

**AGENDA FOR
RECLAMATION DISTRICT NO. 1608
BOARD OF TRUSTEES REGULAR MEETING
8:00 A.M. MARCH 4, 2020
NEUMILLER & BEARDSLEE
3121 WEST MARCH LANE, SUITE 100
STOCKTON, CALIFORNIA**

Call to Order.

Roll Call.

Agenda Items.

1. Public Comment. Under Government Code Section 54954.3, members of the public may address the Board on any issue in the District's jurisdiction. The public may address any item on the agenda as it is taken up.
2. Approval of Minutes. Minutes of the February 6, 2020 meeting of the Board.
3. Financial Report. Review, discuss, and accept financial report.
4. Engineer's Report. Request for directions, adoption, and approvals.
 - (a) Consider new permits requests from homeowners.
 - (b) Sediment Removal Project
 1. Adopt Resolution 2020-01 Approving and Authorizing Execution of General Lease with California State Lands Commission for Dredging of Sovereign Land Located in 14-Mile Slough.
 2. Report and Seek Direction for public outreach to landowners of property located along the proposed dredging cut.
 3. Report and Seek Direction for Port of Stockton Dredged Sediment Agreement.
 4. Report and Seek Direction on the District obtaining access from RD 2119 landowners during Sediment Removal Project.
 - (c) Delta Grant II
 1. Approve Flood Fight Container and material purchase.
5. Levee Superintendent Report. Request for directions and approvals.
6. Report by Trustees on meetings attended and upcoming meetings. Request for direction.
7. Report and possible action on Progress of Tasks Assigned at Previous Board Meetings.
8. Discussion and direction on Short-Term and Long-Range Goals.
9. District Calendar. Discussion and direction.
 - a. Newsletter
10. Correspondence.

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code §54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact Elvia Trujillo at 209/948-8200 during regular business hours, at least forty-eight hours prior to the time of the meeting.

Materials related to an item on this Agenda submitted to the Trustees after distribution of the agenda packet are available for public inspection in the office of the District Secretary at Neumiller & Beardslee, 3121 West March Lane, Suite 100, Stockton, California during normal business hours.

11. Closed Session.

- (a) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Levee Superintendent.
- (b) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: District Secretary.

12. Report out of Closed Session.

13. Employment Agreements. Discussion and possible action regarding amendments to Levee Superintendent and District Secretary.

14. Approval of Bills.

15. Staff Reports.

(a) Attorney. The Agenda for this meeting was posted on the window outside the meeting room at 3121 West March Lane, Stockton, California, at least seventy-two (72) hours preceding the meeting.

16. Adjournment.

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**AGENDA PACKET
RECLAMATION DISTRICT 1608
MARCH 4, 2020**

<u>ITEM</u>	<u>COMMENTARY</u>
1.	Self-explanatory.
2.	Please see attached.
3.	Self-explanatory.
4.a	Please see attached.
5.	Self-explanatory.
6.	Self-explanatory.
7.	Self-explanatory.
8.	Please see attached.
9.	Please see attached.
10.	Self-explanatory.
11.	Self-explanatory.
12.	Self-explanatory.
13.	Self-explanatory.
14.	Self-explanatory.
15.	Self-explanatory.
16.	Self-explanatory.

ITEM 2

**MINUTES OF THE REGULAR MEETING OF BOARD OF TRUSTEES
FOR RECLAMATION DISTRICT 1608
HELD FRIDAY, FEBRUARY 14, 2020
(February 6, 2020 meeting adjourned to February 14, 2020)**

A Regular Meeting of the Board of Trustees of Reclamation District 1608 was called to order at 8:00 a.m. by President Michael Panzer on February 14, 2020, at the law offices of Neumiller & Beardslee, 3121 W. March Lane, Stockton, California.

TRUSTEES PRESENT WERE:

MICHAEL PANZER
BRETT THOLBORN
DAN MacDONNELL

OTHERS PRESENT WERE:

ANDY PINASCO
CHRIS NEUDECK
JOE BRYSON
ELVIA TRUJILLO
BOB BENTZ
DOTTIE LOFTSTROM
CHUCK STANIEC

ABSENT:

DANIEL SCHROEDER

1. **Public Comment.** No public comment.

After there being no public comment, President Panzer moved Item 6.a. (Item I.A. of the Engineer's report) up on the agenda since there was a landowner present, Mr. Charles Staniec. For details on this item, please see below under Section 6.a.

2. **Approval of Minutes.** Minutes of January 8, 2020 meeting. After discussion,

Upon motion duly made, seconded (B. Tholborn/D. MacDonnell) and unanimously carried by the Board Trustees of Reclamation District 1608 the minutes of the regular meeting of January 8, 2020, were approved as presented.

3. **Financial Report.** Review, discuss, and accept financial report. District Secretary Elvia Trujillo presented a written and oral report. She pointed out the District received property tax revenues, interest income, and assessment monies. She also noted there were County charges for administrative costs on behalf of the District. In reviewing the report, Trustee Tholborn requested the \$100.00 membership fee for the CalMutuals be moved from the Newsletters and Public Communications line item to the Property and Liability Insurance line item. After further review and discussion,

It was moved, seconded (B. Tholborn/D. MacDonnell) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the Financial Report, be approved with the \$100 line item change for the CalMutuals membership fee.

4. **Financial Audit.** Review, discuss, and accept draft audit report from Croce, Sanguinetti & Vanderveen. Attorney Andy Pinasco presented this item. He discussed the draft copy of the Financial Statements and Independent Auditor's Report for the year ended June 30, 2019 and the representation letter from Croce, Sanguinetti & Vanderveen. Mr. Pinasco explained each year the audit has to be submitted to state controller's office. After review,

It was moved, seconded (B. Tholborn/D. MacDonnell) and unanimously carried by the Trustees of Reclamation District 1608 that the draft Audit Report for the year ended June 30, 2019 be approved and authorized execution of the Letter of Representation with Croce, Sanguinetti & Vanderveen.

5. **Insurance.** Approve JPRIMA Insurance Policy renewal. Andy Pinasco presented this item. He explained the terms of the CalMutuals JPRIMA proposal for the April 1, 2020 through April 1, 2021 coverage period in the amount of \$9,543.00. This incorporates your general liability insurance, auto insurance, errors and omissions policy. Although there was an eight percent rate increase, it is still lower than what the District used to pay under the previous product.

It was moved, seconded (B. Tholborn/D. MacDonnell) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the Trustees approve the new insurance rate and delegate authority to Attorney Andy Pinasco to renew the District's JPRIMA Insurance Policy for the April 1, 2020 through April 1, 2021 policy year.

