

**MEETING AGENDA FOR
RECLAMATION DISTRICT NO. 1608
BOARD OF TRUSTEES MEETING
8:00 A.M. APRIL 2, 2025**

**NEUMILLER & BEARDSLEE
3121 WEST MARCH LANE, SUITE 100
STOCKTON, CALIFORNIA**

Call to Order.

Roll Call.

Agenda Items.

1. Public Comment. The public may comment on any matter within the District's jurisdiction that is not on the agenda. Matters on the agenda may be commented on by the public when the matter is taken up. All comments are limited to a maximum of 3 minutes for general public comments on items within the District's subject matter jurisdiction and 3 minutes before or during the Board's consideration of each agenda item, subject to the sole discretion of the Board President to allow additional time for a comment in accordance with Resolution 2019-04.
2. Approval of Minutes. Minutes of the regular meeting of March 5, 2025.
3. Financial Report. Review, discuss, and accept financial report.
4. Audit.
 - a. Review, discuss, and accept draft audit reports from Croce, Sanguinetti, & Vander Veen for year ended June 30, 2024.
 - b. Review and approve standard representation letter from Croce, Sanguinetti, & Vander Veen for year ended June 30, 2024.
5. Engineer's Report. Discussion and Possible Action on Engineer's Report.
 - I. LSRF'S USACE FUNCTIONAL EQUIVALENT STUDY
 - A. Review the status of SJAFCA's requested Functional Equivalent study evaluating the proposed improved levee alignment along RD 1608's Levee and recent meeting with Colonel Cadwell of the USACE on Thursday March 27, 2015.
 - II. PROPOSITION 218 – NEW ASSESSMENT PROCEDURE
 - A. Review outcome of Ballot Measure on Tuesday March 25, 2025.
6. Resolution 2025-01. Discussion and Possible Action to Approve Resolution 2025-01 Approving Final Engineer's Report, Forming MCSA District and Ordering Levy of Assessments Beginning 2025-26
7. Newsletter. Discussion and direction.
8. Superintendent Report. Request for directions and approvals.

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.

9. Meetings. Report by Trustees on meetings attended and upcoming meetings. Request for direction.
10. Report and possible action on Progress of Tasks Assigned at Previous Board Meetings.
11. Discussion and direction on Short-Term and Long-Range Goals.
12. District Calendar. Discussion and direction.
 - a. Next Meeting is May 7, 2025.
13. Correspondence.
14. Approval of Bills. Motion to Approve 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.

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.

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**AGENDA PACKET
RECLAMATION DISTRICT 1608
April 2, 2025**

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

ITEM 2

**MINUTES OF THE REGULAR MEETING OF BOARD OF TRUSTEES
FOR RECLAMATION DISTRICT 1608
HELD ON WEDNESDAY, MARCH 5, 2025**

A Regular Meeting of the Board of Trustees of Reclamation District 1608 was called to order at 8:00 a.m. by President Panzer on March 5, 2025, at the law offices of Neumiller & Beardslee, 3121 W. March Lane, Suite 100, Stockton, California.

TRUSTEES PRESENT

MICHAEL PANZER
DAN MacDONNELL
DOTTIE LOFSTROM

OTHERS PRESENT

ANDY PINASCO
CHRIS NEUDECK
JOE BRYSON
ELVIA TRUJILLO
BILL BROWN
DOMINICK GULLI

1. **Public Comment.**

- Dominic Gulli commented on the assessments being different than they were in previous years.

2. **Approval of Minutes.** Minutes of the regular meeting of February 5, 2025, Community Meeting of February 5, 2025, and Community Meeting of February 19, 2025. The Trustees reviewed the draft minutes. Bill Brown clarified his comments on the minutes. After review and discussion,

It was moved, seconded (D. MacDonnell/D. Lofstrom) and unanimously carried by the Board Trustees of Reclamation District 1608, that the minutes of the February 5, 2025, Regular Board Meeting, the minutes of the February 5, 2025 Community Meeting, and the minutes of the February 19, 2025, Community Meeting be approved as presented.

3. **Financial Report.** Review, discuss, and accept financial report. District Secretary Elvia Trujillo presented an oral and written report. There was discussion on increasing the budget amount for line item 06 for next fiscal year to account for the licensed commercial weed application. After further discussion,

It was moved, seconded (D. Lofstrom/D. MacDonnell) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the Financial Report presented at the March 5, 2025, meeting be approved.

4. **Accounting Service.** Discussion and possible action regarding authorizing signing engagement letter with DRJ CPAs, Inc. (previously BPM). Mr. Pinasco presented this item. He explained the relationship between BPM and DRJ CPAs. After discussion, President Panzer was authorized to sign the engagement letter with DRJ CPAs for services with respect to the preparation of forms 1099 and payroll consultation.

It was moved, seconded (D. MacDonnell/D. Lofstrom) and unanimously carried by the Board of Trustees of Reclamation District 1608 to authorize President Panzer to sign the engagement letter with DRJ CPAs.

5. **Insurance.** Discussion and possible action regarding authorizing District official to approve proposal for District Insurance renewal. Andy Pinasco presented this item. As in previous years, the insurance renewal application is in the process with Dohrmann Insurance Company. However, Greg Dohrmann and Lori Unger who have handled the District's insurance are no longer with Dohrmann Insurance and are now with James G. Parker & Associates. Discussion was held and the Trustees authorized for Greg Dohrmann to obtain RD 1608's file from Dohrmann Insurance Company and have the information sent to James G. Parker & Associates. Authority was given to Trustee President, Michael Panzer, to review proposal and, if satisfactory, approve the proposal.

It was moved, seconded (D. Lofstrom/D. MacDonnell) and unanimously carried by the Board of Trustees of Reclamation District 1608 to (1) authorize Greg Dohrmann to obtain the District's file from Dohrmann Insurance Company and have information sent to James G. Parker & Associates; (2) authorize the Trustee President to review and approve proposal.

6. **Property Assessment for Levee Maintenance and Capital Services.** Discussion and direction/action.

- a. General discussion and direction for 2025 Assessment Election.
- b. Fill out and Submit 2025 Assessment Election Ballot for District Owned Properties. Andy Pinasco reported the two community meetings regarding the 2025 assessment election had taken place and all ballots have been mailed. He noted that four parcels are owned by the District, but a vote cannot be cast without proper authorization. The Board may delegate authority to the President to sign and submit the ballot on behalf of the District; however, this must first be opened for public comment. Public comment opened at 8:28 a.m. Mr. Gulli inquired about the total value of the ballots to which Mr. Pinasco responded that it was a zero count. Following public comment,

It was moved, seconded (D. MacDonnell/D. Lofstrom) and unanimously carried by the Board of Trustees of Reclamation

District 1608 to authorize Board President to fill out ballot in support of assessment and submit ballot.

7. **Engineer's Report.** Discussion and Possible Action on Engineer's Report.
District Engineer Chris Neudeck did not provide a written report but he did provide an oral report on a meeting with SJAFCA regarding the Functional Equivalent Study.
8. **Newsletter.** Discussion and direction.
Andy Pinasco had no updates on this item. Chris Neudeck shared that he received public feedback indicating the newsletter was helpful.
9. **Superintendent Report.** Request for directions and approvals.
Levee Superintendent Joe Bryson gave a written and oral report. In addition to the items in Mr. Bryson's report, he reported having ordered gravel and noticed the loads of gravel were different. He will be inspecting the material to eliminate the question of quality. Mr. Bryson also mentioned engineers from Michigan and Ohio are conducting surveys to inventory waterways. Chris Neudeck stated that the right of entry should not be granted unless the individuals are identified beforehand to confirm their authorization for access. Joe Bryson is to inform Chris Neudeck of anyone seeking access to the levee for any survey work.
10. **Meetings.** Report by Trustees on meetings attended and upcoming meetings. Request for direction. No report.
11. **Report and Possible Action on Progress of Tasks Assigned at Previous Board Meetings.** No report.
12. **Discussion and direction on Short-Term and Long-Range Goals.** The Short-Term and Long-Range goals were discussed. Trustee Lofstrom suggested changing the format to identify certain goals as on ongoing tasks and others as goals.
13. **District Calendar.** Discussion and direction.
 - a. Next Board Meeting April 2, 2025.
 - Everyone is available.
14. **Correspondence.**
 - a. Correspondence from Ava Community Energy. Mr. Pinasco indicated no recommendation is being made on the correspondence related to the Ava Community Energy since it's an opt out approach and the District's energy bill is not significant.
 - b. Correspondence from the Registrar of Voters. Mr. Pinasco indicated there is no action required from RD 1608 on the correspondence from the Registrar of voters.
15. **Approval of Bills.** District Secretary Elvia Trujillo presented an oral and written report on District expenses. Andy Pinasco requested adding a warrant for assessment

reimbursement to Lake Lincoln Association, Inc. in the amount of \$9,676.74 and would be confirming payment with the County. After review,

It was moved, seconded (D. Lofstrom/D. MacDonnell) and unanimously carried by the Board of Trustees of Reclamation District 1608 to include the reimbursement to Lake Lincoln to the list of Bills for Approval provided at the March 5, 2025, and to approve the list of bills as amended.

The Board adjourned the meeting at 9:26 a.m. to start the closed session.

16. **Closed Session.**

- a. Public Employee Performance Evaluation.
Title: Levee Superintendent

- b. Public Employee Performance Evaluation
Title: District Secretary

17. **Closed Session Report.**

The Board reconvened from Closed Session at 9:47 a.m. During the Closed Session, all three Trustees were present. There was no reportable action regarding Items 16.a and 16.b.

