

Mike Hall reported that all of the damaged levee sites will be repaired before the upcoming flood season, except Site 8 which will not be repaired until 2019 because of its size. He said the main drainage canal is a problem and may need to be rerouted. Also, since the gravel road grant expires in June 2019, the Site 8 repair may not get gravel treatment.

No action was taken on this item as it was informational only.

1. **NorCal Pipe Services – Contract for Video Inspection of Pipes**

Jay Punia presented this item. Mr. Punia explained that the District received a grant from DWR to conduct video inspections of pipes through the District's levees (Phase I). Phase II will be the repair of those pipes if needed. Mr. Punia said the work will be 100% funded by DWR, but an increase in the grant amount may be needed to complete the project due to the discovery of additional pipes. In the meantime, the proposed Nor Cal Pipeline Service contract under consideration by the Board will get the project's Phase I inspections started for a not to exceed amount of $17,800.

After additional Trustee questions and answers, Trustee Christie moved approval of the Contract with Nor-Cal Pipeline Services in the amount not to exceed $17,800 and authorized the District's general Manager to execute the Contract on its behalf. Trustee Baker seconded the motion, which passed unanimously, 3-0.

1. **Proposal to develop final SWIF for Cache Creek and Willow Slough**

Mike Hall presented the proposal from Wood-Rodgers (handout) to prepare a Final System Wide Improvement Framework (SWIF) for the District's Cache Creek and Willow Slough bypass levee system. The SWIF report will help the District comply with PL 84-99 requirements for flood control, and help the District remain eligible for grants. The contract amount would not exceed $10,000 with additional authorization from the District.

After additional discussion, Trustee Baker moved approval of the Contract with Wood-Rodgers in the amount not to exceed $10,000 and authorized the District's general Manager to execute the Contract on its behalf. Trustee Christie seconded the motion, which passed unanimously, 3-0.

1. **ACWA SB 623 – Proposed Water Tax**

President Thomas reported that the proposed water tax (SB 623) has currently fallen apart in the legislature. However, the Bill remains active and could reappear at any time during this legislative session.

No action was taken on this item as it was informational only.

1. **Status Report on Intake and Award Video**

President Thomas reported that the Joint Intake Project had won an award from the American Society of Civil Engineers and was also the runner-up for ACWA's Clair Hill Award. All work on the project has been completed and water delivery has commenced through the project.

No action was taken on this item as it was informational only.

1. **Status of Gravel Grant**

 The status of this item had been previously reported under Item 9.

1. **Status of Flood Fight Reimbursements**

The Board was referred to a handout provided by Mike Hall which detailed the status of OES emergency grant funding requests. No action was taken on this item.

1. **Staff Changes**

Make Hall reported to the Board that Jeff Emmos, a former CPG employee is now employed by the District to replace Jose Vasquez who has retired.

1. **Adjourn**

The meeting was adjourned at 1:07 pm. The next Board meeting is the Proposition 218 hearing at 9:30 on July 24, 2018.

ATTEST:

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Secretary, Reclamation District 2035