6. **Engineer's Report.** Request for directions and approvals.

(a) Show Cause Hearing Regarding Violation of Levee Encroachment Standards.

- i. 6347 Embarcadero Drive
Owners – Charles and Farley Staniec
Violation – Untrimmed vegetation inhibiting levee inspections and presence of unpermitted improvements, failure to comply with March 28, 2019, and August 26, 2019 Notice of Violation.

The Show Cause Hearing opened at 8:01 a.m. with Mr. Charles Staniec present at the hearing. District Engineer, Chris Neudeck, gave an oral and written report on the history of the efforts made to bring the Staniec property into compliance and referenced the list of events contained in Item I.A and

Exhibit A of the Engineer's Report. At this point two items remain in order to bring the property into compliance. The first item is to remove roots of hedge along the landside hinge point up against the fence along the same alignment. Mr. Neudeck noted any regrowth of this hedge will obliterate inspectability down the landside levee slope. The second item is to seek relocation of the dilapidated fence at the landside edge of crown to the levee toe.

Discussion followed regarding the fence as to whether a new permit for a new structure is required or whether it is a permit to repair which prompted the need to check on the terms and provisions of the existing fence permit. It was agreed to check on what kind of right/permit there is on the fence before proceeding to properly address this issue. President Panzer directed the motion deal only with the hedge at this point and requested legal counsel to write homeowner requesting removal of the hedge within 60 days.

It was moved, seconded (B. Tholborn/D. MacDonnell) and unanimously carried by the Board of Trustees of Reclamation District 1608 to request removal of hedge and authorized legal counsel to direct Mr. and Mrs. Staniec, the homeowners, to remove hedge within 60 days.

- (b) Sediment Removal Project.
See below in Engineer's Report.
- (c) Consider new permit requests from homeowners.
No new permits presented.

7. **Subventions.**

Chris Neudeck presented this item and reported that under Proposition 1, \$295 million was set aside for levees and all of this money has been misappropriated. Mr. Neudeck contacted the Central Valley Flood Control Association regarding this issue. He also reported Mr. Nomellini went to task to say this is unfair, illegal and is demanding the account be replenished. If necessary, Mr. Nomellini may sue on behalf of this District and other districts. Since the amount of funds in question is a very large amount, effort is being made to contact local and state representatives.

From Engineer's Report:

I. PLAN REVIEW

- A. Mr. Charles and Mrs. Farley Staniec residence at 6347 Embarcadero Drive.
EXHIBIT A: KSN Inc. Summary Inspection Photos dated 2/10/2020.
Please see Section 6.a. above.

II. 5 MILE SLOUGH HYACINTH REMOVAL

Chris Neudeck presented this item and reported a meeting took place with Mr. Jack (Hammer) McNabb, the owner of Clean Lakes, Inc., Joe Bryson and Marlo Duncan from SJAFCA. It's still unclear if Clean Lakes Inc. will be doing removal of the water hyacinth from the RD 2115 or RD 1608 side. Doing that much trekking on our levees will require repaving the road. An encroachment permit will be needed to off-haul the hyacinth if it is removed and hauled from the RD 1608 side. No timeframe on the removal has been indicated at the moment.

III. SEDIMENT REMOVAL PROJECT

- B. Review progress permitting process with Board of Trustees.
EXHIBIT B: KSN Inc. Summary of work activities associated with the sediment removal project dated February 12, 2020.

Chris Neudeck presented this item and reported he hopes to get the project out to bid soon. Details are still being worked on. The State Lands Commission meeting for final approval will be on Tuesday. He is currently working on specifications, public notice, and public outreach. Mr. Neudeck reported some of the changes were not on the images they were working on and obtained aerial photography to see current images to assist in design alignment to obtain accurate model of pre-dredge conditions. A notification letter will be sent to homeowners asking their cooperation in relocating the dock extensions into the channel. Mr. Neudeck anticipates the project will take three months, from August 1 to October 30. Another letter will be sent to homeowners to move the boats back to the docks once ready. He will be presenting documents with bid information at the next Board meeting for authorization to award contract.

Mr. Neudeck also made a general comment as to having attended a meeting regarding the Notice of Preparation to the Delta Conveyance Project. The Delta Conveyance Project calls for a single underground tunnel and replaces the California WaterFix project which called for two tunnels to take water around the Sacramento-San Joaquin River Delta to aqueducts in southern California. At the meeting, there was oral input as to what to include in the Environmental Impact Report. Mr. Neudeck commented he testified as to the impacts associated with the water tunnel and the alternatives.

8. Levee Superintendent Report. Request for directions and approvals.

Joe Bryson gave an oral and written report. He informed the Board a man drove over the dirt pile on the levee rather than driving on the road and got stuck. Mr. Bryson had to call a tow truck to pull him out. Additionally, a PG&E employee requested keys to the locks on the gates but Mr. Bryson did not provide him with keys as the gates in question have PG&E and CalTrans locks. In the northeast section, two sinkholes were found due to roots and these were recompacted and taken care of. Mr. Bryson was happy to report the cement had been poured for the cement pad in preparation for the new storage bin.

At the next Board meeting, Mr. Neudeck and Mr. Bryson will be seeking authorization from the Board to purchase flood fight supplies.

President Panzer informed Mr. Neudeck and Mr. Bryson he signed the renewal of the pesticide control permit, gave them a copy and requested the schools within the District be notified.

9. Report by Trustees on meetings attended and upcoming meetings. Request for direction.

- President Panzer confirmed he will be attending the SJAFCA meeting being held on February 19, 2020.
- Trustee MacDonnell plans to attend the 2020 Flood Forum on March 18, 2020.

10. Report and possible action on Progress of Tasks Assigned at Previous Board Meetings.
None.

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

12. District Calendar. Discussion and direction.

- a. Trustee Compensation for Meeting Attendance. Andy Pinasco reported on this item informing the Board the current Trustee fee is \$246.75 per meeting and an increase cannot be more than five percent per year. The Board expressed interest in increasing the fee by five percent. For the March meeting, there will be an agenda item to increase the Trustee compensation.

Continuing with the items listed on the Master calendar for the month of March:

- Mr. Pinasco reminded the Board the employee evaluations are scheduled for the March Board meeting.
- Mr. Neudeck requested the second and third bullet items related to the California Department of Fish & Game be removed.

- As to the spring newsletter, Mr. Pinasco informed the Board Judith Buethe had retired and he will be reaching out to other agencies in the near future.