18. **Employee Contracts.** Discussion and possible action regarding changes to Levee Superintendent and Secretary Contracts. Attorney Andy Pinasco presented this item. He addressed the Board by saying this is an opportunity to discuss whether there are any changes to be made to the Levee Superintendent Contract and the District Secretary Contract. Changes in the past have been related to compensation. Discussion followed and a cost of living adjustment of three percent (3%) was approved for both the Levee Superintendent and the District Secretary.

It was moved, seconded (D. Lofstrom/D. MacDonnell) and carried by the Board of Trustees of Reclamation District 1608 to authorize the President to exercise amendment to (1) the Levee Superintendent Contract increasing the hourly rate by three percent (3%) to \$50.18 per hour and (2) the District Secretary Contract increasing the hourly rate by three (3%) to \$62.72 per hour.

19. **Staff Reports.** None.

- (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.

20. **Adjournment.** The meeting adjourned at 9:56 a.m.

Respectfully submitted,

Elvia C. Trujillo
District Secretary

Acronyms Frequently Used

AC Repairs = Asphalt Concrete Repairs

CEQA = California Environmental Quality Act

CVFPDB = Central Valley Flood Protection Board

District= Reclamation District 1608

DWR = Department of Water Resources

KSN = Kjeldsen, Sinnock & Neudeck

LWA = Larsen Wurzel & Associates

MCSA = Maintenance and Capital Services Assessment District

N&B = Neumiller & Beardslee

Prop 218 = Proposition 218

RD 1608 = Reclamation District 1608

SJAFCA = San Joaquin Area Flood Control Agency

San Joaquin OES = San Joaquin Office of Emergency Services

USACE = United States Army Corps of Engineers

ITEM 3

RECLAMATION DISTRICT 1608
FINANCIAL REPORT - APRIL 2, 2025
% OF FISCAL YEAR ELAPSED THROUGH END OF MARCH 2025 - 75%

Budget Item	Budget Amount	Expended MTD	Expended YTD	% YTD
Operations & Maintenance Expenses				
O1 Levee Superintendent	\$80,000.00	\$7,892.64	\$75,844.86	94.81%
O2 Part Time Employees	55,000.00	5,867.50	49,912.56	90.75%
O3 Payroll Taxes and Expenses	10,000.00	1,270.19	7,909.86	79.10%
O4 Fences & Gates	25,000.00	0.00	0.00	0.00%
O5 Locks & Signs	1,000.00	0.00	0.00	0.00%
O6 Weed and Rodent Control & Clean up	10,000.00	665.23	17,704.48	177.04%
O7 Levee Repair Fund (General Operations & Maintenance)	30,000.00	3,934.63	57,284.13	190.95%
O8 Levee Repair Fund (Levee Capital Improvement Projects)	50,000.00	0.00	0.00	0.00%
O9 Pump System Maintenance	1,000.00	12.80	207.01	20.70%
O10 Wireless Services (Cell and Mobile Computer)	1,000.00	529.03	4,877.74	487.77%
O11 Garbage Service	5,000.00	0.00	2,626.01	52.52%
O12 District Vehicle (Fuel, Maintenance and Repairs)	5,000.00	377.59	21,572.57	431.45%
TOTAL	\$273,000.00	\$20,549.61	\$237,939.22	87.16%
General Expenses				
G1 Trustee Fees	\$13,000.00	\$899.76	\$12,596.64	96.90%
G2 Secretary Fees	12,500.00	2,105.90	12,734.24	101.87%
G3 Office Expenses (includes storage facility)	1,000.00	0.00	432.00	43.20%
G4 General Legal	30,000.00	4,321.08	31,881.91	106.27%
G5 Audit	5,500.00	0.00	6,915.00	125.73%
G6 County Administration Costs	6,000.00	0.00	4,469.46	74.49%
G7 Property and Liability Insurance	24,000.00	0.00	100.00	0.42%
G8 Workers Compensation Insurance	10,000.00	1,197.58	12,080.20	120.80%
G9 Election Costs	0.00	0.00	0.00	0.00%
G10 Newsletters & Public Communications	0.00	0.00	0.00	0.00%
TOTAL	\$102,000.00	\$8,524.32	\$81,209.45	79.62%
Debt Service				
D1 Registered Warrant Expense	\$112,000.00	\$0.00	\$112,085.11	100.08%
	\$112,000.00	\$0.00	\$112,085.11	100.08%
Engineering Expenses				
E1 General Engineering	\$20,000.00	\$1,413.75	\$25,112.03	125.56%
E2 Plan Review Engineering	25,000.00	148.50	4,837.10	19.35%
E3 Administration of Delta Levee Subventions Program	20,000.00	991.33	16,750.79	83.75%
E4 Periodic Levee Property Inspections and Surveys	7,500.00	0.00	0.00	0.00%
E5 Routine Levee Maintenance Consultation	3,500.00	708.00	3,143.60	89.82%
E6 Engineering, Mgmt & Inspection of Capital Imp. Projects	10,000.00	0.00	0.00	0.00%
E8 Assessment Engineering	4,000.00	0.00	3,199.36	79.98%
E9 Assesment Development	250,000.00	6,771.80	96,414.97	38.57%
TOTAL	\$340,000.00	\$10,033.38	\$149,457.85	43.96%
TOTAL EXPENDITURES	\$827,000.00	\$39,107.31	\$468,606.52	56.66%

Budget Item	Anticipated Income	Income MTD	Income YTD	% YTD
Income				
Property Taxes	\$260,000.00	\$0.00	\$167,513.93	64.43%
Interest Income	4,000.00	0.00	17,503.00	437.58%
Assessments	298,000.00	3,959.56	146,066.94	49.02%
Subvention Reimbursement	306,000.00	0.00	0.00	0.00%
Other	0.00	0.00	1,004.00	0.00%
Totals	\$868,000.00	\$3,959.56	\$332,087.87	38.26%

Cash On Hand

Cash Balance as of July 1, 2024	\$625,605.58
Revenues (YTD), as of February 28, 2025	332,837.87
Expenses (YTD), as of February 28, 2025	536,718.87

Fund Balance as of 3/25/2025	\$356,002.73
Proposed Warrants for 4/2/2025 Board Meeting	\$17,372.92
TOTAL CASH	\$338,629.81

Reserves

Board-Designated Reserve (For District Operations Only)	100,000.00
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ITEM 4



CROCE, SANGUINETTI, & VANDER VEEN^{INC.}

CERTIFIED PUBLIC ACCOUNTANTS

March 14, 2025

Ms. Elvia Trujillo
Reclamation District No. 1608
Post Office Box 4857
Stockton, California 95204

Dear Ms. Trujillo:

We enclose a working draft copy of the financial statements and independent auditor's report, our report *Communication with Those Charged with Governance* for **Reclamation District No. 1608** for the year ended June 30, 2024 and a standard representation letter.

After reviewing these statements and reports, please call our office regarding any revisions. In addition, please review and return the signed representation letter to our office in the enclosed reply envelope.

If you should have any questions, please do not hesitate to contact our office.

Yours very truly,

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants

A handwritten signature in blue ink that reads "Pauline Sanguinetti".

Pauline Sanguinetti
Certified Public Accountant

cml
Enclosure

RECLAMATION DISTRICT NO. 1608

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024

Working Draft



CROCE, SANGUINETTI, & VANDER VEEN

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Board of Trustees
Reclamation District No. 1608
Stockton, California

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Reclamation District No. 1608** (the District) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **Reclamation District No. 1608**, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Reclamation District No. 1608**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Reclamation District No. 1608's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Reclamation District No. 1608's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Reclamation District No. 1608's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

The District has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the statement of revenues, expenditures and changes in fund balance - budget and actual - governmental funds on pages 22 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants
Stockton, California
March 13, 2025

RECLAMATION DISTRICT NO. 1608

Statement of Net Position

June 30, 2024

	<u>Governmental activities</u>
Assets	
Cash and investments	\$ 670,880
Cash and investments - restricted	36
State assistance receivable - subventions	250,814
Prepaid insurance	17,080
Capital assets, net of accumulated depreciation of \$121,979	<u>42,972</u>
Total assets	<u>981,782</u>
Deferred outflows of resources	<u>-</u>
Liabilities	
Accounts payable	42,019
Payroll liabilities	11,285
Interest payable	50,023
Registered warrants payable	<u>450,000</u>
Total liabilities	<u>553,327</u>
Deferred inflows of resources	<u>-</u>
Net position	
Net investment in capital assets	42,972
Unrestricted	<u>385,483</u>
Total net position	<u>\$ 428,455</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

Statement of Activities

For the year ended June 30, 2024

	<u>Expenses</u>	<u>Program revenues Operating grants and contributions</u>	<u>Net (expenses) revenues and changes in net position</u>
Governmental activities			
Operations	\$ 660,185	\$ 302,029	\$ (358,156)
Interest on registered warrants	15,337	-	<u>(15,337)</u>
Net program (expenses) revenues			<u>(373,493)</u>
General revenues			
Assessments			302,329
Property taxes			290,501
Interest			12,808
Miscellaneous			<u>915</u>
Total general revenues			<u>606,553</u>
Change in net position			233,060
Net position, beginning of year			<u>195,395</u>
Net position, end of year			<u>\$ 428,455</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

Balance Sheet - Governmental Funds

June 30, 2024

	<u>General Fund</u>
Assets	
Assets	
Cash and investments	\$ 670,880
Cash and investments - restricted	36
Prepaid insurance	<u>17,080</u>
Total assets	<u>\$ 687,996</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 42,019
Payroll liabilities	<u>11,285</u>
Total liabilities	<u>53,304</u>
Fund balance	
Nonspendable:	
Prepaid insurance	17,080
Assigned to capital improvement	100,000
Unassigned	<u>517,612</u>
Total fund balance	<u>634,692</u>
Total liabilities and fund balance	<u>\$ 687,996</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

June 30, 2024

Total fund balance - governmental funds \$ 634,692

Amounts reported for governmental activities in the statement of net position are different from those reported in the governmental funds because of the following:

State assistance receivable are not available to pay current period expenditures and, therefore, not reported in the governmental funds balance sheet. 250,814

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.

