

**MINUTES OF THE REGULAR MEETING OF BOARD OF TRUSTEES
FOR RECLAMATION DISTRICT 1608
HELD WEDNESDAY, NOVEMBER 2, 2016**

The regular meeting of the Board of Trustees of Reclamation District 1608 was held on Wednesday, November 2, 2016, at the law office of Neumiller & Beardslee, 509 W. Weber Avenue, 5th Floor, Stockton, California, at the hour of 8:00 a.m.

TRUSTEES PRESENT WERE:

MICHAEL PANZER
DREW MEYERS

OTHERS PRESENT WERE:

DANIEL J. SCHROEDER
ANDREW J. PINASCO
CHRIS NEUDECK
JOE BRYSON
JEAN L. KNIGHT
PAULINE SANGUINETTI
DONNIE HERNANDEZ
JUDITH BUETHE

ABSENT WAS:

BRETT THOLBORN

Item 1. Public Comment. President Panzer called the meeting to order at 8:00 a.m. Trustees Panzer and Meyers were present and Trustee Tholborn was absent. There was no public comment.

Item 2. Approval of Minutes. Minutes of the special meetings of October 19, 2016. The minutes, prepared by acting Secretary Olmo, were not available.

Item 3. Financial Report. Review, discuss, and accept financial report. Secretary Knight reported the financial report was not available. She noted that the warrants and financial report will be prepared and processed at a later date because of her absence on vacation just prior to this meeting. The warrant details and financial report will be presented at the December meeting.

- (a) **Audit Review.** Accountants Pauline Sanguinetti and Donnie Hernandez from the Accounting Firm of Croce, Sanguinetti & VanderVeen were present at the request of Trustee Meyers. They were at the meeting to explain the recent audit just completed in draft form and recently distributed for review. She went through the auditor report and noted that the required Special Districts Transaction Report was to be forwarded to State along with a Local Government Compensation

Report which lists the compensation of employees and trustees along with the required audit report. She noted that there were no material misstatements to the District's financial statements and no material adjustments. The auditors reviewed cash receipts and cash adjustments and have issued a clean opinion. Pages 3 and 4 on the audit are prepared with a government wide basis of accounting. In reviewing balances in accounts to the District's financial report and the audit, there appears to be a discrepancy of about \$22,000. This will be reviewed. The draft audit report distributed will be reviewed by staff and Trustees and it was asked that results of the draft reviews be brought back to the next meeting.

- (b) **Review and Discuss Long Term Budget Planning and Project Expenditure Plan.** Chris Neudeck presented via the overhead projector, a 2016-2026 Fiscal Year Budget Worksheet (Exhibits A and B) and discussed the material presented in this Excel worksheet. Exhibit A gives the 20 Year projected Income and Expenses for the District for completing the sediment removal project up to Grupe Park for an estimated cost of \$1,972,800 and Exhibit B gives the 20 Year projected Income and Expenses for the District for completing the sediment Removal Project up to the District Boundary on Fourteen Mile Slough with an estimated cost of \$2,800,000. Mr. Neudeck said that these spreadsheets need to be reviewed by the accountants. The work would start in 2017-2018 and the environmental work would be done in 2018-2019. There is the unknown of whether the levee subventions monies will remain the same and the footnote of the spreadsheet notes that the program, AB360, sunsets in Fiscal Year 2017-2018 and currently there is no guarantee that this program will be continued. It also said it is very likely that some form of the Program will continue and for budgetary purposes the engineers have shown the program continuing on through the end of this budget limit at the same cost sharing rations that are currently in place. It appears that as the spreadsheet is presented, the sediment removal program would work up to Grupe Park and would include an increase in the assessment by 10% and a 2% escalator, if the levee subventions program would continue in the same form of Program. The expense of Exhibit B, extending the sediment removal program to the District Boundary on Fourteen Mile Slough would be too expensive for the District at the time of this review.

As stated above, it is important for the accountants to look at these numbers. As noted, the current assessment sunsets in 2026 and another assessment election would need to take place. There are also contingencies in place to have this done early enough so that if the assessment does not pass, it can be reviewed and a revised assessment presented to the landowners.

It was decided that there needed to be a meeting scheduled between Drew Meyers, Dan Schroeder, Chris Neudeck and Joe Bryson to go over all the figures presented. This will be scheduled after this meeting takes place.

- (c) **Discuss Sediment Removal Project and Cost Update.** See above.

Item 4. Engineer’s Report. Request for directions and approvals.

Referring to the Engineer’s Report, A., under Delta Levee Subventions Program AB370, Mr. Neudeck noted that the reimbursement for this 2015-2016 year will be close to \$150,000.

On item B., Mr. Neudeck reported that the City of Stockton’s storm water discharge pipe placement through the levee from the North Lake system looks good. He was pleased with the City of Stockton and said “It is a done deal.” He noted it worked out well.

On III., FEMA Mapping Status, Mr. Neudeck said he is still waiting on the letter from FEMA so he can include it in the submittal.

- (a) **Consider new permits requests from homeowners.** – None.

Item 5. Levee Superintendent Report. Request for directions and approvals. Mr. Bryson went through the levee superintendent report. On item 8, the letter to the Marina needs to go through engineers. Discard item 11. Regarding item 13 about the dead fish on File Mile Slough in front the Fourteen Mile at the Weir, Mr. Neudeck said to stay clear of this as the District has no jurisdiction over this issue. Mr. Bryson reported that Lonnie Lobosco, the Superintendent from RD1614, is going to teach him a few things about the pump station.

Item 6. Newsletter. Discuss fall District newsletter. Judith Buehe presented the draft newsletter. She is going to get a picture, for this issue of the newsletter, showing Joe Bryson and Gabriel Banks working on the levee. Trustees and staff went over the other paragraphs and articles and edits were suggested. Ms. Buehe will update the newsletter and sent to staff and trustees for review and finalization.

Item 7. Report by Trustees on meetings attended and upcoming meetings. Request for direction. Drew Meyers attended the TAC meeting. Update to central Valley Flood Protection Plan coming out later this year. He and Chris Neudeck gave updates at the meeting.

Item 8. Report and possible action on Progress of Tasks Assigned at Previous Board Meetings.

- (a) **Review and Update Sediment Removal Project Projected Costs.** Discussed earlier in meeting.
- (b) **Develop Long term Expenditure Plan.** Discussed above.
- (c) **Review Emergency Plan at December meeting.** Calendared for December. Do the Trustees want to do? It was noted that the District needs an updated power point for the emergency plan since the plan has changed. This will be put onto the December meeting agenda.

Item 9. Discussion and direction on Short-Term and Long-Range Goals. Discussion.
None.

Item 10. District Calendar. Discussion and direction. None.

Item 11. Correspondence. None.

Item 12. Approval of Bills. No bills were presented to Trustees but warrants will be prepared based on invoices received. Details of the warrants will be listed in the December minutes.

Item 13. Staff Reports.

(a) Attorney. The Agenda for this meeting was posted on the window outside the meeting room at 509 West Weber Avenue, Stockton, California, at least seventy-two (72) hours preceding the meeting.

Item 14. Adjournment. The meeting was adjourned.

Respectfully submitted,

Jean L. Knight
District Secretary