13. **Correspondence.** For informational purposes, Attorney Andy Pinasco made available to the Board the following newsletters:

- Legislative Days
- Special District Leadership Academy

14. **Approval of Bills.** The Bills to be Paid List presented at the February 14, 2020 meeting was reviewed, and

Upon motion duly made, seconded (B. Tholborn/D. MacDonnell) and unanimously carried by the Trustees of Reclamation District 1608 the Bills to be Paid List as presented at this meeting was approved.

15. **Staff Reports.** No staff reports.

- (a) Attorney. The Agenda for this meeting was posted on the window outside the meeting room at 3121 West March Lane, Suite 100, Stockton, California, at least seventy-two (72) hours preceding the meeting.

16. **Adjournment.** The meeting adjourned at 9:53 a.m.

Respectfully submitted,



Elvia C. Trujillo
District Secretary

ITEM 4.a.

**RECLAMATION DISTRICT 1608
RESOLUTION 2020-01**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF
GENERAL LEASE WITH CALIFORNIA STATE LANDS COMMISSION FOR
DREDGING OF SOVEREIGN LAND LOCATED IN 14 MILE SLOUGH**

WHEREAS, the Board of Trustees ("Board") of Reclamation District 1608 ("District") has reviewed, and desires to enter into, that certain General Lease – Dredging of sovereign land located in 14-Mile Slough, near Stockton, San Joaquin County; for maintenance dredging of a maximum of 60,000 cubic yards of sediment material ("General Lease"), between the District and the California State Lands Commission;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The General Lease is approved, and the President of the Board is authorized and directed to execute the General Lease, and cause it to be presented to the California State Lands Commission with a certified copy of this Resolution.

PASSED AND ADOPTED by the Board of Trustees of Reclamation District 1608, at a regular meeting thereof, held on March 3, 2020, by the following vote:

AYES: _____
NOES: _____
ABSENT: _____
ABSTENTION: _____

RECLAMATION DISTRICT 1608
A Political Subdivision of the
State of California

By: _____
MICHAEL PANZER, President

ATTEST:

ELVIA TRUJILLO, Secretary

CERTIFICATION

I, Elvia Trujillo, Secretary of Reclamation District 1608, do hereby certify that the foregoing is a full, true and correct copy of a resolution of Reclamation District 1608 duly passed and adopted at a regular meeting of the Board of Trustees thereof held on the 3rd day of March, 2020.

Dated: _____, 2020

ELVIA TRUJILLO, Secretary
Reclamation District No. 1608

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
California State Lands Commission
Attn: Title Unit
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.: 100-320-05, 098-150-02, 03, 04
County: San Joaquin

LEASE _____

This Lease consists of this summary and the following attached and incorporated parts:

Section 1	Basic Provisions
Section 2	Special Provisions Amending or Supplementing Section 1 or 3
Section 3	General Provisions
Exhibit A	Land Description
Exhibit B	Site and Location Map

SECTION 1

BASIC PROVISIONS

THE STATE OF CALIFORNIA, hereinafter referred to as Lessor acting by and through the **CALIFORNIA STATE LANDS COMMISSION** (100 Howe Avenue, Suite 100-South, Sacramento, California 95825-8202), pursuant to Division 6 of the Public Resources Code and Title 2, Division 3 of the California Code of Regulations, and for consideration specified in this Lease, does hereby lease, demise, and let to the **RECLAMATION DISTRICT NO. 1608**, hereinafter referred to as Lessee, those certain lands described in Exhibit A and shown on Exhibit B (for reference purposes only) hereinafter referred to as Lease Premises, subject to the reservations, terms, covenants, and conditions of this Lease.

MAILING ADDRESS: Reclamation District No. 1608
Attn.: Daniel Schroeder
PO Box 20
Stockton, CA 95201

LEASE TYPE: General Lease – Dredging

LAND TYPE: Sovereign

LOCATION: 14-Mile Slough, near Stockton, San Joaquin County as described in Exhibit A attached and by this reference made a part hereof.

LAND USE OR PURPOSE: Maintenance dredging of a maximum of 60,000 cubic yards of sediment material. Dredged material shall be disposed at one of two proposed dredge sediment placement facilities located on Lower Roberts Island.

TERM: 3 years, beginning February 28, 2020; ending February 27, 2023, unless sooner terminated as provided under this Lease.

CONSIDERATION: No monetary consideration is due for the lease because it is for the public use and benefit, there is no commercial benefit from the project and the dredged material may not be sold. Subject to modification by Lessor as specified in Paragraph 2 of Section 3 - General Provisions.

LIABILITY INSURANCE: N/A

SECTION 2 SPECIAL PROVISIONS

**BEFORE THE EXECUTION OF THIS LEASE, ITS PROVISIONS ARE AMENDED,
REVISED, OR SUPPLEMENTED AS FOLLOWS:**

1. In performing the dredging, the Lessee will abide by Best Management Practices to control turbidity to protect marine resources and habitats from excessive siltation in the general vicinity of the project.
2. Lessee shall prepare and maintain accurate records of its operations under this Lease. Lessee shall provide to Lessor detailed report of the volume and placement of dredged materials.
3. In the event of a hazardous spill, Lessee shall immediately contact the 24-Hour Oil Spill Hotline of the California Office of Emergency Services at 1-800-852-7550 and the Mineral Resources Management Division at 1-562-590-5201.
4. All vessels, equipment, machinery, tools or other property moved onto or within the Lease Premises or lands subject to Lessor's jurisdiction shall remain the property of the Lessee and/or its authorized contractors. Such property shall be promptly and properly removed by Lessee, at its sole risk and expense.
5. Lessor accepts no responsibility for any damages to any property, including any vessels, equipment,

machinery, or tools within the Lease Premises or lands subject to Lessor's jurisdiction.

6. Lessee acknowledges that the land described in Exhibit A of this Lease is subject to the Public Trust and is presently available to members of the public for recreation, waterborne commerce, navigation, fisheries, open space, and any other recognized Public Trust uses. Lessee also agrees that any proposed dredging activities and subsequent use of the Lease Premises shall not unreasonably interfere with or limit Public Trust rights, and any temporary interference or limitation of Public Trust rights or public access shall only be to the extent necessary to protect public health and safety during dredging activities authorized by Lessor, or when imminent threats to public health and safety are present.
7. Lessee acknowledges that the Lease Premises and adjacent upland are located in an area that may be subject to effects of climate change, including sea-level rise. To prepare for the potential effects of sea-level rise, including flood damage, erosion damage, tsunamis, and damage from waves and storm-created debris, the Lessee acknowledges and agrees to the following:
 - a. Hazards associated with sea-level rise may require additional maintenance or protection strategies regarding the improvements on the Lease Premises.
 - b. Consistent with Section 3, Paragraph 7, the Lessee assumes the risks associated with such potential hazards and agrees to be solely responsible for all damages, costs, and liabilities arising as a result of the impacts of such hazards on the Lease Premises. Any additional maintenance or protection strategies necessitated by such hazards may require additional approval by Lessor pursuant to Section 3, Paragraph 4(a) and be subject to environmental review.