Capital assets	\$ 164,951	
Less accumulated depreciation	<u>(121,979)</u>	
	<u>\$ 42,972</u>	42,972

Interest payable on registered warrants payable does not require current financial resources, therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (50,023)

Registered warrants payable are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (450,000)

Net position of governmental activities \$ 428,455

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

**Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Funds**

For the year ended June 30, 2024

	<u>General fund</u>
Revenues	
State assistance - subventions	\$ 306,314
Assessments	302,329
Property taxes	290,501
Interest	12,808
Miscellaneous	<u>915</u>
Total revenues	<u>912,867</u>
Expenditures	
Levee repairs and maintenance	165,706
Salaries and wages	159,978
Engineering	154,983
Repairs and maintenance	41,253
Insurance	31,888
Legal and accounting fees	28,845
Secretary fees	15,602
Payroll taxes	15,274
Trustee fees	12,297
Public relations	6,957
Garbage	4,919
Telephone	3,977
County office expense	3,809
County tax administration	3,564
Fuel	3,492
Office expense	2,476
Storage	1,000
Utilities	219
Other taxes and fees	139
Debt service	
Principal	25,000
Interest	<u>2,315</u>
Total expenditures	<u>683,693</u>
Net change in fund balance	229,174
Fund balance, beginning of year	<u>405,518</u>
Fund balance, end of year	<u><u>\$ 634,692</u></u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance -
Governmental Funds to the Statement of Activities**

For the year ended June 30, 2024

Net change in fund balance - governmental funds \$ 229,174

Amounts reported for governmental activities in the statement of activities are different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until such time as they are considered a current financial resource. (4,285)

Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds. (3,806)

Changes in interest payable are recorded as an expense in the statement of activities, but are not reported in the funds. (13,023)

The repayment of principal related to registered warrants payable is recorded as an expenditure in the governmental funds, and reduces registered warrants payable in the statement of net position. 25,000

Change in net position of governmental activities \$ 233,060

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note A - Summary of Significant Accounting Policies

This summary of significant accounting policies of Reclamation District No. 1608 (the District) is presented to assist in understanding the District's financial statements.

Description of the reporting entity

The District was formed in 1914 under Section 50000 et. seq. of Division 15 of the California State Water Code to provide drainage, irrigation and complete reclamation of lands within District boundaries. It is governed by a three-member board of trustees, each elected by the landowners to a four-year term.

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

Government-wide financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activity of the primary government.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, assessments, and other receipts not classified as program revenues are presented as general revenues.

Fund financial statements

The fund financial statements provide information about the District's funds. The District has one type of fund (governmental), which is comprised of one major fund as follows:

General fund - This fund is established to account for resources devoted to financing the general services that the District performs. Property taxes, assessments and other sources of revenue used to finance the fundamental operations of the District are included in this fund. This fund is charged with all costs of operating the District for which a separate fund has not been established.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note A - Summary of Significant Accounting Policies (Continued)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period and apply to the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures to the extent that they have matured.

Assessments and state assistance are considered to be susceptible to accrual and, therefore, have been recognized as revenues provided they were collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Budgetary accounting

The District does not adopt an appropriated budget and is not required to adopt such a budget by law. However, the District does adopt a non-appropriated budget annually, which is approved by the Board of Trustees.

Cash and investments

For the purpose of financial reporting "cash and investments" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Restricted cash and investments consist of project funding agreements with the Department of Water Resources of the State of California.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note A - Summary of Significant Accounting Policies (Continued)

Capital assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The District's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years. The District has elected not to retroactively capitalize infrastructure capital assets acquired prior to July 1, 2003, as allowed by GASB Statement No. 34.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets.

Buildings and structures	20 years
Improvements	20 years
Equipment	7-20 years
Vehicles	5 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note A - Summary of Significant Accounting Policies (Continued)

Net position

Equity in the financial statements is classified as net position and displayed in three components as follows:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.
- c. Unrestricted - Amounts not required to be reported in the other components of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision-making authority.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note A - Summary of Significant Accounting Policies (Continued)

Assigned - Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Trustees, District manager or their designee.

Unassigned - Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Assessments

Assessments are levied at the discretion of the Board of Trustees. The assessments are approved by a vote of the landowners pursuant to the requirements of the California Constitution Article XIII.C and XIII.D.

Property taxes

Property taxes were levied January 1, 2023, and were payable in two installments on December 10, 2023 and April 10, 2024. The County of San Joaquin bills and collects property taxes on behalf of the District.

Demand warrants

The District is authorized under the California State Water Code to issue demand warrants.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note A - Summary of Significant Accounting Policies (Continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

The state assistance receivable in the amount of \$250,814 as reported on the statement of net position as of June 30, 2024 represents management's estimates of reimbursable state assistance for subvention eligible expenses relative to the fiscal year ended June 30, 2024. Although considerable variability is inherent in this estimate, management believes that the accruals for state assistance receivable are adequate.

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note B - Cash and Investments

Cash and investments of the District as of June 30, 2024, consist of the following:

	<u>Carrying amount</u>	<u>Bank balance</u>	<u>Fair value</u>
Unrestricted			
<u>Deposits in commercial accounts</u>			
Public checking	\$ 44,589	\$ 44,589	\$ -
<u>Investment in external investment pool</u>			
San Joaquin County Treasurer	<u>626,291</u>	<u>-</u>	<u>626,291</u>
	<u>\$ 670,880</u>	<u>\$ 44,589</u>	<u>\$ 626,291</u>
Restricted			
<u>Investment in external investment pool</u>			
San Joaquin County Treasurer	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 36</u>
	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 36</u>

Deposit and Investment Policy

California statutes authorize special districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. As specified in Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of the District's investment policy shall be (1) safety, (2) liquidity, and (3) yield. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600-53609 (authorized investments), 53630-53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. The table below identifies the investment types that are authorized for the District by the California Government Code, Section 53600 (or District's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note B - Cash and Investments (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Notes, and Bonds	5 years	None	None
U.S. Government Agency Obligations	5 years	None	None
Repurchase Agreements	1 year	None	None
State Registered Warrants, Notes or Bonds	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	30%	10%
Time Deposit	1 year	30%	None
Medium Term Corporate Notes	3 years	30%	None
Mutual Funds	N/A	20%	10%
Bank Deposits	N/A	10%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investment Pools	N/A	None	None
Capital Asset Management Program	N/A	10%	None

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments. The District does not maintain a formal investment policy.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note B - Cash and Investments (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment type</u>	<u>Total</u>	<u>Remaining maturity (in months)</u>					
		<u>12 months or less</u>	<u>13 - 24 months</u>	<u>25 - 36 months</u>	<u>37-48 months</u>	<u>49-60 months</u>	<u>More than 60 months</u>
San Joaquin County							
Treasurer	\$ 626,327	\$ 626,327	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 626,327</u>	<u>\$ 626,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
San Joaquin County							
Treasurer	\$ 626,327	N/A	\$ -	\$ -	\$ -	\$ -	\$ 626,327
Total	<u>\$ 626,327</u>	<u>N/A</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626,327</u>

Concentration of Credit Risk

The District had no investment policy limiting the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District's investments are concentrated in external investment pools which are not subject to investment limits.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note B - Cash and Investments (Continued)

would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, the District's bank balance was \$44,589 and \$44,589 of that amount was insured by the Federal Deposit Insurance Corporation and collateralized as required by state law.

Investment in External Investment Pool

The District's investment in the San Joaquin County investment pool is managed by the San Joaquin County Treasurer and is stated at fair value or amortized cost, which approximates fair value. Cash held by the San Joaquin County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at <http://www.sjgov.org/treasurer/>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained by the Pool. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. In accordance with applicable State laws, the San Joaquin County Treasurer may invest in derivative securities. However, at June 30, 2024, the San Joaquin County Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Fair value hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District's investment in the County of San Joaquin Treasury Pool is classified as Level 2 and its value is based on the fair value factor provided by the Treasurer of the County of San Joaquin, which is calculated as the fair value divided by the amortized cost of the investment pool.

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note C - Capital Assets

Capital asset activity for the year ended June 30, 2024 is as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2024</u>
Depreciable capital assets				
Buildings and structures	\$ 22,897	\$ -	\$ -	\$ 22,897
Improvements	88,632	-	-	88,632
Equipment	26,103	-	-	26,103
Vehicles	<u>27,319</u>	<u>-</u>	<u>-</u>	<u>27,319</u>
Total depreciable capital assets	164,951	-	-	164,951
Less accumulated depreciation	<u>(118,173)</u>	<u>(3,806)</u>	<u>-</u>	<u>(121,979)</u>
Total depreciable capital assets, net	<u>46,778</u>	<u>(3,806)</u>	<u>-</u>	<u>42,972</u>
Total capital assets, net	<u>\$ 46,778</u>	<u>\$ (3,806)</u>	<u>\$ -</u>	<u>\$ 42,972</u>

Note D - Registered Warrants Payable

The following is a summary of registered warrant transactions during the year ended June 30, 2024:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>June 30, 2024</u>
Registered warrants	<u>\$ 475,000</u>	<u>\$ -</u>	<u>\$ (25,000)</u>	<u>\$ 450,000</u>

Registered warrants payable outstanding as of June 30, 2024 are drawn in favor of Bank of Stockton as follows:

<u>Warrant No.</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Collateral</u>
Various	\$ 450,000	3.25%	Unsecured

Registered warrant debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	
2025	<u>\$ 450,000</u>
Total	<u>\$ 450,000</u>

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2024

Note E - State Assistance

The District is participating in the California Delta Levee Maintenance Subventions Program. This program provides funding on a cost-share basis to local levee maintaining agencies for rehabilitation and maintenance of levees in the Delta. In addition, the District entered into a project funding agreement with the State of California Department of Water Resources for preparation of the five-year plan for the District.

