

**MEETING AGENDA FOR
RECLAMATION DISTRICT NO. 1608
BOARD OF TRUSTEES MEETING
8:00 A.M. APRIL 1, 2026**

**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 three minutes for general public comments on items within the District's subject matter jurisdiction and three 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 4, 2026.
3. Financial Report. Review, discuss, and accept financial reports.
4. Audit.
 - a. Discussion and possible action to approve Draft Audit for Fiscal Year ending June 30, 2025.
 - b. Review and approve standard representation letter from Croce, Sanguinetti, & Vander Veen for year ended June 30, 2025.
5. Levee Standard Ordinance
 - a. Discussion related to the proposed Standards and corresponding revisions.
 - b. Discussion and Possible Action to Adopt Ordinance 2026-02, an Ordinance of the Board of Trustees of Reclamation District 1608 Adopting the District's Updated Levee Encroachment Standards.
6. Engineer's Report. Discussion and Possible Action on Engineer's Report.
 - I. LOWER SAN JOAQUIN RIVER FEASIBILITY PROJECT
 - A. Review next meeting scheduled with the USACE for a Design Charette scheduled for May 21 @ SJCo COG Conference room, February 12th. The charette is still in the planning and development phase, the workshop will be a full day, to include a brief site visit followed by focused discussion for the remainder of the day. The purpose of the meeting will be to form consensus on the path forward for design of the authorized gate structure. This meeting is by invitation only and the parties will be limited in an effort to keep the group focused and on-task as the USACE moves through the technical discussions to come to agreement on decisions made.

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.

II. PLAN REVIEW

A. Review plan review submittal.

3856 Fourteen Mile Drive
Assessor's Parcel No. 098-500-38
Index No. 25 Lot 1151
Dottie M. Lofstrom
Phone: (209) 609-8834

Review of a permit application for a vegetable garden located landward of the levee toe submitted by Dottie M. Lofstrom. Seek the Board of Trustees' approval for this application. KSN Inc. recommends approval. The Lofstrom vegetable garden meets the District Guidelines.

EXHIBIT A: Plans vegetable garden.

EXHIBIT B: Photograph of area of Loftstrom lot where garden will be placed.

EXHIBIT C: February 13, 2026, Encroachment Application for a vegetable garden.

B. Review status of Annual Levee Inspection of the District's Levee system for 2026.

EXHIBIT D: Violation Remedy tracking 2026.

III. DELTA LEVEE SUBVENTIONS PROGRAM

A. Review status of drains at toe of levee along 5 Mile Slough at the North end of Potomac Way and Germana Court.

EXHIBIT E: Photos of levee toe at private driveways along Five Mile Drive.

7. Superintendent Report. Request for directions and approvals.
8. Meetings. Report by Trustees on meetings attended and upcoming meetings. Request for direction.
9. Report and possible action on Progress of Tasks Assigned at Previous Board Meetings.
10. Discussion and direction on Short-Term and Long-Range Goals.
11. District Calendar. Discussion and direction.
 - a. Next Meeting is May 6, 2026.
12. Correspondence.
13. Approval of Bills. Motion to Approve of Bills.
14. Closed Session.

a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Levee Superintendent

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b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: District Secretary

15. Closed Session Report.

16. Employee Contracts. Discussion and possible action regarding changes to Levee Superintendent and District Secretary contracts.

17. 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.

18. 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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ITEM 2

Approval of Minutes

**MINUTES OF THE REGULAR MEETING OF BOARD OF TRUSTEES
FOR RECLAMATION DISTRICT 1608
HELD ON WEDNESDAY, MARCH 4, 2026**

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 4, 2026, 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

CHRIS NEUDECK
ANDY PINASCO
RHONDA OLMO
BOB BENTZ

ABSENT

JOE BRYSON
ELVIA TRUJILLO

1. **Public Comment.**

- President Panzer welcomed Rhonda Olmo. She will take today's meeting minutes.
- Mr. Bob Brown commented on the levee ordinance and the District's authority to levy fines. He also commented on District liability related to levee maintenance. Andy Pinasco and Chris Neudeck provided brief comments.

