

**MINUTES OF THE REGULAR MEETING OF BOARD OF TRUSTEES
FOR RECLAMATION DISTRICT 1608
HELD WEDNESDAY, MAY 3, 2017**

The Regular Meeting of the Board of Trustees of Reclamation District 1608 was held Wednesday, May 3, 2017 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
BRETT THOLBORN

OTHERS PRESENT WERE:

DANIEL J. SCHROEDER
ANDY PINASCO
CHRISTOPHER NEUDECK
JEAN KNIGHT
JOE BRYSON
DOMINECK GULLI, homeowner in District
TOM FAULKS, homeowner in District
GERARD HAMMER, homeowner in District

Item 1. Public Comment. Trustee Panzer reported that there is a mat of organic material on top of Fourteen Mile Slough. He noted that it was all on the residence's side of the slough. Even if one wanted to, they couldn't bring a boat in. It's all green and an inspection from the water side would be difficult and it would be difficult for vessels to get in there to do any kind of maintenance. As the water gets lower, it would get even worse. He said it was the Algeria Densa that is forming a mat underneath. It's like an island and the water floats around it. It was suggested to contact Boating and Waterways as they maintain navigable waterways. The response about contacting them was that this has been done before and they seem to be low on funds and manpower. Mr. Faulks mentioned that a number of homes in his area did a removal of something like this and it was a back-breaking task but it does look much better. He noted he thought these types of growth need to be mechanically removed.

Item 2. Approval of Minutes. Minutes of the regular meeting of April 5, 2017. After review,

It was moved, seconded (B. Tholborn/D. Meyers) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the minutes of the regular meeting of April 5, 2017 were approved.

Item 3. Financial Report. Review, discuss, and accept financial report. Dan Schroeder presented the financial report. No assessment, taxes or other income was received by the District this last month. Ms. Knight mentioned that the workers' compensation insurance payments this last month amounted to over \$4,324.87 – way over the monthly amount of \$651.00 normally

seen. She said she called State Compensation Insurance Fund to get an explanation of the expenses and was told that the premium for this year was increased due to the higher payroll (most likely due to high payroll during the flood season) and because of this the additional amount, along with a security deposit due for the upcoming renewal and an additional payment, made the premium jump that much for this year. She also reported that State Fund is actually lowering the District's premium this upcoming year to \$569.58. Ms. Knight also mentioned that under Anticipated Income, there is a new line item for the claim the District has filed with the City of Stockton for the Pipeline Erosion Emergency Repair at Levee Station 89+00. The anticipated amount expected to be refunded to the District for its expenses for this repair came to \$22,052.33. This was filed by Kjeldsen, Sinnock & Neudeck on behalf of the District. After discussion,

It was moved, seconded (B. Tholborn/D. Meyers) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the financial report be approved.

- (a) 2017/2018 Draft Budget. Dan Schroeder presented the budget and each line item of the budget was reviewed. Mr. Schroeder will make the edits and changes as discussed and present a draft budget at the June meeting. During this discussion, it was recognized that there was an error in the financial report where the liability insurance should have been reported as \$5,305 instead of \$6,305. The financial report will be correct to reflect this change and a vote to approve the amended report was made and:

It was moved, seconded (B. Tholborn/D. Meyers) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the amended financial, with a change in the liability insurance expense from \$5,305 to \$6,305 be approved.

As each line item was discussed and agreed upon and then documented by attorney Schroeder in the spreadsheet on his computer that will be distributed for the next regular meeting. It was noted that there was no expense to date for the engineer's work on the assessment and Ms. Knight will review with Kjeldsen, Sinnock & Neudeck to see if this can be identified in an invoice or invoices. The present figure of \$5,500 may be amended. Another line item, Sediment Removal Project, currently set at \$0.0, was also discussed. Trustee Meyer had several comments with respect to this expense and mentioned perhaps doing a partial project if District funds were not sufficient. Mr. Neudeck responded that he was not prepared to respond to that and there was further discussion on going ahead with the sediment removal project even if the levee subventions funding gets reduced or discontinued. There still would be CEQA expenses to consider and Mr. Meyers noted that the District is currently holding \$1,400,000 in contingencies and if they are being held, what are they being held for and perhaps this would be money the District could tap into. He also noted that he had worked out a budget that was based on the District not receiving subventions funds whereas the proposed budget prepared by the engineers did include subventions monies. Because the discussion was starting to involve the sediment removal project, Trustee Tholborn was asked to recuse himself because of the Attorney General Opinion that states that he has a Conflict of Interest with his residence