Note F - Joint Venture (Joint Powers Agreement)

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; risk of loss to employees; and natural disasters. In order to insure for risks of loss, the District participates in a joint venture under a joint powers agreement with the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA). The relationship between the District and the JPRIMA is such that the JPRIMA is not a component unit of the District for financial reporting purposes. The JPRIMA arranges for and provides property, liability, crime, auto, and worker's compensation coverage for its member districts. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPRIMA. The District's share of surpluses and deficits cannot be determined, although District management does not expect such amounts, if any, to be material in relation to the financial statements. As of June 30, 2024, the District's insurance coverage includes general liability insurance with liability limits of \$1,000,000 per occurrence and \$10,000,000 in the aggregate and commercial excess coverage with liability limits of \$3,000,000 per occurrence and \$3,000,000 in the aggregate.

Note G - Governing Board

As of June 30, 2024, the three members of the District's Board of Trustees were as follows:

<u>Trustee</u>	<u>Term expires</u>
Dan MacDonnell	December 2025
Michael Panzer	December 2027
Dot Lofstrom	December 2027

REQUIRED SUPPLEMENTAL INFORMATION

Working Draft

RECLAMATION DISTRICT NO. 1608

**Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Governmental Funds**

Year ended June 30, 2024

	General fund		
	Budgeted amounts		Variance with final budget
	<u>original/final</u>	<u>Actual amounts</u>	positive/ (negative)
Revenues			
State assistance - subventions	\$ 130,000	\$ 306,314	\$ 176,314
Assessments	298,000	302,329	4,329
Property taxes	260,000	290,501	30,501
Interest	4,000	12,808	8,808
Miscellaneous	-	915	915
Total revenues	<u>692,000</u>	<u>912,867</u>	<u>220,867</u>
Expenditures			
Levee repairs and maintenance	180,000	165,706	14,294
Salaries and wages	125,000	159,978	(34,978)
Engineering	197,500	154,983	42,517
Repairs and maintenance	9,500	41,253	(31,753)
Insurance	34,000	31,888	2,112
Legal and accounting fees	35,500	28,845	6,655
Secretary fees	12,000	15,602	(3,602)
Payroll taxes	15,000	15,274	(274)
Trustee fees	13,000	12,297	703
Public relations	-	6,957	(6,957)
Garbage	5,000	4,919	81
Telephone	750	3,977	(3,227)
County office expense	2,500	3,809	(1,309)
County tax administration	3,500	3,564	(64)
Fuel	-	3,492	(3,492)
Office expense	1,000	2,476	(1,476)
Storage	-	1,000	(1,000)
Utilities	-	219	(219)
Other taxes and fees	-	139	(139)
Election costs	30,000	-	30,000
Weed control	15,000	-	15,000
Debt service			
Principal	175,000	25,000	150,000
Interest	-	2,315	(2,315)
Total expenditures	<u>854,250</u>	<u>683,693</u>	<u>170,557</u>

(Continued)

RECLAMATION DISTRICT NO. 1608

**Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Governmental Funds (Continued)**

Year ended June 30, 2024

	General fund		Variance with final budget positive/ (negative)
	Budgeted amounts <u>original/final</u>	<u>Actual amounts</u>	
Net change in fund balance	(162,250)	229,174	391,424
Fund balance, beginning of year	<u>405,518</u>	<u>405,518</u>	<u>-</u>
Fund balance, end of year	<u>\$ 243,268</u>	<u>\$ 634,692</u>	<u>\$ 391,424</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

Notes to Required Supplemental Information

June 30, 2024

The District prepares a budget annually which is approved by the Board of Trustees setting forth the contemplated fiscal requirements. The District's budget is maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual budget as originally adopted and the final adopted amounts. There were no amendments to the budget during the year ended June 30, 2024. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for certain line items may vary significantly from the budget due to timing of such expenditures.

_____, 2025

Board of Trustees
Reclamation District No. 1608
Post Office Box 4857
Stockton, California 95204

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Reclamation District No. 1608** for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to planned scope and timing of our audit. We have communicated such information to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by **Reclamation District No. 1608** are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the state assistance receivable - subventions in the amount of \$250,814 as reported on the statement of net position as of June 30, 2024, is based on calculations and assessments by the District's engineers of the proceeds to be received for subvention eligible expenses for the fiscal year ended June 30, 2024.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. We did not identify any sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not identify any material misstatements during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 14, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Funds, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Trustees of **Reclamation District No. 1608** and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants

**RECLAMATION DISTRICT NO. 1608
POST OFFICE BOX 4857
STOCKTON, CALIFORNIA 95204**

March 14, 2025

Croce, Sanguinetti, & Vander Veen, Inc.
3520 Brookside Road, Suite 141
Stockton, California 95219

This representation letter is provided in connection with your audit of the financial statements of **Reclamation District No. 1608** (the District), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2024, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 13, 2025, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 21, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.

14. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government - Specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
20. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
21. The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance or net position.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
23. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements, that we believe have a material effect on the financial statements.
24. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
25. As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

26. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
27. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
28. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
29. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
30. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
31. Components of net position (net investment in capital assets, restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
32. Provisions for uncollectible receivables have been properly identified and recorded.
33. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
34. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
36. Special and extraordinary items are appropriately classified and reported, if applicable.
37. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
39. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
40. We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.

41. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of RSI.
42. We agree that the Management's Discussion and Analysis is properly not included in the financial statements.
43. The District has recorded an estimate of state assistance receivable - subventions from the Department of Water Resources in the amount of \$250,814 as reported on the statement of net position. Management believes that the estimate is adequate.
44. In regards to preparing the standard, adjusting, or correcting journal entries, assisting in preparing the financial statements and the preparation of the Special Districts Financial Transactions Report and Local Government Compensation Report, by you, we have -
 1. Assumed all management responsibilities.
 2. Designated an individual (within senior management), with suitable skill, knowledge, or experience to oversee the services.
 3. Evaluated the adequacy and results of the services performed.
 4. Accepted responsibility for the result of the services.

Signed  _____

Title _____

ITEM 5

Dr. Michael R. Panzer, Chairman
Dan MacDonnell, Trustee
Dot Lofstrom, Trustee

**RECLAMATION DISTRICT NO. 1608
LINCOLN VILLAGE WEST
BOARD OF TRUSTEES MEETING
WEDNESDAY, APRIL 2, 2025
8:00 A.M.
ENGINEER'S REPORT**

Andrew J. Pinasco, Attorney
Elvia C. Trujillo, Secretary
Christopher H. Neudeck, Engineer
Joe Bryson, Superintendent

I. LSRFS USACE FUNCTIONAL EQUIVALENT STUDY

- A. Review the status of SJAFCA's requested Functional Equivalent study evaluating the proposed improved levee alignment along RD 1608's Levee and recent meeting with the Colonel Cadwell of the USACE on Thursday March 27, 2025.

II. PROPOSITION 218 - NEW ASSESSMENT PROCEDURE

- A. Review outcome of Ballot Measure on Tuesday March 25, 2025.

EXHIBIT A: Ballot Proceeding Tabulation Final report from LWA dated March 26, 2025.

EXHIBIT B: RESOLUTION 2025-xx Approving Final Engineer's Report, Forming The Maintenance And Capital Services Assessment District And Ordering Levy Of Assessments Beginning In Fiscal Year 2025-26

EXHIBIT A

RECLAMATION DISTRICT NO. 1608
RESOLUTION 2025-xx

**RESOLUTION APPROVING FINAL ENGINEER'S REPORT, FORMING THE
MAINTENANCE AND CAPITAL SERVICES ASSESSMENT DISTRICT AND
ORDERING LEVY OF ASSESSMENTS BEGINNING IN FISCAL YEAR 2025-26**

WHEREAS, Reclamation District No. 1608 (“District”) provides a benefit and service to the land located within the District by the repair, upgrading, maintenance and operation of the reclamation works of the District in that such works serve to prevent the flooding of the land within the District; and

WHEREAS, the revenues received by the District from the County of San Joaquin in accordance with the statutes enacted under Article XIII A of the California Constitution are insufficient to provide the benefits and services which the District is obligated by the California Water Code to provide, and specifically are insufficient to ensure proper maintenance of the reclamation works and to provide for emergencies; and

WHEREAS, the District is authorized by the Benefit Assessment Act of 1982, Government Code section 54703 et. seq. (“Act”) to impose a benefit assessment for the provision of such benefits and services to supplement the revenues received from the County of San Joaquin, and to provide for the collection of such assessments by the San Joaquin County Auditor; and

WHEREAS, the District has complied with the procedures of California Constitution Articles XIIC and XIID, and has received a majority vote authorizing the collection of an assessment for each fiscal year commencing fiscal year 2010-11 but will expire in fiscal year 2024-25 and thus needs to be renewed to continue providing services; and

WHEREAS, in October 2023, Larsen Wurzel & Associates, Inc. entered into a subcontract with Kjeldsen, Sinnock & Neudeck, Inc., as the District’s Engineer, to provide Assessment Engineering Services to the District for the proposed Maintenance and Capital Services Assessment (“MCSA”) to provide funding for levee and flood control facilities operations, maintenance, capital improvement, and related improvements and services; and

WHEREAS, the District now plans to establish the MCSA to fund a portion of the costs of operations and maintenance of the levee and flood control system providing protection to the District area (collectively, the “Services”); and

WHEREAS, the Services will provide special benefits to certain land in the District (the “Properties”) within the proposed boundaries of the MCSA; and

WHEREAS, the District has engaged the firm of Larsen Wurzel & Associates, Inc., to have a registered professional engineer certified by the State of California prepare a detailed Engineer's Report (“Engineer’s Report”) establishing a methodology to determine and apportion the special

benefits received by the Properties from the Services and to allocate the costs of the Services in proportion to said special benefits; and

WHEREAS, the proposed boundaries of the MCSA area include all the Properties that receive special benefit from the Services and located within the District's legal boundary, while excluding properties not receiving special benefits from the Services and any incidentally-benefited properties in adjacent areas;

WHEREAS, the Board of Trustees of the District has determined to undertake proceedings pursuant to the Act to establish the MCSA and to levy assessments to pay costs of the Services for the Properties to be included within the MCSA boundaries; and

WHEREAS, the imposition of a new special assessment is subject to constitutional procedural requirements, including a ballot procedure involving the owners of the parcels proposed to be assessed.