2. **Approval of Minutes.** Minutes of Regular Meeting of February 4, 2026. The Trustees reviewed the draft minutes. After review,

It was moved, seconded (D. Lofstrom/D. MacDonnell) and unanimously carried by the Board Trustees of Reclamation District 1608, that the minutes of the February 4, 2026, Regular Board Meeting, be approved.

3. **Financial Report.** Review, discuss, and accept financial report. Attorney Andy Pinasco presented an oral and written report. After review,

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 4, 2026, meeting be approved.

4. **Ordinance 2026-01.** Adopt Ordinance 2026-01 Establishing Trustee Compensation for Meeting Attendance. Attorney Andy Pinasco discussed the Trustee compensation and explained the ordinance process for an increase. This increase shall become effective 60 days from today. After further review,

It was moved, seconded (D. MacDonnell/D. Lofstrom) and unanimously carried by the Board of Trustees of Reclamation District 1608 that Ordinance No. 2026-01 be approved.

5. **Levee Standard Ordinance.**

- a. Discussion related to the proposed Standards and corresponding revisions.
- b. Discussion and Possible Action to Introduce Ordinance 2026-02, an Ordinance of the Board of Trustees of Reclamation District 1608 Adopting the District's Updated Levee Encroachment Standards.

Attorney Andy Pinasco and District Engineer Chris Neudeck reviewed all of the changes made to the District's Levee Encroachment Standards with the Trustees. Additional revisions were suggested to Mr. Pinasco to make to the document. Direction was given to Attorney Pinasco to make the suggested revisions and bring this item back to the April 2026 Board meeting.

6. **Insurance.** Discussion and possible action regarding authorizing District official to approve proposal for District Insurance Renewal.

After discussion,

It was moved, seconded (D. Lofstrom/D. MacDonnell) and unanimously carried to authorize a District official to approve the proposal for the District insurance renewal.

7. **Engineer's Report.** Discussion and Possible Action on Engineer's Report.

I. RULES AND REGULATIONS REVISIONS

- A. Review status of making recommended revisions to the District's Rules & Regulations.

II. LOWER SAN JOAQUIN RIVER FEASIBILITY PROJECT

- A. Review the outcome from the tour of the US Army Corps of Engineers of the District levees held on Thursday, February 12th.

III. PLAN REVIEW

- A. Review status of Annual Levee Inspection of the District's Levee system for 2026.

IV. DELTA LEVEE SUBVENTIONS PROGRAM

- A. Review status of DRAINS AT TOE OF LEVEE ALONG 5 Mile Slough at the North end of Potomac Way and Germana Court.

EXHIBIT A: Photos of levee toe at private driveways along Five Mile Drive.

Mr. Neudeck reviewed the Rules and Regulations revisions, the Lower San Joaquin River Feasibility Project, Annual Levee Inspection status, and the Delta Levee Subventions Program.

8. **Superintendent Report.** Request for directions and approvals. No report was provided.
9. **Newsletter.** Discussion and direction regarding Spring newsletter. Direction was given to place this item on the September/October agenda.
10. **Meetings.** Report by Trustees on meetings attended and upcoming meetings. Request for direction. No meetings were reported.
11. **Report and Possible Action on Progress of Tasks Assigned at Previous Board Meetings.** No report given.
12. **Discussion and direction on Short-Term and Long-Range Goals.** No discussion.
13. **District Calendar.** Discussion and direction.
 - a. Next Meeting is April 1, 2026.
 - All Trustees confirmed their availability.
14. **Correspondence.**
 - a. California Special Districts Association – SB 827 Fiscal & Financial Training.
 - b. February 2026 Letter from Bill Brown.

Attorney Pinasco reviewed the correspondence received with the Trustees.

15. **Approval of Bills.** Attorney Pinasco presented an oral and written report on District expenses. After review,

It was moved, seconded (D. MacDonnell/D. Lofstrom) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the list of Bills for Approval provided at the March 4, 2026, Meeting be approved as presented.

16. **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.
17. **Adjournment.** The meeting adjourned at 10:08 a.m.