located in the area potentially being benefitted. Discussion continued and again, because it was going to become a topic of further discussion and not on the agenda, it was decided that this would be something that should be discussed at another meeting and not the current meeting. Again, because Brett Tholborn cannot participate in the sediment removal project discussions, he would not be able to attend this meeting. Trustee Meyers asked if a special meeting could be scheduled between this meeting and the next scheduled meeting to discuss this project. It was agreed that this could be done and also agreed that Chris Neudeck will prepare two budgets - one with subventions income and one without subventions income. At the end of the discussions with respect to all the line items, the total amount for the draft budget came to \$718,550.00. If further input for the budget is decided at the special meeting, the draft budget will be amended to perhaps include expenditures for the sediment removal project, as, as of this meeting, the line item was left at \$0.0.

- (b) Long Term Expenditure Plan. As noted above, the District will have a special meeting and Mr. Neudeck will update his budget worksheet
- (c) Cal Mutual Directors Election. Dan Schroeder reported he has a ballot. The trustees asked if they had to vote and from reviewing the ballot, Mr. Schroeder said it appeared they did not have to. After discussion,

It was moved, seconded (D. Meyers/B. Tholborn) and unanimously carried by the Trustees of Reclamation District 1608 that the Trustees opted to not vote on the Cal Mutual Directors Election ballot.

At this time Attorney Schroeder brought up an issue previously discussed having to do with a lawsuit between Manteca Unified School District vs. Reclamation District 17 dealing with Proposition 218. The school district did not want to pay Proposition 218 assessments and filed the lawsuit against Reclamation District 17 who was having a Proposition 218 hearing. The school district prevailed in Superior Court. However, Reclamation District 17 appealed this decision and won the appeal. There could be a chance this decision could be appealed to the State Supreme Court but Mr. Schroeder said the school district would need to file a Petition and he is of the opinion that the Supreme Court would not accept the Petition.

The following bills, and warrants in payment of same, were approved:

MICHAEL PANZER, #5905, Trustee Fee	100.00
DREW MEYERS, #5906, Trustee Fee (two meetings).....	200.00
BRETT THOLBORN, #5907, Trustee Fee	100.00
JEAN L. KNIGHT, #5908, Secretarial Fee	725.00
NEUMILLER & BEARDSLEE, #5909, Inv. #283745	4,666.19
KJELDSSEN, SINNOCK & NEUDECK, #5910, Inv. #20713-20718	12,296.14
PAUL E. VAZ TRUCKING, #5911, Inv. #47382	1,001.50
DOHRMANN INSURANCE AGENCY, #5912, Inv. #s 22141, 22142 & 22143	7,342.00
CROCE & COMPANY, #5913, Inv. # 06783.....	460.80
PG&E, #5914, Electrical.....	12.83

Timesheets for the following employees were submitted and checks in payment of same, were approved:

May, 2017

JOE BRYSON, #1318, May, 2017 Salary2,827.42

State and Federal Payroll Taxes scheduled to be paid on line, were approved

State Government, Payroll Taxes, May Salary265.53

Federal Government, Payroll Taxes, May Salary1,541.06

Item 4. Engineer’s Report. Request for directions and approvals. Chris Neudeck went through his engineering report Engineer’s Report and gave an update (included as Exhibit A) of the Lincoln Village West Letter of Map Revision and Lake Delineation Progress. The memo details where the engineers are in this process and what the next steps are. It is anticipated that by May 19, 2017, the engineers will be submitting the FEMA response package and include the Lincoln Village West Lake Delineation work.