WHEREAS, on December 4, 2024, the Board of Trustees of the District adopted Resolution 2024-06, which:

- Proposed forming the MCSA and levying a special benefit assessment;
- Identified the MCSA's proposed boundary;
- Preliminarily approved the Engineer's Report;
- Fixed the time of a public hearing to hear public comment on the proposed MCSA and special benefit assessment; and,
- Directed the District's consultants and staff to undertake the procedural and approval processes including the mailing of notices and ballots which are necessary for the establishment of the MCSA and levying of a special assessment proportional to the special benefits to be provided by the Services;

WHEREAS, also on December 4, 2024, the Board of Trustees of the District adopted Resolution 2024-07, which adopted Proposition 218 procedures to be followed in the implementation of the provisions of Proposition 218 relating to the proposed MCSA (the "218 Procedures"), and the 218 Procedures have been followed in connection with the activities directed by Resolution 2024-06;

WHEREAS, during February and March of 2025 the District conducted an assessment ballot proceeding pursuant to Proposition 218 in which the landowners that would be specially benefited by the Services were provided by mail with notice of the proposed special assessment and public hearing and also provided the opportunity to complete a ballot as to whether the District should form the proposed MCSA and levy the assessment;

WHEREAS, as part of the assessment ballot proceeding, the Board of Trustees of the District held a public hearing on March 25, 2025, at 6:30 PM at Mable Barron Elementary, 6835 Cumberland Pl, Stockton, CA, for the purpose of receiving comments on and protests to the

proposed benefit assessment and for accepting new or changed ballots from specially benefited landowners; and

WHEREAS, during the public hearing, the Board of Trustees of the District heard and considered all public comments.

WHEREAS, on March 25, 2025, upon the conclusion of the public hearing, the Board of Trustees of the District directed the tabulation of the ballots for the formation of the MCSA.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Reclamation District 1608 that:

1. Recitals. The above recitals are true and correct and are incorporated into this Resolution by this reference.

2. Ballot Proceeding. A total of 781 assessment ballots were returned and received prior to the close of the public input portion of the public hearing on March 25, 2025. Of the assessment ballots returned, 766 assessment ballots were deemed valid, and 15 assessment ballots were declared invalid in that they were either not marked with a "Yes" or "No", were marked with both a "Yes" and a "No", were not signed, or for some other reason.

3. Ballot Tabulation. The canvass of the assessment ballots submitted by property owners is complete and was certified by Larsen Wurzel & Associates, Inc. in a report date March 26, 2025, and the votes cast were reported as follows:

Total Number of Valid Ballots Received: 766
Total MCSA Amount of Valid Ballots: \$95,970.48

Total Number of Valid "Yes" Votes: 671
Total Weighted Value of "Yes" Votes: \$87,613.36
Total Weighted Percentage of "Yes" Votes: 91.29%

Total Number of Valid "No" Votes: 95
Total Weighted Value of "No" Votes: \$8,357.12
Total Weighted Percentage of "No" Votes: 8.71%

Total Number of "Invalid" Ballots: 15
Total MCSA Amount of "Invalid" Ballots: \$1,402.60

After the ballots were weighted according to the proportional financial obligation of the affected property, the tabulation shows that 91.29% of the valid ballots were cast in support of the MCSA formation. Because a majority protest, as defined by Article XIII D of the California Constitution, did not exist, the Board may levy the assessment as described in the Final Engineer's Report to pay the costs and expenses of the Services identified therein.

4. Final Engineer's Report. The Final Engineer's Report for the MCSA together with the diagram of the MCSA contained therein, and the proposed Benefit Assessment Roll for fiscal year 2025-26 contained therein, has been presented to the Board of Trustees at this meeting and is incorporated herein by reference, are hereby confirmed and approved.

5. Findings. That based on the oral and documentary evidence, including the Final Engineer's Report, offered and received at the public hearing, the Board finds and determines that: (a) each of the several assessed lots and parcels of land within the MCSA will be specially benefited by the Services (as described in the Final Engineer's Report) in at least the amount of the benefit assessment apportioned against such lots and parcels of land, respectively; and (b) there is substantial evidence to support, and the weight of the evidence is in favor of, this finding and determination as to special benefit to property within the MCSA Assessment District from the Services to be financed with assessment proceeds.

6. MCSA Formation. The MCSA is hereby formed, and assessments consistent with the Final Engineer's Report, as modified by successful appeals, are hereby levied, pursuant to the Act.

7. Annual Levy of Assessments. The first assessments to be levied on property in the MCSA will be for fiscal year 2025-26 with authorized maximum assessment.

8. Authorized Services. The Services to be financed with assessment proceeds described in the Final Engineer's Report are hereby ordered.

9. Maximum Assessment Adjustment per CPI. As described in the Final Engineer's Report, to ensure that the District can provide the needed Services over time the Board of Trustees of the District will have the authority, pursuant to Government Code Section 53739 (b), to levy the assessment within a designated range on an annual basis. The designated range will be from a minimum assessment, up to and including the authorized maximum assessment, as adjusted annually based on the CPI as described below.

Beginning in Fiscal Year 2026-27, the maximum authorized assessment may be increased subject to an annual inflationary escalator, based on the annual change in the Consumer Price Index February to February CPI-W for the San Francisco-Oakland-Hayward all Items, with Base Year 1982-84 = 100, published by the U.S. Department of Labor, Bureau of Labor Statistics, subject to a minimum of 0% and a maximum of 4% in any given year as described in the "Annual Escalation of the Assessments" section of the Final Engineer's Report.

10. Filing of Map & Collection of Assessment. District staff is directed to file or cause to be filed the diagram of MCSA, the Final Engineer's Report and a certified copy of this Resolution with the Auditor/Controller of San Joaquin County. Upon such filing, commencing in Fiscal Year 2025-26 and each year thereafter upon approval by the Board of Trustees of the District, the County/Auditor Controller shall enter on the County tax roll opposite each lot or parcel of land in the MCSA the amount of assessment thereupon as shown in the Final Engineer's Report and described in this Resolution. The benefit assessment shall be collected at the same time and in the same manner as County ad valorem taxes are collected and all laws providing for the collection and enforcement of County ad valorem taxes shall apply to the collection and enforcement of the

assessments. After collection by the County Tax Collector, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to the District for the purposes of the MCSA.

11. Separate Fund Requirement. The monies representing assessments collected shall be deposited in fund or funds designated for the MCSA. Amounts deposited to such fund(s) shall be expended only for the Services that specially benefit the lands within the MCSA as described in the Final Engineers Report.

12. Administrative Corrections. The assessment, as it applies to any parcel, may be corrected, cancelled or a refund granted as appropriate, by order of the Board of Trustees of the District. Any such corrections, cancellations or refunds shall be limited to current or future fiscal years and shall not be granted retroactively. The District may adopt, in the future, as the need arises, additional policies or procedures as needed to efficiently and effectively administer the MCSA.

13. CEQA Compliance. The creation of the assessment funding mechanism is exempt from CEQA because it provides a funding mechanism in support of future actions which will be separately analyzed as projects under CEQA. District staff is directed to prepare and file or cause to be filed a Notice of Exemption to that effect with the proper office.

14. Proposition 218 Compliance. The assessment is in compliance with all laws pertaining to it, including Article XIII-D of the California Constitution (Proposition 218), and as described in the Final Engineers Report, the assessment is being levied without regard to property valuation.

PASSED AND ADOPTED by the Board of Trustees of Reclamation District No. 1608 at a meeting thereof held on this 4th day of December 2024, by the following vote TO WIT:

AYES: _____

NOES: _____

ABSTENTION: _____

ABSENT: _____

RECLAMATION DISTRICT NO. 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 No 1608, do hereby certify that the foregoing is full, true and correct copy of a resolution of Reclamation District No. 1608 duly passed and adopted at a regular meeting of the Board of Trustees thereof held on the 2th day of April 2025.

Dated: _____, 2025

ELVIA TRUJILLO, Secretary

EXHIBIT B

March 26, 2025

VIA: Email

Mr. Andy J. Pinasco
District Counsel, Reclamation District 1608
Neumiller & Beardslee
3121 W. March Lane, Suite 100
Stockton, CA 95219
via e-mail: apinasco@neumiller.com

Dear Mr. Pinasco:

Enclosed, please find our final report related to the tabulation ballots for the assessment ballot proceeding for the proposed Maintenance and Capital Services Assessment District dated March 26, 2025.

If you have any questions regarding the information within this report, please do not hesitate to call. We look forward to working with you through the remainder of the assessment district formation process.

Sincerely,



Seth Wurzel, CGFM
Principal
Larsen Wurzel & Associates, Inc.