Respectfully submitted,

Rhonda L. Olmo
Acting District Secretary

Acronyms Frequently Used

AC Repairs = Asphalt Concrete Repairs
CEQA = California Environmental Quality Act
District= Reclamation District 1608
DWR = Department of Water Resources
KSN = Kjeldsen, Sinnock & Neudeck
LWA = Larsen Wurzel & Associates
N&B = Neumiller & Beardslee
Prop 218 = Proposition 218
RD 1608 = Reclamation District 1608
SJAFCFA = San Joaquin Area Flood Control Agency
USACE = United States Army Corps of Engineers

ITEM 3

Financial Report

RECLAMATION DISTRICT 1608
FINANCIAL REPORT - APRIL 1, 2026
% OF FISCAL YEAR ELAPSED THROUGH THE END OF MARCH 2026 - 75%

Budget Item	Budget Amount	Expended MTD	Expended YTD	% YTD
Operations & Maintenance Expenses				
O1 Levee Superintendent	\$95,000.00	\$10,136.36	\$81,404.51	85.69%
O2 Part Time Employees	55,000.00	6,173.00	41,602.02	75.64%
O3 Payroll Taxes and Expenses	10,000.00	1,843.68	12,630.90	126.31%
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	20,000.00	10,000.00	13,912.77	69.56%
O7 Levee Repair Fund (General Operations & Maintenance)	50,000.00	536.29	26,175.17	52.35%
O8 Levee Repair Fund (Levee Capital Improvement Projects)	50,000.00	855.40	934.96	1.87%
O9 Pump System Maintenance	1,000.00	1.59	174.66	17.47%
O10 Wireless Services (Cell and Mobile Computer)	6,000.00	648.66	5,016.44	83.61%
O11 Garbage Service	5,000.00	1,003.88	1,552.15	31.04%
O12 District Vehicle (Fuel, Maintenance and Repairs)	5,000.00	1,192.19	3,790.50	75.81%
TOTAL	\$323,000.00	\$32,391.05	\$187,194.08	57.95%
General Expenses				
G1 Trustee Fees	\$15,000.00	\$899.76	\$8,997.60	59.98%
G2 Secretary Fees	15,000.00	1,362.71	12,415.39	82.77%
G3 Office Expenses (includes storage facility)	1,000.00	0.00	681.88	68.19%
G4 General Legal	40,000.00	0.00	23,498.83	58.75%
G5 Audit	7,000.00	0.00	0.00	0.00%
G6 County Administration Costs	6,000.00	0.00	4,851.80	80.86%
G7 Property and Liability Insurance	24,000.00	25,361.00	25,361.00	105.67%
G8 Workers Compensation Insurance	15,000.00	1,063.08	9,567.72	63.78%
G9 Election Costs	25,000.00	0.00	115.30	0.46%
G10 Newsletters & Public Communications	10,000.00	0.00	6,167.99	61.68%
TOTAL	\$158,000.00	\$28,686.55	\$91,657.51	58.01%
Debt Service				
D1 Registered Warrant Expense	\$115,000.00	\$29,017.98	\$86,706.68	75.40%
	\$115,000.00	\$29,017.98	\$86,706.68	75.40%
Engineering Expenses				
E1 General Engineering	\$25,000.00	\$946.25	\$12,675.70	50.70%
E2 Plan Review Engineering	25,000.00	10,235.55	28,829.05	115.32%
E3 Administration of Delta Levee Subventions Program	20,000.00	630.25	24,381.09	121.91%
E4 Periodic Levee Property Inspections and Surveys	7,500.00	0.00	0.00	0.00%
E5 Routine Levee Maintenance Consultation	3,500.00	3,392.50	10,468.25	299.09%
E6 Assessment Engineering	4,000.00	0.00	12,070.78	301.77%
E7 Lower San Joaquin River Project	15,000.00	0.00	12,004.25	80.03%
TOTAL	\$100,000.00	\$15,204.55	\$100,429.12	100.43%
TOTAL EXPENDITURES	\$696,000.00	\$105,300.13	\$426,614.56	61.30%