In the event of any conflict between the provisions of Section 2 and Section 3 of this Lease, the provisions of Section 2 shall prevail.

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SECTION 3

GENERAL PROVISIONS

1. GENERAL

These provisions are applicable to all leases, permits, rights-of-way, easements, or licenses or other interests in real property conveyed by the State Lands Commission.

2. CONSIDERATION

(a) Categories

(1) Royalty

Lessee shall pay the rent or royalty as stated in this Lease to Lessor without deduction, delay, or offset, on or before the beginning date of this Lease and on or before each anniversary of its beginning date during each year of the Lease term.

(2) Non-Monetary Consideration

If the consideration to Lessor for this Lease is the public use, benefit, health, or safety, Lessor shall have the right to review such consideration at any time and set a monetary rental if the State Lands Commission, at its sole discretion, determines that such action is in the best interest of the State. Dredged material may not be sold.

(b) Penalty and Interest

Any installments of rental accruing under this Lease not paid when due shall be subject to a penalty and shall bear interest as specified in Public Resources Code Section 6224 and the Lessor's then existing administrative regulations governing penalty and interest.

3. BOUNDARIES

This Lease is not intended to establish the State's boundaries and is made without prejudice to either party regarding any boundary claims which may be asserted presently or in the future.

4. LAND USE

(a) General

Lessee shall use the Lease Premises only for the purpose or purposes stated in this Lease and only for the operation and maintenance of the improvements expressly authorized in this Lease. Lessee shall commence use of the Lease Premises within ninety (90) days of the beginning date of this Lease or within ninety (90) days of the date set for construction to commence as set forth in this Lease, whichever is later. Lessee shall notify Lessor within ten (10) days after commencing the construction of authorized improvements and within sixty (60) days after completing them. Lessee's discontinuance of such use for a period of ninety (90) days shall be conclusively presumed to be an abandonment.

(b) Continuous Use

Lessee's use of the Lease Premises shall be continuous from commencement of the Lease until its expiration.

(c) Conservation

Lessee shall not violate any law or regulation whose purpose is to conserve resources or to protect the environment. Violation of this section shall constitute grounds for termination of the Lease. Lessor, by its executive officer, shall notify Lessee, when in his or her opinion, Lessee has violated the provisions of this section and Lessee shall respond and discontinue the conduct or remedy the condition within 30 days.

(d) Toxics

Lessee shall be fully responsible for any hazardous wastes, substances, or materials as defined under federal, State, or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported on the Lease Premises during the Lease term and shall comply with and be bound by all applicable provisions of such federal, State, or local law, regulation or ordinance dealing with such wastes, substances, or materials. Lessee shall notify Lessor and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances, or materials.

(g) Enjoyment

Subject to the provisions of paragraph 5 (a) (2) below, nothing in this Lease shall preclude Lessee from excluding persons from the Lease Premises when their presence or activity constitutes a material interference with Lessee's use and enjoyment of the Lease Premises as provided under this Lease.

(h) Discrimination

Lessee in its use of the Lease Premises shall not discriminate against any person or class of persons on the basis of race, color, creed, religion, national origin, sex, age, or handicap.

5. RESERVATIONS, ENCUMBRANCES, AND RIGHTS-OF-WAY

(a) Reservations

(1) Lessor expressly reserves all natural resources in or on the Lease Premises, including but not limited to timber and minerals as defined under Public Resources Code Sections 6401 and 6407, as well as the right to grant leases in and over the Lease Premises for the extraction of such natural resources; however, such leasing shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.

(2) Lessor expressly reserves a right to go on the Lease Premises and all improvements for any purposes associated with this Lease or for carrying out any function required by law, or the rules, regulations, or management policies of the State Lands Commission. Lessor shall have a right of reasonable access to the Lease Premises across Lessee owned or occupied lands adjacent to the

Lease Premises for any purpose associated with this Lease.

- (3) Lessee agrees to allow the State, the State's easement holders, permittees or lessees to enter upon the Leased Lands in order to conduct authorized activities; provided that such parties shall provide Lessee with reasonable advance notice of their entry on the Leased Lands and the contemplated activities while on the Leased Lands. The State shall require such parties to indemnify, defend and hold Lessee harmless from and against any loss, cost, charge, cause of action or other liability of any kind whatsoever that arises out of such parties activities on, in or associated with the Leased Lands.
- (4) Lessor expressly reserves to the public an easement for convenient access across the Lease Premises to other State-owned lands located near or adjacent to the Lease Premises and a right of reasonable passage across and along any right-of-way granted by this Lease; however, such easement or right-of-way shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.
- (5) Lessor expressly reserves the right to lease, convey, or encumber the Lease Premises, in whole or in part, during the Lease term for any purpose not inconsistent or incompatible with the rights or privileges of Lessee under this Lease.

(b) Encumbrances

This Lease may be subject to pre-existing contracts, leases, licenses, easements, encumbrances, and claims and is made without warranty by Lessor of title, condition, or fitness of the land for the stated or intended purpose.

6. RULES, REGULATIONS, AND TAXES

(a) Lessee shall comply with all applicable laws, regulations and rules of the United States, the State of California and counties or cities now or hereafter enacted or promulgated, including, without limitations, all applicable provisions of the Public Resources Code, the California Administrative Code, and the Statutes of California, regardless of which agency or government body may have jurisdiction with respect to enforcement. Lessee also agrees that in its employment practice hereunder, it shall not discriminate against any person because of race, color, religion, sex, ancestry, national origin physical disability, sexual orientation, AIDS or AIDS related condition(s), marital status or age.

(b) Lessee understands and agrees that a necessary condition for the granting and continued existence of this Lease is that Lessee obtains and maintains all permits or other entitlements.

(c) Lessee accepts responsibility for and agrees to pay any and all possessory interest taxes, assessments, user fees or service charges imposed on or associated with the leasehold interest, improvements or the Lease Premises, and such payment shall not reduce rental due Lessor under this Lease and Lessor shall have no liability for such payment.