CC: *(via email w/ enclosure)*

Chris Neudeck, KSN, Inc.
Kim Floyd, Kim Floyd Communications, Inc.
Adam Riley, Larsen Wurzel & Associates, Inc.
David Lee, Larsen Wurzel & Associates, Inc.

Encl.

PUBLIC FINANCE
& MANAGEMENT
RESOLVED

Final Report

Reclamation District 1608

March 26, 2025

Maintenance and Capital Services Assessment District Ballot Proceeding Tabulation

Prepared for: Reclamation District 1608 Board of Trustees

Prepared by: David Lee

Reviewed by: Seth Wurzel, CGFM

Larsen Wurzel & Associates, Inc. (LWA) has performed the tasks described in the Maintenance and Capital Services Assessment District Ballot Tabulation Process & Procedures transmitted to the RD 1608 Board of Trustees on March 25, 2025, as summarized below. These procedures were prepared to govern the tabulation of ballots in favor of and opposition to the proposed Maintenance and Capital Services Assessment District (MCSA) as performed by LWA on March 25, 2025. LWA makes no representation regarding the sufficiency of these procedures described below for any other purpose other than for the purpose for which they have been prepared.

The procedures related to the ballot proceeding for the MCSA performed are summarized as follows:

- 1) A data processing system was prepared for the efficient preparation, production and subsequent tabulation of the ballots.
- 2) Mailed return ballots were delivered directly to Neumiller & Beardslee located at 3121 W. March Lane, Stockton, California, 95219. Hand delivered returned ballots were received by Neumiller & Beardslee at the same address until 5:00 PM on March 25, 2025. Hand delivered ballots were also received at the Public Hearing which took place in Mable Barron Elementary School, 6835 Cumberland Pl, Stockton, CA, the location of the Public Hearing. All mailed and hand return ballots were stored in secured locations and remained sealed in their return envelopes until the start of the tabulation process on March 25, 2025 at approximately 7:00 PM, which was after the close of the Public Hearing.
- 3) LWA attended the Public Hearing and at the close of the balloting period, all ballots cast and received prior to the close of the Public Hearing were transferred into LWA's custody to be included within the ballot tabulation.
- 4) LWA directed the canvass of all ballots received from the total potential 2,982 ballots issued pursuant to the Ballot Tabulation Process & Procedures transmitted to the Board of Trustees. In summary, the tabulation criteria included the following steps:
 - a) Opening / Sorting: LWA directed the opening and sorting of all ballots into three categories, Valid Yes Votes, Valid No Votes and Invalid Votes. A ballot was considered valid if it contained a signature on the ballot and a clear indication of a "yes" or "no" vote. As ballots were sorted, an additional confirmation of the original sorting and preliminary validation (yes or no and signature) took place. Any ballot with no clear indication of yes or no, left unsigned, or significantly marred, was initially

Reclamation District 1608
Maintenance and Capital Services Assessment
FINAL Summary of Ballot Proceeding Tabulation Results

All Ballots

Total Ballots:	2,982
Valid Ballots Returned:	766
Invalid Ballots Returned:	15
Total Ballots Returned:	781
Ballots Not Returned:	2,201
% of Ballots Returned:	26.19%
Total Assessment of All Ballots:	\$296,727.64
Total Assessment of All Valid Ballots Returned:	\$95,970.48
% of Assessment Returned:	32.34%

Valid Ballots

	<u>Number</u>	<u>Percent of Valid Ballots Returned</u>	<u>Total Assessment</u>	<u>Percent of Valid Total</u>
All Ballots	766	100.00%	\$95,970.48	100.00%
Yes Votes	671	87.60%	\$87,613.36	91.29%
No Votes	95	12.40%	\$8,357.12	8.71%

Invalid Ballots

	<u>Number</u>	<u>Total Assessment</u>	<u>Percent of Invalid Total</u>
All Invalid Ballots	15	\$1,402.60	100.00%
Vote Not Marked	13	\$1,181.20	84.22%
Unofficial Ballot	0	\$0.00	0.00%
No Signature	2	\$221.40	15.78%
Marred/Destroyed	0	\$0.00	0.00%
Both Votes Marked	0	\$0.00	0.00%
Duplicate	0	\$0.00	0.00%
Other	0	\$0.00	0.00%

2203000 RD 1608 Assessment Tabulation Model - FINAL.xlsx

ITEM 6

**RECLAMATION DISTRICT NO. 1608
RESOLUTION 2025-01**

**RESOLUTION APPROVING FINAL ENGINEER'S REPORT, FORMING THE
MAINTENANCE AND CAPITAL SERVICES ASSESSMENT DISTRICT AND
ORDERING LEVY OF ASSESSMENTS BEGINNING IN FISCAL YEAR 2025-26**

WHEREAS, Reclamation District No. 1608 (“District”) provides a benefit and service to the land located within the District by the repair, upgrading, maintenance and operation of the reclamation works of the District in that such works serve to prevent the flooding of the land within the District; and

WHEREAS, the revenues received by the District from the County of San Joaquin in accordance with the statutes enacted under Article XIII A of the California Constitution are insufficient to provide the benefits and services which the District is obligated by the California Water Code to provide, and specifically are insufficient to ensure proper maintenance of the reclamation works and to provide for emergencies; and

WHEREAS, the District is authorized by the Benefit Assessment Act of 1982, Government Code section 54703 et. seq. (“Act”) to impose a benefit assessment for the provision of such benefits and services to supplement the revenues received from the County of San Joaquin, and to provide for the collection of such assessments by the San Joaquin County Auditor; and

WHEREAS, the District has complied with the procedures of California Constitution Articles XIIC and XIID, and has received a majority vote authorizing the collection of an assessment for each fiscal year commencing fiscal year 2010-11 but will expire in fiscal year 2024-25 and thus needs to be renewed to continue providing services; and

WHEREAS, in October 2023, Larsen Wurzel & Associates, Inc. entered into a subcontract with Kjeldsen, Sinnock & Neudeck, Inc., as the District’s Engineer, to provide Assessment Engineering Services to the District for the proposed Maintenance and Capital Services Assessment (“MCSA”) to provide funding for levee and flood control facilities operations, maintenance, capital improvement, and related improvements and services; and

WHEREAS, the District now plans to establish the MCSA to fund a portion of the costs of operations and maintenance of the levee and flood control system providing protection to the District area (collectively, the “Services”); and

WHEREAS, the Services will provide special benefits to certain land in the District (the “Properties”) within the proposed boundaries of the MCSA; and

WHEREAS, the District has engaged the firm of Larsen Wurzel & Associates, Inc., to have a registered professional engineer certified by the State of California prepare a detailed Engineer’s Report (“Engineer’s Report”) establishing a methodology to determine and apportion the special

benefits received by the Properties from the Services and to allocate the costs of the Services in proportion to said special benefits; and

WHEREAS, the proposed boundaries of the MCSA area include all the Properties that receive special benefit from the Services and located within the District's legal boundary, while excluding properties not receiving special benefits from the Services and any incidentally-benefited properties in adjacent areas;

WHEREAS, the Board of Trustees of the District has determined to undertake proceedings pursuant to the Act to establish the MCSA and to levy assessments to pay costs of the Services for the Properties to be included within the MCSA boundaries; and

WHEREAS, the imposition of a new special assessment is subject to constitutional procedural requirements, including a ballot procedure involving the owners of the parcels proposed to be assessed.

WHEREAS, on December 4, 2024, the Board of Trustees of the District adopted Resolution 2024-06, which:

- Proposed forming the MCSA and levying a special benefit assessment;
- Identified the MCSA's proposed boundary;
- Preliminarily approved the Engineer's Report;
- Fixed the time of a public hearing to hear public comment on the proposed MCSA and special benefit assessment; and,
- Directed the District's consultants and staff to undertake the procedural and approval processes including the mailing of notices and ballots which are necessary for the establishment of the MCSA and levying of a special assessment proportional to the special benefits to be provided by the Services;

WHEREAS, also on December 4, 2024, the Board of Trustees of the District adopted Resolution 2024-07, which adopted Proposition 218 procedures to be followed in the implementation of the provisions of Proposition 218 relating to the proposed MCSA (the "218 Procedures"), and the 218 Procedures have been followed in connection with the activities directed by Resolution 2024-06;

WHEREAS, during February and March of 2025 the District conducted an assessment ballot proceeding pursuant to Proposition 218 in which the landowners that would be specially benefited by the Services were provided by mail with notice of the proposed special assessment and public hearing and also provided the opportunity to complete a ballot as to whether the District should form the proposed MCSA and levy the assessment;

WHEREAS, as part of the assessment ballot proceeding, the Board of Trustees of the District held a public hearing on March 25, 2025, at 6:30 PM at Mable Barron Elementary, 6835 Cumberland Pl, Stockton, CA, for the purpose of receiving comments on and protests to the

proposed benefit assessment and for accepting new or changed ballots from specially benefited landowners; and

WHEREAS, during the public hearing, the Board of Trustees of the District heard and considered all public comments.

WHEREAS, on March 25, 2025, upon the conclusion of the public hearing, the Board of Trustees of the District directed the tabulation of the ballots for the formation of the MCSA.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Reclamation District 1608 that:

1. Recitals. The above recitals are true and correct and are incorporated into this Resolution by this reference.

2. Ballot Proceeding. A total of 781 assessment ballots were returned and received prior to the close of the public input portion of the public hearing on March 25, 2025. Of the assessment ballots returned, 766 assessment ballots were deemed valid, and 15 assessment ballots were declared invalid in that they were either not marked with a "Yes" or "No", were marked with both a "Yes" and a "No", were not signed, or for some other reason.