Budget Item	Anticipated Income	Income MTD	Income YTD	% YTD
Income				
Property Taxes	\$295,000.00	\$0.00	\$173,667.09	58.87%
Interest Income	12,000.00	0.00	18,861.47	157.18%
Assessments	330,000.00	0.00	174,398.14	52.85%
Subvention Reimbursement	424,000.00	0.00	309,375.00	72.97%
Emergency Operations Plan	15,000.00	0.00	14,930.00	99.53%
Other	0.00	0.00	2,155.65	0.00%
Totals	\$1,076,000.00	\$0.00	\$693,387.35	64.44%

Subventions Reimbursement for FY 2023-2024 \$309,375.00

Cash On Hand	
Cash Balance as of July 1, 2025	\$415,279.75
Revenues (YTD), as of February 28, 2026	625,358.87
Expenses (YTD), as of February 28, 2026	415,355.70
Fund Balance as of March 25, 2026	\$609,652.41
Warrants for Approval at April 1, 2026, Board Meeting	\$121,972.25
TOTAL CASH	\$487,680.16

Checking Account Balance as of February 22, 2026 **\$23,451.44**

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

SEDIMENT REMOVAL PROJECT 2020
REGISTERED WARRANTS - 04/01/2026 BOARD MEETING

WARRANT DATED	REGISTERED WARRANT #	DATE REGISTERED	FOR PAYMENT OF	PRINCIPAL AMOUNT	INTEREST RATE	TOTAL INTEREST TO DATE	TOTAL PAYOFF AMOUNT	DATE CALLED
11/04/20	6392	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$812.50	\$25,812.50	11/5/2021
11/04/20	6393	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$952.74	\$25,952.74	1/7/2022
11/04/20	6394	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,021.75	\$26,021.75	2/7/2022
11/04/20	6395	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,084.08	\$26,084.08	3/7/2022
11/04/20	6396	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,161.99	\$26,161.99	4/11/2022
11/04/20	6397	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,239.90	\$26,239.90	5/16/2022
11/04/20	6398	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,286.64	\$26,286.64	6/6/2022
11/04/20	6399	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,364.55	\$26,364.55	7/11/2022
11/04/20	6400	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,431.34	\$26,431.34	8/10/2022
11/04/20	6401	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,498.12	\$26,498.12	9/12/2022
11/04/20	6402	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,567.12	\$26,567.12	10/10/2022
11/04/20	6403	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,636.13	\$26,636.13	11/10/2022
11/04/20	6404	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,711.81	\$26,711.81	12/14/2022
11/04/20	6405	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,774.14	\$26,774.14	1/11/2023
11/04/20	6406	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,825.34	\$26,825.34	2/3/2023
11/04/20	6407	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$1,894.35	\$26,894.35	3/6/2023
11/04/20	6408	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$2,315.07	\$27,315.07	9/11/2023
11/04/20	6409	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$3,016.27	\$28,016.27	7/22/2024
11/04/20	6410	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$3,016.27	\$28,016.27	7/22/2024
11/04/20	6411	11/05/20	Dixon Marine Progress Pay #4	\$25,000.00	3.25%	\$3,134.25	\$28,134.25	9/13/2024

\$500,000.00 \$33,744.35 \$533,744.35

03/03/21	6455	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$2,918.32	\$27,918.32	10/4/2024
03/03/21	6456	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$3,813.19	\$28,813.19	11/10/2025
03/03/21	6457	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$3,875.51	\$28,875.51	12/8/2025
03/03/21	6458	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,017.98	\$29,017.98	2/10/2026
03/03/21	6459	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	4/7/2026
03/03/21	6460	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	
03/03/21	6461	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	
03/03/21	6462	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	
03/03/21	6463	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	
03/03/21	6464	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	
03/03/21	6465	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	
03/03/21	6466	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	
03/03/21	6467	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	
03/03/21	6468	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	
03/03/21	6469	03/03/21	Port of Stockton	\$25,000.00	3.25%	\$4,142.64	\$29,142.64	

\$375,000.00 \$60,194.01 \$435,194.01

LEGEND

PAID
PROPOSED

	Registered Warrants	Interest	Principal + Interest
Subtotals	\$875,000.00	\$93,938.35	\$968,938.35
Total Amount Paid to Date	\$600,000.00	\$48,369.35	\$648,369.35
Total Remaining Due as of 04/01/2026	275,000.00	\$45,569.01	\$320,569.01

ITEM 4

Audit

RECLAMATION DISTRICT NO. 1608

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2025

Working Draft



CROCE, SANGUINETTI, & VANDER VEEN

INC.