(d) In accepting this Lease, Lessee understands that the interest created herein may be subject to a possessory interest tax imposed by a local or county tax assessor. Any such possessory interest tax imposed shall not reduce any royalty due hereunder and payment of the tax shall be the liability of the Lessee.

7. INDEMNITY

(a) Lessor shall not be liable and Lessee shall indemnify, hold harmless, and, at the option of Lessor, defend Lessor, its officers, agents, and employees against and for any and all liability, claims, damages or injuries of any kind and from any cause, arising out of or connected in any way with the issuance, enjoyment or breach of this Lease or Lessee's use of the Lease Premises except for any such liability, claims, damage or injury solely caused by the negligence of Lessor, its officers, agents and employees.

(b) Lessee shall notify Lessor immediately in case of any accident, injury, or casualty on the Lease Premises.

8. INSURANCE

(a) Lessee shall obtain and maintain in full force and effect during the term of this Lease comprehensive general liability insurance and property damage insurance, with such coverage and limits as may be reasonably requested by Lessor from time to time, but in no event for less than the sum(s) specified, insuring Lessee and Lessor against any and all claims or liability arising out of the ownership, use, occupancy, condition, or maintenance of the Lease Premises and all improvements.

(b) The insurance policy or policies shall name the State of California, its officers, employees and volunteers as insureds as to the Lease Premises and shall identify the Lease by its assigned number. Lessee shall provide Lessor with a certificate of such insurance and shall keep such certificate current. The policy (or endorsement) must provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to Lessor. Lessor will not be responsible for any premiums or other assessments on the policy. The coverage provided by the insured (Lessee) shall be primary and non-contributing.

(c) The insurance coverage specified in this Lease shall be in effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved, by Lessor, or restored by Lessee as provided elsewhere in this Lease.

(d) Workers Compensation: Lessee shall at all times in any and all of its operations hereunder and any works in and upon

the Leased Lands, carry full and complete workers compensation insurance covering all of its employees.

9. SURETY BOND

(a) Lessee shall provide a surety bond or other security device acceptable to Lessor, for the specified amount, and naming the State of California as the assured, to guarantee to Lessor the faithful observance and performance by Lessee of all of the terms, covenants, and conditions of this Lease.

(b) Lessor may require an increase in the amount of the surety bond or other security device to cover any additionally authorized improvements, alterations or purposes and any modification of consideration.

(c) The surety bond or other security device shall be maintained in full force and effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted by Lessor, or restored by Lessee as provided elsewhere in this Lease.

(d) Said bond shall require the surety to give at least 120 days written notice of its intention to cease acting as guarantor. If a surety gives notice of its intention to cease acting as a guarantor, the Lessee shall provide to State within 30 days of such notice a replacement bond of equal value to become effective upon the expiration of the existing bond. Failure to provide such a replacement bond within the required time shall constitute a default entitling State to levy against the entire amount of the existing bond. Lessee agrees that in no event shall the amount of the bond be construed as a limitation on its liability. This requirement shall be separate from any other bonding provisions of the Public Resources Code and the regulations of the State of California or any other State, local or federal requirement.

10. ASSIGNMENT, ENCUMBRANCING OR SUBLETTING

(a) Lessee shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Lease Premises, in whole or in part, or allow any person other than the Lessee's employees, agents, servants and invitees to occupy or use all or any portion of the Lease Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Employment of operators and/or subcontractors by Lessee shall not be considered a sublease or assignment of this Lease; provided, however, that Lessee shall first notify Lessor of any intended operator and/or subcontractors and obtain Lessor's approval of the use of an operator and/or subcontractor. In the event of any subcontracting, Lessee shall remain liable for the operator's and/or subcontractor's activities including the payments of royalties.

(b) The following shall be deemed to be an assignment or transfer within the meaning of this Lease:

(1) If Lessee is a corporation, any dissolution, merger, consolidation or other reorganization of Lessee or sale or other transfer of a percentage of capital stock of Lessee which results in a change of controlling persons, or the

sale or other transfer of substantially all the assets of Lessee;

(2) If Lessee is a partnership, a transfer of any interest of a general partner, a withdrawal of any general partner from the partnership, or the dissolution of the partnership.

(c) If this Lease is for sovereign lands, it shall be appurtenant to adjoining littoral or riparian land and Lessee shall not transfer or assign its ownership interest or use rights in such adjoining lands separately from the leasehold rights granted herein without the prior written consent of Lessor.

(d) If Lessee desires to assign, sublet, encumber or otherwise transfer all or any portion of the Lease Premises, Lessee shall do all of the following:

(1) Give prior written notice to Lessor;

(2) Provide the name and complete business organization and operational structure of the proposed assignee, sublessee, secured third party, or other transferee; and the nature of the use of and interest in the Lease Premises proposed by the assignee, sublessee, secured third party or other transferee. If the proposed assignee, sublessee, or secured third party is a general or limited partnership, or a joint venture, provide a copy of the partnership agreement or joint venture agreement, as applicable;

(3) Provide the terms and conditions of the proposed assignment, sublease, or encumbrance or other transfer;

(4) Provide audited financial statements for the two most recently completed fiscal years of the proposed assignee, sublessee, secured party or other transferee; and provide pro forma financial statements showing the projected income, expense and financial condition resulting from use of the Lease Premises; and

(5) Provide such additional or supplemental information as Lessor may reasonably request concerning the proposed assignee, sublessee, secured party or other transferee.

Lessor will evaluate proposed assignees, sublessees, secured third parties and other transferees and grant approval or disapproval according to standards of commercial reasonableness considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors.

(e) Lessor shall have a reasonable period of time from the receipt of all documents and other information required under this provision to grant or deny its approval of the proposed party.

(f) Lessee's mortgage or hypothecation of this Lease, if approved by Lessor, shall be subject to terms and conditions found in a separately drafted standard form (Agreement and Consent to Encumbrancing of Lease) available from Lessor upon request.

(g) Upon approval of an assignment by State the covenants and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto; and all parties hereto shall be jointly and severally liable hereunder.

(h) Upon the express written assumption of all obligations and duties under this Lease by an assignee approved by Lessor, the Lessee may be released from all liability under this Lease arising after the effective date of assignment and not associated with Lessee's use, possession or occupation of or activities on the Lease Premises; except as to any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises.