3. Ballot Tabulation. The canvass of the assessment ballots submitted by property owners is complete and was certified by Larsen Wurzel & Associates, Inc. in a report date March 26, 2025, and the votes cast were reported as follows:

Total Number of Valid Ballots Received: 766
Total MCSA Amount of Valid Ballots: \$95,970.48

Total Number of Valid "Yes" Votes: 671
Total Weighted Value of "Yes" Votes: \$87,613.36
Total Weighted Percentage of "Yes" Votes: 91.29%

Total Number of Valid "No" Votes: 95
Total Weighted Value of "No" Votes: \$8,357.12
Total Weighted Percentage of "No" Votes: 8.71%

Total Number of "Invalid" Ballots: 15
Total MCSA Amount of "Invalid" Ballots: \$1,402.60

After the ballots were weighted according to the proportional financial obligation of the affected property, the tabulation shows that 91.29% of the valid ballots were cast in support of the MCSA formation. Because a majority protest, as defined by Article XIII D of the California Constitution, did not exist, the Board may levy the assessment as described in the Final Engineer's Report to pay the costs and expenses of the Services identified therein.

4. Final Engineer's Report. The Final Engineer's Report for the MCSA together with the diagram of the MCSA contained therein, and the proposed Benefit Assessment Roll for fiscal year 2025-26 contained therein, has been presented to the Board of Trustees at this meeting and is incorporated herein by reference, are hereby confirmed and approved.

5. Findings. That based on the oral and documentary evidence, including the Final Engineer's Report, offered and received at the public hearing, the Board finds and determines that: (a) each of the several assessed lots and parcels of land within the MCSA will be specially benefited by the Services (as described in the Final Engineer's Report) in at least the amount of the benefit assessment apportioned against such lots and parcels of land, respectively; and (b) there is substantial evidence to support, and the weight of the evidence is in favor of, this finding and determination as to special benefit to property within the MCSA Assessment District from the Services to be financed with assessment proceeds.

6. MCSA Formation. The MCSA is hereby formed, and assessments consistent with the Final Engineer's Report, as modified by successful appeals, are hereby levied, pursuant to the Act.

7. Annual Levy of Assessments. The first assessments to be levied on property in the MCSA will be for fiscal year 2025-26 with authorized maximum assessment.

8. Authorized Services. The Services to be financed with assessment proceeds described in the Final Engineer's Report are hereby ordered.

9. Maximum Assessment Adjustment per CPI. As described in the Final Engineer's Report, to ensure that the District can provide the needed Services over time the Board of Trustees of the District will have the authority, pursuant to Government Code Section 53739 (b), to levy the assessment within a designated range on an annual basis. The designated range will be from a minimum assessment, up to and including the authorized maximum assessment, as adjusted annually based on the CPI as described below.

Beginning in Fiscal Year 2026-27, the maximum authorized assessment may be increased subject to an annual inflationary escalator, based on the annual change in the Consumer Price Index February to February CPI-W for the San Francisco-Oakland-Hayward all Items, with Base Year 1982-84 = 100, published by the U.S. Department of Labor, Bureau of Labor Statistics, subject to a minimum of 0% and a maximum of 4% in any given year as described in the "Annual Escalation of the Assessments" section of the Final Engineer's Report.

10. Filing of Map & Collection of Assessment. District staff is directed to file or cause to be filed the diagram of MCSA, the Final Engineer's Report and a certified copy of this Resolution with the Auditor/Controller of San Joaquin County. Upon such filing, commencing in Fiscal Year 2025-26 and each year thereafter upon approval by the Board of Trustees of the District, the County/Auditor Controller shall enter on the County tax roll opposite each lot or parcel of land in the MCSA the amount of assessment thereupon as shown in the Final Engineer's Report and described in this Resolution. The benefit assessment shall be collected at the same time and in the same manner as County ad valorem taxes are collected and all laws providing for the collection and enforcement of County ad valorem taxes shall apply to the collection and enforcement of the

assessments. After collection by the County Tax Collector, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to the District for the purposes of the MCSA.

11. Separate Fund Requirement. The monies representing assessments collected shall be deposited in fund or funds designated for the MCSA. Amounts deposited to such fund(s) shall be expended only for the Services that specially benefit the lands within the MCSA as described in the Final Engineers Report.

12. Administrative Corrections. The assessment, as it applies to any parcel, may be corrected, cancelled or a refund granted as appropriate, by order of the Board of Trustees of the District. Any such corrections, cancellations or refunds shall be limited to current or future fiscal years and shall not be granted retroactively. The District may adopt, in the future, as the need arises, additional policies or procedures as needed to efficiently and effectively administer the MCSA.

13. CEQA Compliance. The creation of the assessment funding mechanism is exempt from CEQA because it provides a funding mechanism in support of future actions which will be separately analyzed as projects under CEQA. District staff is directed to prepare and file or cause to be filed a Notice of Exemption to that effect with the proper office.

14. Proposition 218 Compliance. The assessment is in compliance with all laws pertaining to it, including Article XIII-D of the California Constitution (Proposition 218), and as described in the Final Engineers Report, the assessment is being levied without regard to property valuation.

[Signatures on next page]

PASSED AND ADOPTED by the Board of Trustees of Reclamation District No. 1608 at a meeting thereof held on this 2nd day of April 2025, by the following vote TO WIT:

AYES: _____

NOES: _____

ABSTENTION: _____

ABSENT: _____

RECLAMATION DISTRICT NO. 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 No 1608, do hereby certify that the foregoing is full, true and correct copy of a resolution of Reclamation District No. 1608 duly passed and adopted at a regular meeting of the Board of Trustees thereof held on the 2th day of April 2025.

Dated: _____, 2025

ELVIA TRUJILLO, Secretary

March 26, 2025

VIA: Email

Mr. Andy J. Pinasco
District Counsel, Reclamation District 1608
Neumiller & Beardslee
3121 W. March Lane, Suite 100
Stockton, CA 95219
via e-mail: apinasco@neumiller.com

Dear Mr. Pinasco:

Enclosed, please find our final report related to the tabulation ballots for the assessment ballot proceeding for the proposed Maintenance and Capital Services Assessment District dated March 26, 2025.

If you have any questions regarding the information within this report, please do not hesitate to call. We look forward to working with you through the remainder of the assessment district formation process.

Sincerely,



Seth Wurzel, CGFM
Principal
Larsen Wurzel & Associates, Inc.

CC: *(via email w/ enclosure)*

Chris Neudeck, KSN, Inc.
Kim Floyd, Kim Floyd Communications, Inc.
Adam Riley, Larsen Wurzel & Associates, Inc.
David Lee, Larsen Wurzel & Associates, Inc.

Encl.

Final Report

Reclamation District 1608

March 26, 2025

Maintenance and Capital Services Assessment District Ballot Proceeding Tabulation

Prepared for: Reclamation District 1608 Board of Trustees

Prepared by: David Lee

Reviewed by: Seth Wurzel, CGFM

Larsen Wurzel & Associates, Inc. (LWA) has performed the tasks described in the Maintenance and Capital Services Assessment District Ballot Tabulation Process & Procedures transmitted to the RD 1608 Board of Trustees on March 25, 2025, as summarized below. These procedures were prepared to govern the tabulation of ballots in favor of and opposition to the proposed Maintenance and Capital Services Assessment District (MCSA) as performed by LWA on March 25, 2025. LWA makes no representation regarding the sufficiency of these procedures described below for any other purpose other than for the purpose for which they have been prepared.

The procedures related to the ballot proceeding for the MCSA performed are summarized as follows:

- 1) A data processing system was prepared for the efficient preparation, production and subsequent tabulation of the ballots.
- 2) Mailed return ballots were delivered directly to Neumiller & Beardslee located at 3121 W. March Lane, Stockton, California, 95219. Hand delivered returned ballots were received by Neumiller & Beardslee at the same address until 5:00 PM on March 25, 2025. Hand delivered ballots were also received at the Public Hearing which took place in Mable Barron Elementary School, 6835 Cumberland Pl, Stockton, CA, the location of the Public Hearing. All mailed and hand return ballots were stored in secured locations and remained sealed in their return envelopes until the start of the tabulation process on March 25, 2025 at approximately 7:00 PM, which was after the close of the Public Hearing.
- 3) LWA attended the Public Hearing and at the close of the balloting period, all ballots cast and received prior to the close of the Public Hearing were transferred into LWA's custody to be included within the ballot tabulation.
- 4) LWA directed the canvass of all ballots received from the total potential 2,982 ballots issued pursuant to the Ballot Tabulation Process & Procedures transmitted to the Board of Trustees. In summary, the tabulation criteria included the following steps:
 - a) Opening / Sorting: LWA directed the opening and sorting of all ballots into three categories, Valid Yes Votes, Valid No Votes and Invalid Votes. A ballot was considered valid if it contained a signature on the ballot and a clear indication of a "yes" or "no" vote. As ballots were sorted, an additional confirmation of the original sorting and preliminary validation (yes or no and signature) took place. Any ballot with no clear indication of yes or no, left unsigned, or significantly marred, was initially

considered invalid and subject to further review by Agency Counsel. Agency Counsel provided the final determination of all Ballots to be considered Invalid. All replacement ballots issued (as indicated by the fact they were printed on colored paper) were also separated and sorted throughout this process in the same manner as original issued (white) ballots.