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, 2025 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, 2025, 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 23 through 25 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 23, 2026

RECLAMATION DISTRICT NO. 1608

Statement of Net Position

June 30, 2025

	<u>Governmental activities</u>
Assets	
Cash and investments	\$ 467,196
Cash and investments - restricted	14
State assistance receivable - subventions	474,186
Prepaid expenses	18,716
Capital assets, net of accumulated depreciation of \$129,383	<u>53,559</u>
Total assets	<u>1,013,671</u>
Deferred outflows of resources	<u>-</u>
Liabilities	
Accounts payable	42,133
Payroll liabilities	11,121
Interest payable	54,195
Registered warrants payable	<u>350,000</u>
Total liabilities	<u>457,449</u>
Deferred inflows of resources	<u>-</u>
Net position	
Net investment in capital assets	53,559
Unrestricted	<u>502,663</u>
Total net position	<u>\$ 556,222</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, 2025

	<u>Expenses</u>	<u>Program revenues Operating grants and contributions</u>	<u>Net (expenses) revenues and changes in net position</u>
Governmental activities			
Operations	\$ 678,174	\$ 223,371	\$ (454,803)
Interest on registered warrants	16,256	-	<u>(16,256)</u>
Net program (expenses) revenues			<u>(471,059)</u>
General revenues			
Property taxes			300,529
Assessments			273,781
Interest			22,956
Miscellaneous			<u>1,560</u>
Total general revenues			<u>598,826</u>
Change in net position			127,767
Net position, beginning of year			<u>428,455</u>
Net position, end of year			<u>\$ 556,222</u>

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

RECLAMATION DISTRICT NO. 1608

Balance Sheet - Governmental Funds

June 30, 2025

	<u>General Fund</u>
Assets	
Assets	
Cash and investments	\$ 467,196
Cash and investments - restricted	14
Prepaid expenses	18,716
State assistance receivable - subventions	<u>309,375</u>
Total assets	<u>\$ 795,301</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 42,133
Payroll liabilities	<u>11,121</u>
Total liabilities	<u>53,254</u>
Fund balance	
Nonspendable:	
Prepaid expenses	18,716
Assigned to capital improvement	100,000
Unassigned	<u>623,331</u>
Total fund balance	<u>742,047</u>
Total liabilities and fund balance	<u>\$ 795,301</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, 2025

Total fund balance - governmental funds \$ 742,047

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. 164,811

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

Capital assets	\$ 182,942	
Less accumulated depreciation	<u>(129,383)</u>	
	<u>\$ 53,559</u>	53,559

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. (54,195)

Registered warrants payable are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (350,000)

Net position of governmental activities \$ 556,222

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, 2025

	<u>General fund</u>
Revenues	
State assistance - subventions	\$ 309,375
Property taxes	300,529
Assessments	273,781
Interest	22,956
Miscellaneous	1,560
Total revenues	<u>908,201</u>
Expenditures	
Engineering	180,722
Salaries and wages	166,750
Legal and accounting fees	65,741
Repairs and maintenance	54,536
Public relations	47,884
Insurance	35,981
Levee repairs and maintenance	29,050
Weed control	17,000
Secretary fees	16,947
Trustee fees	16,195
Payroll taxes	14,792
Telephone	6,059
County tax administration	3,576
Garbage	3,541
Fuel	3,418
County office expense	3,398
Office expense	3,118
Storage	1,000
Miscellaneous expense	682
Utilities	241
Other taxes and fees	139
Capital outlay	17,991
Debt service	
Principal	100,000
Interest	<u>12,085</u>
Total expenditures	<u>800,846</u>
Net change in fund balance	107,355
Fund balance, beginning of year	<u>634,692</u>
Fund balance, end of year	<u>\$ 742,047</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, 2025

Net change in fund balance - governmental funds \$ 107,355

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. (86,003)

Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds. (7,404)