(i) If the Lessee files a petition or an order for relief is entered against Lessee, under Chapters 7,9,11 or 13 of the Bankruptcy Code (11 USC Sect. 101, et seq.) then the trustee or debtor-in-possession must elect to assume or reject this Lease within sixty (60) days after filing of the petition or appointment of the trustee, or the Lease shall be deemed to have been rejected, and Lessor shall be entitled to immediate possession of the Lease Premises. No assumption or assignment of this Lease shall be effective unless it is in writing and unless the trustee or debtor-in-possession has cured all defaults under this Lease (monetary and non-monetary) or has provided Lessor with adequate assurances (1) that within ten (10) days from the date of such assumption or assignment, all monetary defaults under this Lease will be cured; and (2) that within thirty (30) days from the date of such assumption, all non-monetary defaults under this Lease will be cured; and (3) that all provisions of this Lease will be satisfactorily performed in the future.

11. DEFAULT AND REMEDIES

(a) Default

The occurrence of any one or more of the following events shall immediately and without further notice constitute a default or breach of the Lease by Lessee:

- (1) Lessee's failure to make any payment of rental, royalty, or other consideration as required under this Lease;
- (2) Lessee's failure to obtain or maintain liability insurance or a surety bond or other security device as required under this Lease;
- (3) Lessee's vacation or abandonment of the Lease Premises (including the covenant for continuous use as provided for in paragraph 4) during the Lease term;

(4) Lessee's failure to obtain and maintain all necessary governmental permits or other entitlements;

(5) Lessee's failure to comply with all applicable provisions of federal, state or local law, regulation or ordinance dealing with hazardous waste, substances or materials as defined under such law;

(6) Lessee's Failure to commence to construct and to complete construction of the improvements authorized by this Lease within the time limits specified in this Lease; and/or

(7) Failure of the Lessee to comply with any provisions of this Lease or with the laws, regulations, or rules applicable thereto shall immediately and without further notice constitute a default or breach of the Lease by Lessee.

(b) Lessee's failure to observe or perform any other term, covenant, or condition of this Lease or when such failure shall continue for a period of thirty (30) days after Lessor's giving written notice; however, if the nature of Lessee's default or breach under this paragraph is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default or breach if Lessee commences such cure within such thirty (30) day period and diligently proceeds with such cure to completion.

(c) Remedies

In the event of a default or breach by Lessee and Lessee's failure to cure such default or breach, Lessor may at any time and with or without notice do any one or more of the following:

- (1) Re-enter the Lease Premises, remove all persons and property, and repossess and enjoy such premises;
- (2) Terminate this Lease and Lessee's right of possession of the Lease Premises. Such termination shall be effective upon Lessor's giving written notice and upon receipt of such notice, Lessee shall immediately surrender possession of the Lease Premises to Lessor;
- (3) Maintain this Lease in full force and effect and recover any rental, royalty, or other consideration as it becomes due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Lease Premises; and/or
- (4) Exercise any other right or remedy which Lessor may have at law or equity.

12. INDEPENDENT SITE ASSESSMENT

Lessor may at any time during the Lease term require Lessee to conduct at its own expense and by a contractor approved by Lessor an independent environmental site assessment or

inspection for the presence or suspected presence of hazardous wastes, substances or materials as defined under federal, State or local law, regulation or ordinance manufactured, generated, used, placed, disposed, stored, or transported on the Lease Premises during the term of the Lease. Lessee shall provide the results of the assessment or inspection to Lessor and the appropriate governmental response agency(ies) and shall further be responsible for removing or taking other appropriate remedial action regarding such wastes, substances or materials in accordance with applicable federal, state or local law regulation or ordinance.

13. QUITCLAIM

Lessee shall, within ninety (90) days of the expiration or sooner termination of this Lease, execute and deliver to Lessor in a form provided by Lessor a good and sufficient release of all rights under this Lease. Should Lessee fail or refuse to deliver such a release, a written notice by Lessor reciting such failure or refusal shall, from the date of its recordation be conclusive evidence against Lessee of the termination of this Lease and all other claimants.

14. HOLDING-OVER

After expiration or earlier termination of lease, there is no holdover provision. Activities on premises shall constitute trespass without the express consent of the Lessor.

15. ADDITIONAL PROVISIONS

(a) Waiver

(1) No term, covenant, or condition of this Lease and no default or breach of any such term, covenant or condition shall be deemed to have been waived, by Lessor's acceptance of a late or nonconforming performance or otherwise, unless such a waiver is expressly acknowledged by Lessor in writing.

(2) Any such waiver shall not be deemed to be a waiver of any other term, covenant or condition of any other default or breach of any term, covenant or condition of this Lease.

(b) Time

Time is of the essence of this Lease and each and all of its terms, covenants or conditions in which performance is a factor.

(c) Notice

All notices required to be given under this Lease shall be given in writing, sent by U.S. Mail with postage prepaid, to Lessor at the offices of the State Lands Commission and the Lessee at the address specified in this Lease. Lessee shall give Lessor notice of any change in its name or address.

(d) Consent

Where Lessor's consent is required under this Lease its consent for one transaction or event shall not be deemed to be a consent to any subsequent occurrence of the same or any other transaction or event.

(e) Changes

This Lease may be terminated and its term, covenants, and conditions amended, revised, or supplemented only by mutual written agreement of the parties.

(f) Successors

The terms, covenants, and conditions of this Lease shall extend to and be binding upon and inure to the benefit of the heirs, successors, and assigns of the respective parties.

(g) Joint and Several Obligation

If more than one Lessee is a party to this Lease, the obligations of the Lessees shall be joint and several.

(h) Captions

The captions of this Lease are not controlling and shall have no effect upon its construction or interpretation.

(i) Severability

If any term, covenant or condition of this Lease is determined by a court of competent jurisdiction to be invalid, it shall be considered deleted and shall not invalidate any of the remaining terms, covenants and conditions.

(j) Record Keeping and Audits

(1) Lessee shall prepare and maintain accurate records of its operations under this Lease. On or before the 15th day of the month following the lease year, Lessee shall provide to State a detailed statement (hereinafter "Dredging Report") of the amount of Dredged Materials and copies of reports or contracts with the dredging operator substantiating the volume of Dredged Materials and placement of Dredged Materials.

(2) At the request of the State, the Lessee shall provide additional reasonable information to State to assist it in interpreting and evaluating the contents of Lessee's Dredging Report.

(3) All Dredging Reports and royalty statements shall be subject to audit by State. Upon reasonable advance notice to the Lessee from State, Lessee shall make available to State, during business hours, Lessee's books, records, calculations and other materials that are directly related to the Leased Lands and any other land joined with the Leased Lands under Lessee's plan of operation and the contents of its Dredging Reports.

(4) Lessee waives any rights or objections it may have and consents to the examination, inspection and audit of the books and records of Lessee and any other party associated with the dredging activities.