With respect to the status of the final site cleanup of rock slope protection project on Fourteen Mile Slough East of I-5, the engineers included two exhibits in their report which note problems with a slide gate track problem, a chain link fence that was hit by a truck which bent the top rail of the fence and the fence leading down the slope into the water was displaced. All these items, on a punch list, were sent to Scott Schmitt to complete this work. After this is done, the project will be complete.

There was a question by Mr. Faulks asking about the Southwest Levee project and which homes does it affect. Mr. Neudeck noted that the homes are somewhat in the middle of the levee area for the District. It was not thought that this would be the Faulks’ home. Mr. Faulks said that the main reason he was asking was that a small group of homeowners are very willing to participate in any way they can with the District to get the job done and really do want to get involved. He noted that his wife is very active with the 46 homes on the levee. Any advice that they can be given will be much appreciated. Attending meetings could be very helpful to these homeowners and talking to others about what is going on within the District would be good too.

- (a) Consider new permits requests from homeowners. No permits submitted.

Item 5. Levee Superintendent Report. Request for directions and approvals. Joe Bryson went through the May levee report. Of special note was that the water hyacinth is back at Five Mil Slough and the report is that the County is interested in entering into another agreement with the District in cleaning the levee again as they did last year. Chris Neudeck reported he had received a call about this just recently and more information will be forthcoming. With respect to item 12., Mr. Bryson said he received a 5 a.m. telephone call about water running in the street in front of the District’s Stone River gate. He said he had to wait 3 hours for the City of Stockton to arrive at the site where it turned out there was a broken water line. He also reported that the blacktop work with ASTA Construction is done and all that is left is graveling the shoulder. He also noted that he received a call about kids swimming in File Mile Slough.

Item 6. Resolution 2017-02. Adopt Resolution 2017-02 Authorizing and Directing Filing Of Notice Of Exemption For Routine Maintenance For Fiscal Year 2017-2018. Attorney Schroeder presented this item and noted that this is something that the District does annually and recommended approval. After discussion,

It was moved, seconded (B. Tholborn/D. Meyers) and unanimously carried by the Trustees of Reclamation District 1608 that Resolution 2017-02 Authorizing and Directing Filing Of Notice Of Exemption For Routine Maintenance For Fiscal Year 2017-2018

Item 7. Newsletter. Request Direction. Ms. Buethe had submitted the final draft to attorney Schroeder and attorney Schroeder had e-mailed copied to the Trustees and staff and was looking for comments with respect to this draft. Several edits comments were made and these changes and comments will be submitted by Dan Schroeder to Ms. Buethe for finalization of the newsletter. One item was the Gabe Banks was referred to a number of times in the newsletter and Mr. Bryson reported that Gabe is no longer working for the District. These references will be taken out. After discussions,

It was moved, seconded (B. Tholborn/D. Meyers) and unanimously carried by the Trustees of Reclamation District 1608 that the newsletter, as edited at this May 3rd meeting, is approved with the comments and suggestions made by the Trustees and staff and such changes will be relayed to Ms. Buethe for finalization. The newsletter will be distributed in May.

Item 8. Report by Trustees on meetings attended and up coming meetings. Request for direction. No report, no meetings attended.

Item 9. Report and possible action on Progress of Tasks Assigned at Previous Board Meetings.

- (a) Review and Update Sediment Removal Project Projected Costs. To be discussed at Special Meeting.
- (b) Develop Long Term Expenditure Plan. To be discussed at Special Meeting.

Item 10. Discussion and direction on Short-Term and Long-Range Goals. Discussion. No action.

Item 11. District Calendar. Discussion and direction. The annual maintenance agreement was taken care of at this meeting, along with the draft budget and it was discussed that the annual tour of the levee system might be done in August instead of May.

Item 12. Correspondence. No correspondence.

Item 13. Approval of Bills. The bills, as presented, were approved.

Item 14. 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 15. Adjournment. The meeting was adjourned at 10:00 a.m.

Respectfully submitted,

Jean L. Knight
District Secretary