Governmental funds report capital outlay as expenditures while government activities record depreciation expense to allocate those expenditures over the life of the assets. 17,991

Changes in interest payable are recorded as an expense in the statement of activities, but are not reported in the funds. (4,172)

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. 100,000

Change in net position of governmental activities \$ 127,767

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

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2024, and were payable in two installments on December 10, 2024 and April 10, 2025. 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, 2025

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 \$474,186 as reported on the statement of net position and \$ 309,375 as reported on the balance sheet - governmental funds as of June 30, 2025 represents management's estimates of reimbursable state assistance for subvention eligible expenses relative to the fiscal years ended June 30, 2025 and 2024. Although considerable variability is inherent in this estimate, management believes that the accruals for state assistance receivable are adequate.

New accounting pronouncements

Standards adopted

In December 2023, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 102, *Certain Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a primary government, or reporting unit that reports a liability for revenue debt vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to occur within twelve months of the date the financial statements are issued. If the criteria in the Statement have been met for a concentration or constraint, the government should disclose

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2025

Note A - Summary of Significant Accounting Policies (Continued)

information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The provisions of this Statement are effective for years beginning after June 15, 2024. The District implemented the provisions of this Statement for the year ended June 30, 2025. The adoption of this Statement had no impact on the District's financial statements.

Standards not yet adopted

In April 2024, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 103, *Financial Reporting Model Improvements*. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability, including 1) certain topics and disclosures in Management's Discussion and Analysis; 2) requiring the display of inflows and outflows of unusual and infrequent items to be reported separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows; 3) changing the definition of proprietary fund nonoperating revenues and expenses to include subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory and investment income and expenses and defines operating revenues and expenses as revenue and expenses other than nonoperating revenue and expenses; 4) requires major component units to be presented separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and 5) requires budgetary comparison schedules to be reported as Required Supplementary Information (RSI), requires the presentation of variances between original and final budget amounts and final budget and actual amounts in the RSI and requires the explanation of significant variances to be reported in notes to the RSI. The provisions of this Statement are effective for years beginning after June 15, 2025. The District will be required to implement the provisions of this Statement for the year ended June 30, 2026. The District has not determined the effect on the financial statements.

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2025

Note B - Cash and Investments

Cash and investments of the District as of June 30, 2025, 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	\$ 51,199	\$ 51,199	\$ -
<u>Investment in external investment pool</u>			
San Joaquin County Treasurer	<u>415,997</u>	<u>-</u>	<u>415,997</u>
	<u>\$ 467,196</u>	<u>\$ 51,199</u>	<u>\$ 415,997</u>
Restricted			
<u>Investment in external investment pool</u>			
San Joaquin County Treasurer	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 14</u>
	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 14</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, 2025

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 statuses 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, 2025

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:

Investment type	Total	Remaining maturity (in months)					
		12 months or less	13 - 24 months	25 - 36 months	37-48 months	49-60 months	More than 60 months
San Joaquin County							
Treasurer	\$ 416,011	\$ 416,011	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 416,011</u>	<u>\$ 416,011</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.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
San Joaquin County							
Treasurer	\$ 416,011	N/A	\$ -	\$ -	\$ -	\$ -	\$ 416,011
Total	<u>\$ 416,011</u>	<u>N/A</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,011</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, 2025

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, 2025, the District's bank balance was \$51,199 and \$51,199 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, 2025, 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, 2025

Note C - Capital Assets

Capital asset activity for the year ended June 30, 2025 is as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2025</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>17,991</u>	-	<u>45,310</u>
Total depreciable capital assets	164,951	17,991	-	182,942
Less accumulated depreciation	<u>(121,979)</u>	<u>(7,404)</u>	-	<u>(129,383)</u>
Total depreciable capital assets, net	<u>42,972</u>	<u>10,587</u>	-	<u>53,559</u>
Total capital assets, net	<u>\$ 42,972</u>	<u>\$ 10,587</u>	<u>\$ -</u>	<u>\$ 53,559</u>

Note D - Registered Warrants Payable

The following is a summary of registered warrant transactions during the year ended June 30, 2025:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2024</u>	<u>Issued</u>	<u>Redeemed</u>	<u>June 30, 2025</u>
Registered warrants	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ 350,000</u>

Registered warrants payable outstanding as of June 30, 2025 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	\$ 350,000	3.25%	Unsecured

Registered warrant debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	
2026	\$ -
2027	-
2028	-
2029	<u>350,000</u>
Total	<u>\$ 350,000</u>

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2025

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.