(5) Lessee shall, within 30 days of the State's request, provide copies of all data arising from Lessee's operation on the Leased Lands including, but not limited to, surveys of the Leased Lands conducted by or for

Lease _____

This Lease shall become effective only when approved by and executed on behalf of the State Lands Commission of the State of California and a duly executed copy has been delivered to Lessee. The submission of this Lease by Lessor, its agent or representative for examination by Lessee does not constitute an option or offer to lease the Lease Premises upon the terms and conditions contained herein, or a reservation of the Lease Premises in favor of Lessee. Lessee's submission of an executed copy of this Lease to Lessor shall constitute an offer to Lessor to lease the Lease Premises on the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date hereafter affixed.

LESSEE:

LESSOR:

RECLAMATION DISTRICT NO. 1608

**STATE OF CALIFORNIA
STATE LANDS COMMISSION**

By: _____

By: _____
ROBERT BRIAN BUGSCH

Title: _____

Title: Chief, Land Management Division

Date: _____

Date: _____

**ATTACH NOTARY
ACKNOWLEDGMENT**

Execution of this document was authorized by
the California State Lands Commission on

(Month Day Year)

EXHIBIT A

LAND DESCRIPTION

Four parcels of sovereign land lying within the bed of 14-Mile Slough (formerly portions of Mitchell Slough and 12-Mile Slough), located within Sections 24 & 25 of Township 02 North, Range 5 East, and in section 30 of Township 02 North, Range 6 East, MDM, County of San Joaquin, California, more particularly described as follows:

PARCEL 1

9.64 acres of Sovereign land lying in the bed of 14 Mile Slough (formerly Mitchell Slough and 12 Mile Slough) located in Sections 24 & 25, Township 2 North, Range 5 East, MDM, being designated as Assessor's Parcel Number 098-150-04 according to Page 15 of Assessor's Map Book 98 as of February, 2020.

PARCEL 2

4.10 acres of Sovereign land lying in the bed of 14 Mile Slough (formerly 12 Mile Slough) located in Section 30, Township 2 North, Range 6 East, MDM, being designated as Assessor's Parcel Number 098-150-03 according to Page 15 of Assessor's Map Book 98 as of February, 2020.

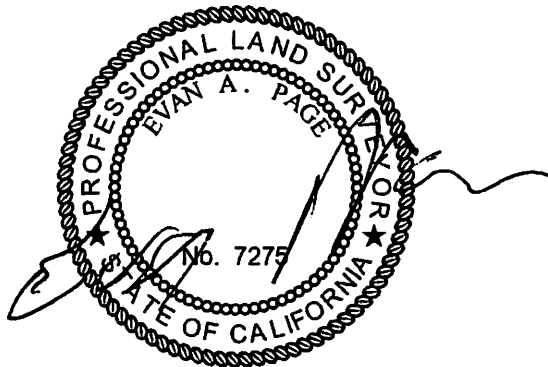
PARCEL 3

18.40 acres of Sovereign land lying in the bed of 14 Mile Slough (formerly 12 Mile Slough) located in Section 30, Township 2 North, Range 6 East, MDM, being designated as Assessor's Parcel Number 098-150-02 according to Page 15 of Assessor's Map Book 98 as of February, 2020.

PARCEL 4

2.00 acres of Sovereign land lying in the bed of 14 Mile Slough (formerly 12 Mile Slough) located in Section 30, Township 2 North, Range 6 East, MDM, being designated as Assessor's Parcel Number 100-320-05 according to Page 32 of Assessor's Map Book 100 as of February, 2020.

END DESCRIPTION



FEB 13 2020

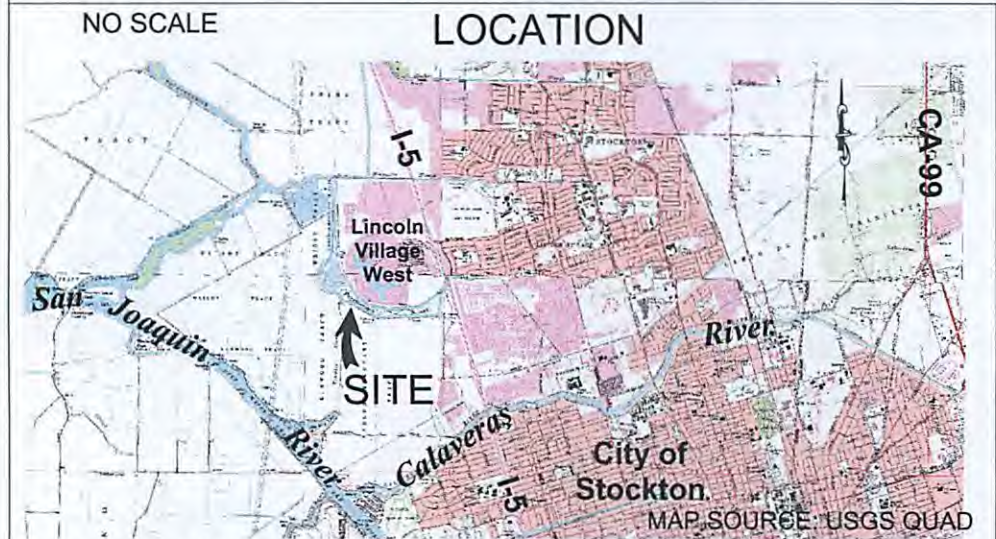
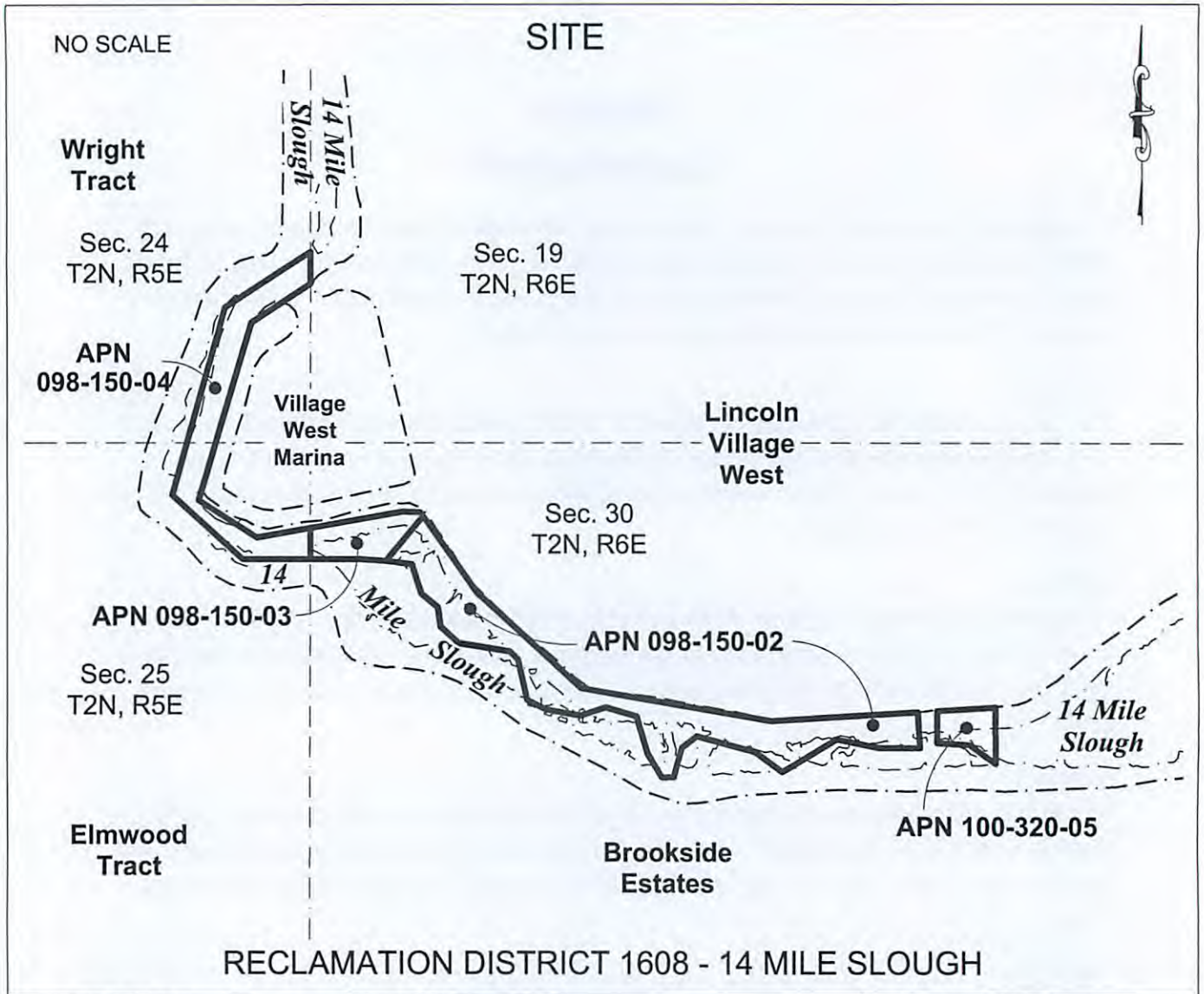