- b) Scanning/Data Entry: Prior to scanning the valid ballots, ballots of the same type (same color and vote) were batched into groups of up to 100 ballots. A unique batch ID was assigned to each ballot and the attributes of the batch (color and vote) were recorded. Each batch and each ballot had a unique ballot identification bar coded number and the batch bar code and ballot bar code were scanned into the ballot tabulation software using a hand held scanners. Each batch of ballots was scanned two time into two separate computers running the ballot tabulation software. If the number of scans recorded by each scanner did not equal 100 (or a lesser number of ballots in the batch), then the entire batch was scanned again until the two scans recording the data matched and the number of scans equaled 100 or the number of ballots expected to be in the batch. Once the original ballots were scanned, the replacement ballots were scanned in the same manner and entered into the tabulation software on the two machines. During this process, any valid replacement ballot vote cast for an original ballot already tabulated was overwritten and the original vote was not counted. Ballots that were damaged and/or could not be scanned utilizing the hand scanners, were manually entered into the software using the human readable ballot ID printed on the ballot twice and the two sets of data were compared to ensure that all ballots were counted.
 - c) Data Validation: Once the data entry was completed and all differences from the two sets of scans were reconciled, preliminary results of the tabulation were tested. Of the 766 valid ballots received, 82 ballots (approximately 10% of the tabulated ballots) were run through a verification process. The physical information on the ballots was compared to the results in the data processing system to ensure that the information in the program matched the physical ballot information. The results from the verification process matched the data within the software, thus the process was considered certifiable according to the established procedures.
 - d) Invalid ballots were also scanned into the system to record the count and the weight of invalid ballots cast as well as the reason for invalidation.
- 5) As part of the ballot tabulation calculations, each valid yes or no vote was multiplied by the amount of the property owner's proposed assessment to determine the weight of each vote.
 - 6) LWA summed all of the valid weighted yes votes and all of the valid weighted no votes in order to determine which response had the most weighted vote.
 - 7) The canvass of the assessment ballots submitted by property owners is now complete and LWA can report the results of the tabulation process as determined by the performance of procedures and criteria summarized above. The results of the tabulation process are as follows:

Reclamation District 1608
Maintenance and Capital Services Assessment
FINAL Summary of Ballot Proceeding Tabulation Results

All Ballots

Total Ballots:	2,982
Valid Ballots Returned:	766
Invalid Ballots Returned:	15
Total Ballots Returned:	781
Ballots Not Returned:	2,201
% of Ballots Returned:	26.19%
Total Assessment of All Ballots:	\$296,727.64
Total Assessment of All Valid Ballots Returned:	\$95,970.48
% of Assessment Returned:	32.34%

Valid Ballots

	<u>Number</u>	<u>Percent of Valid Ballots Returned</u>	<u>Total Assessment</u>	<u>Percent of Valid Total</u>
All Ballots	766	100.00%	\$95,970.48	100.00%
Yes Votes	671	87.60%	\$87,613.36	91.29%
No Votes	95	12.40%	\$8,357.12	8.71%

Invalid Ballots

	<u>Number</u>	<u>Total Assessment</u>	<u>Percent of Invalid Total</u>
All Invalid Ballots	15	\$1,402.60	100.00%
Vote Not Marked	13	\$1,181.20	84.22%
Unofficial Ballot	0	\$0.00	0.00%
No Signature	2	\$221.40	15.78%
Marred/Destroyed	0	\$0.00	0.00%
Both Votes Marked	0	\$0.00	0.00%
Duplicate	0	\$0.00	0.00%
Other	0	\$0.00	0.00%

2203000 RD 1608 Assessment Tabulation Model - FINAL.xlsx

A total of 781 assessment ballots were returned and received prior to the close of the public hearing on March 25, 2025. 15 of these ballots were determined to be invalid based on the following. 13 ballots were declared invalid in that they were not marked with a “yes” or “no,” were marked with both a “yes” and a “no,” were not signed, were not returned in the security envelope, or for some other reason. A total of 2 ballots were declared invalid as they were either, A) received and determined to be void as a result of a replacement ballot having been issued that voided the original ballot or B) tabulated but then their initial tabulation was replaced through the receipt of a valid duplicate replacement ballot having been issued. This left 766 valid ballots remaining to determine the outcome of the tabulation process.

After the valid ballots were weighted according to the proportional financial obligation of the affected property, the tabulation concluded that 91.29% of the valid ballots were cast in support of the proposed Assessment. Since a majority protest, as defined by Article XIII D of the California Constitution, did not exist, the Board may take action to approve the formation of the MCSA as described in the Engineer’s Report to pay the costs and expenses of the services identified therein.

With the transmittal of this report, LWA certifies that it has completed the canvass of the protest ballots submitted for the proposed Maintenance and Capital Services Assessment District pursuant to the process and procedures submitted to the Board on March 25, 2025.

This report is intended solely for the information and use of the RD 1608 Board of Trustees and its management and is not intended to be and should not be used by anyone other than these specified parties.

Larsen Wurzel & Associates, Inc.



March 26, 2025

ITEM 11

SHORT TERM GOALS 2025

1. Revise District Website.
2. Approve Emergency Operations Plan Update.
3. Review and analysis of Levee Standards.

LONG TERM GOALS

1. Raising Elevation of Southwest Levee.
2. Sediment Removal Project.

ONGOING CONCERNS

1. Central Valley Flood Protection Plan.
2. Repair/Maintenance of Gates on Crown of Southwest Levee.
3. Annual Levee Inspection.
4. Monitor San Joaquin Feasibility Project.
5. Vegetation encroachments.
6. Work on slumping areas.
7. Participate in stakeholder groups.
8. All-Weather Road Resurfacing.

ITEM 12

RD 1608: MASTER CALENDAR

JANUARY

FEBRUARY

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

MARCH

- Yearly Employee Evaluations
- Spring Newsletter
- Review Insurance Proposal (Renews April)

APRIL

- April 1: Form 700s due
- Notify School District of Vegetation Control

MAY

- Draft Budget
- Planning of Levee Tour
- Annual CEQA Exemption
- Subventions Resolution

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*).
- Letter to Property owners on levee regarding levee standards and permit requirements
- Review Local Agency Biennial Notice – Due early October (even years)

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 2022 (every three years thereafter)
- Deadline to Notify Insurance of Non-Participation in JPRIMA for Subsequent Year

NOVEMBER

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

DECEMBER

- 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	2021	First Friday of Dec 2025
Dottie Lofstrom	2023	First Friday of Dec 2027
Michael Panzer	2023	First Friday of Dec 2027

Assessment Expires 6/30/2025

Emergency Operation Plan Review – June 2025

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**

ITEM 14

Reclamation District 1608
Bills for Approval - April 2, 2025, Board Meeting

NAME	Date	INVOICE #	AMOUNT	TOTAL \$	WARRANT #	CHECK #	RATIFICATION
Michael Panzer (4/2/25 Board Mtg)	4/2/2025	Trustee Stipend	\$299.92				
				\$299.92	6902		
Dan MacDonnell (4/2/25 Board Mtg)	4/2/2025	Trustee Stipend	\$299.92				
				\$299.92	6903		
Dottie Lofstrom (4/2/25 Board Mtg)	4/2/2025	Trustee Fee	\$299.92				
				\$299.92	6904		
Elvia Trujillo (March Services)	4/2/2025	Secretary Fee	\$2,105.90				
				\$2,105.90	6905		
PG&E (Stone River)		2999432760-8	\$0.00				
PG&E (Landview & Seagull)	2/27/2025	0950847867-5	\$12.80				
				\$12.80	6906		
Neumiller & Beardslee	3/10/2025	352861	\$4,321.08				
				\$4,321.08	6907		
Kjeldsen Sinnock & Neudeck	2/28/2025	39867	\$1,276.25				
	2/28/2025	39868	\$991.33				
	2/28/2025	39869	\$742.50				
	2/28/2025	39870	\$5,982.05				
	2/28/2025	39871	\$148.50				
	2/28/2025	39872	\$137.50				
	2/28/2025	39873	\$708.00				
				\$9,986.13	6908		
Lincoln Unified School IDistrict	3/25/2025	ARC25-00336	\$15.75				
	2/5/25 & 2/19/25	ARC25-00347	\$31.50				
				\$47.25	6909		
State Compensation Insurance Fund	2/4/2025	1002202598	\$1,197.58	\$1,197.58		e-Check	
Bank of Stockton Visa	3/4/2025	1/28/25 - 2/24/25	\$5,468.25	\$5,468.25		Online	

Reclamation District 1608
 Bills for Approval - April 2, 2025, Board Meeting

ADP, Inc. (payroll)	2/28/2025		\$86.91	\$86.91	Online
ADP, Inc. (payroll)	3/15/2025		\$83.92	\$83.92	Online
State of California Payroll Taxes		2/28/25 and 3/15/25 Payroll	\$934.36	\$934.36	Online
Federal Government Payroll Taxes		2/28/25 and 3/15/25 Payroll	\$3,631.24	\$3,631.24	Online
Joe L. Bryson (Payroll)	2/28/2025	2/1/25 - 2/28/25	\$5,555.68	\$5,555.68	Direct Deposit
Roger Lamarra (Payroll)	2/28/2025	2/16/25-2/28/25	\$1,102.63	\$1,102.63	Direct Deposit
Roger Lamarra (Payroll)	3/15/2025	3/1/25-3/15/25	\$948.85	\$948.85	Direct Deposit
Joe C. Godinez Sr. (Payroll)	2/28/2025	2/16/25-2/28/25	\$527.08	\$527.08	1646
California State Disbursement Unit	1/31/2025	(Income Withholding)	\$330.00	\$330.00	ADP Processed
Joe C. Godinez Sr. (Payroll)	3/15/2025	3/1/25-3/15/25	\$389.06	\$389.06	1647
California State Disbursement Unit	3/15/2025	(Income Withholding)	\$389.06	\$389.06	ADP Processed
Cash V. Lucero (Payroll)	2/28/2025	2/16/25-2/28/25	\$752.79	\$752.79	Direct Deposit
Cash V. Lucero (Payroll)	3/15/2025	3/1/25-3/15/25	\$527.81	\$527.81	Direct Deposit
		WARRANT TOTAL:		\$17,372.92	
		CHECKING TOTAL:		\$21,925.22	
		TOTAL BILLS PAID		\$39,298.14	