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, 2025, 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, 2025, the three members of the District's Board of Trustees were as follows:

<u>Trustee</u>	<u>Term expires</u>
Dan MacDonnell	December 2029
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, 2025

	General fund		Variance with final budget positive/ (negative)
	Budgeted amounts <u>original/final</u>	<u>Actual amounts</u>	
Revenues			
State assistance - subventions	\$ 306,000	\$ 309,375	\$ 3,375
Property taxes	260,000	300,529	40,529
Assessments	298,000	273,781	(24,219)
Interest	4,000	22,956	18,956
Miscellaneous	-	1,560	1,560
Total revenues	<u>868,000</u>	<u>908,201</u>	<u>40,201</u>
Expenditures			
Engineering	340,000	180,722	159,278
Salaries and wages	135,000	166,750	(31,750)
Legal and accounting fees	35,500	65,741	(30,241)
Repairs and maintenance	32,000	54,536	(22,536)
Public relations	-	47,884	(47,884)
Insurance	34,000	35,981	(1,981)
Levee repairs and maintenance	80,000	29,050	50,950
Weed control	10,000	17,000	(7,000)
Secretary fees	12,500	16,947	(4,447)
Trustee fees	13,000	16,195	(3,195)
Payroll taxes	10,000	14,792	(4,792)
Telephone	1,000	6,059	(5,059)
County tax administration	3,500	3,576	(76)
Garbage	5,000	3,541	1,459
Fuel	-	3,418	(3,418)
County office expense	2,500	3,398	(898)
Office expense	1,000	3,118	(2,118)
Storage	-	1,000	(1,000)
Miscellaneous expense	-	682	(682)
Utilities	-	241	(241)
Other taxes and fees	-	139	(139)
Capital outlay	-	17,991	(17,991)
Debt service			
Principal	112,000	100,000	12,000
Interest	-	12,085	(12,085)
Total expenditures	<u>827,000</u>	<u>800,846</u>	<u>26,154</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, 2025

	General fund		Variance with final budget positive/ (negative)
	Budgeted amounts <u>original/final</u>	<u>Actual amounts</u>	
Net change in fund balance	41,000	107,355	66,355
Fund balance, beginning of year	<u>634,692</u>	<u>634,692</u>	-
Fund balance, end of year	<u>\$ 675,692</u>	<u>\$ 742,047</u>	<u>\$ 66,355</u>

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

RECLAMATION DISTRICT NO. 1608

Notes to Required Supplemental Information

June 30, 2025

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, 2025. 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.

Working Draft

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

March 25, 2026

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, 2025, 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 ~~.....~~, 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 23, 2026, 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 August 25, 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 \$474,186 and \$309,375 as reported on the balance sheet - governmental funds 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 _____

_____, 2026

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, 2025. 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. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Disclosures* for the year ended June 30, 2025 as discussed in Note A to the financial statements. The application of existing policies was not changed during the year ended June 30, 2025. 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 \$474,186 as reported on the statement of net position and \$309,375 as reported on the balance sheet - governmental funds as of June 30, 2025, is based on calculations and assessments by the District's engineers of the proceeds to be received for subvention eligible expenses for the fiscal years ended June 30, 2025 and 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 25, 2026.