EXHIBIT B

A2117
RECLAMATION DIST, 1608
APN 098-150-02, 03 & 04
and 100-320-05
GENERAL LEASE -
DREDGING
SAN JOAQUIN COUNTY



THIS EXHIBIT IS SOLELY FOR PURPOSES OF GENERALLY DEFINING THE LEASE PREMISES, IS BASED ON UNVERIFIED INFORMATION PROVIDED BY THE LESSEE OR OTHER PARTIES AND IS NOT INTENDED TO BE, NOR SHALL IT BE CONSTRUED AS, A WAIVER OR LIMITATION OF ANY STATE INTEREST IN THE SUBJECT OR ANY OTHER PROPERTY.

ITEM 8

SHORT TERM GOALS 2020

1. Sediment Removal Project.
2. Participate in stakeholder groups. Status: Ongoing.
3. Work on slumping areas. In progress.
4. Monitor SJAFCA meetings re Calaveras and Fourteen Mile Slough uncertified levees.
5. Vegetation encroachments
6. Annual Levee Inspection.
7. Repair/Maintenance of Gates on Crown of Southwest Levee

LONG TERM GOALS

1. CVFP Plan
2. Lower San Joaquin River Flood Risk Reduction Project
3. Renewal of District Assessment
4. Raising Elevation of South West Levee.

ITEM 9

RD 1608: MASTER CALENDAR

JANUARY

- Update Levee Property DVD

FEBRUARY

- Annual Review of Trustee Compensation
- Send out Form 700s, remind Trustees of April 1 filing date

MARCH

- Yearly Employee Evaluations
- Spring Newsletter

APRIL

- April 1: Form 700s due
- Letter to Property owners on levee regarding levee standards and permit requirements
- Notify School District of Vegetation Control

MAY

- Draft Budget
- Tour of Levee System

JUNE

- June 15: Provide notice/make available to the public, documentation/materials regarding determination of Appropriations (15 days prior to meeting at which Appropriations will be adopted) (*Government Code §7910*).
- Approve Audit Contract for expiring fiscal year
- Adopt the Final Budget

JULY

- Adopt Resolution for setting Appropriations and submit to County Assessor's Office.

AUGUST

- August 1: Deadline to certify assessments for tax-roll and deliver to County (duration of current assessment: FY 2025).
- Send handbills for collection of assessments for public entity-owned properties
- In election years, opening of period for secretary to receive petitions for nomination of Trustees (75 days from date of election.) (*Cal. Wat. Code §50731.5*)
- Submit End of the Year Financial Report.

SEPTEMBER

- In election years, last legal deadline to post notice that petitions for nomination of Trustees may be received (7 days prior to close of closure.) (*Cal. Wat. Code §50731.5*).
- In election years, closing of acceptance of petitions for nomination of Trustees (54 days from date of election.) (*Cal. Wat. Code §50731.5*).

OCTOBER

- Publish Notice of Election, odd numbered years (once per week, 4 times, commencing at least 1 month prior to election.)
- Fall Newsletter.
- Update District Information Sheet.
- Review District Emergency Supplies
- Emergency Plan Review in 2019 (every three years thereafter)

NOVEMBER

- Election: to be held first Tuesday after first Monday of each odd-numbered year.

DECEMBER

- Review Emergency Plan.
- New Trustee(s) take office, outgoing Trustee(s) term(s) end on first Friday of each odd-numbered year.
- Provide updated version of electronic copies of properties within District

Term of Current Board Members:

Name	Term Commenced	Term Ends
Dan MacDonnell	2017	First Friday of Dec 2021
Brett Tholborn	2019	First Friday of Dec 2023
Michael Panzer	2019	First Friday of Dec 2023

Assessment Expires 6/30/2025

Emergency Operation Plan Review – June 2022

Reclamation District Meetings

- **First Wednesday of each month, at 8:00 A.M.**
at the offices of:
Neumiller & Beardslee
3121 W. March Lane, Suite 100
Stockton, California 95219