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

Working Draft

ITEM 5

Levee Standard Ordinance

RECLAMATION DISTRICT NO. 1608

ORDINANCE 2026-02

ORDINANCE ADOPTING LEVEE ENCROACHMENT STANDARDS

WHEREAS, Reclamation District 1608 (the “District”) is charged by law with the responsibility of maintaining levees and related flood control works within its jurisdiction for purposes of flood control; and

WHEREAS, the District has adopted and periodically revised levee encroachment standards to protect levee integrity, preserve inspection visibility, and ensure access for maintenance, repair, and flood fighting; and

WHEREAS, the Board of Trustees desires to adopt the District’s updated “Levee Encroachment Standards,” dated April 1, 2026 (the “Standards”), to consolidate and update the District’s regulations governing encroachments on or near the District’s levees; and

WHEREAS, the Board has reviewed the Standards and finds that adoption of the Standards is necessary and appropriate to aid the District in carrying out its statutory responsibilities; and

WHEREAS, this action was considered and taken at a duly noticed public meeting of the Board; and

WHEREAS, the Board finds that adoption of this Ordinance is not a “project” under the California Environmental Quality Act (“CEQA”) because it constitutes general policy and procedure making and/or organizational or administrative activity that will not result in a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment (14 CCR § 15378(b)(2) and (5)); and

WHEREAS, the Board further finds that, in the alternative, adoption of this Ordinance is exempt under the common sense exemption because it can be seen with certainty that there is no possibility that adoption of the Standards, by itself, may have a significant effect on the environment (14 CCR § 15061(b)(3)).

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF RECLAMATION DISTRICT 1608 AS FOLLOWS:

Section 1. Adoption of Standards. The “Levee Encroachment Standards,” dated April 1, 2026, are hereby adopted and incorporated by reference as the District’s official Levee Encroachment Standards. The Standards shall be maintained in the District’s records and made available for public inspection at the office of the District Secretary.

Section 2. Supersession; Existing Approvals. Upon the effective date of this Ordinance, the Standards adopted herein supersede and replace any prior levee encroachment standards or guidelines of the District to the extent inconsistent. Permits, agreements, and approvals previously issued by the District remain in effect according to their terms, subject to any provisions of the Standards governing nonconforming encroachments and future repairs, rebuilding, or replacement.

Section 3. Procedure and Implementation. The District shall implement the Standards through the permit, variance, and enforcement procedures set forth in the Standards. The District’s Levee Superintendent and/or District Engineer, as designated by the Board from time to time, are authorized to administer applications and field review consistent with the Standards, subject to final Board authority where required by the Standards.

Section 4. CEQA. The Board hereby confirms the CEQA determination set forth in the recitals above. The District Secretary is authorized to file a Notice of Exemption if deemed appropriate.

Section 5. First Reading; Second Reading and Adoption; Publication and Posting. (A) This Ordinance shall be introduced (first reading) at a regular meeting (or an adjourned regular meeting) of the Board and shall not be finally passed within five (5) days of its introduction. (B) Except when further reading is waived by regular motion adopted by majority vote, this Ordinance shall be read in full either at the time of introduction or passage; provided, however, that a reading of the title or Ordinance shall not be required if the title is included on the published agenda and a copy of the full Ordinance is made available to the public online and in print at the meeting prior to introduction or passage. (C) If this Ordinance (other than typographical or clerical corrections) is altered after introduction, it shall be passed only at a regular meeting (or an adjourned regular meeting) held at least five (5) days after alteration. (D) Within fifteen (15) days after final passage, the District Secretary shall cause the Ordinance to be published or posted in the manner required by applicable law, together with the names of the Trustees voting for and against the Ordinance. Publication/posting may be satisfied by publication of a summary and posting of the full text as permitted by applicable law.

Section 6. No Mandatory Duty of Care. This ordinance is not intended to impose, and shall not be construed or given effect in a manner that imposes, upon the District or any officer or employee thereof, a mandatory duty of care toward persons and property within

or without the District so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 7. Severability. If any provision of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The Board hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

Section 8. Effective Date. This ordinance shall become effective thirty (30) days after its final passage and after publication/posting as required by law.

Section 9. Certification. The District Secretary shall certify adoption of this Ordinance and maintain the Ordinance and the Standards in the District’s official records.

On motion of Trustees _____, seconded by Trustees _____, the foregoing ordinance was duly passed by the Board of Trustees of Reclamation District 1608 at a regular meeting thereof held on _____, 2026, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

RECLAMATION DISTRICT NO. 1608

By: _____

MICHAEL PANZER, President

ATTEST:

ELVIA TRUJILLO, Secretary

EXHIBIT A

LEVEE ENCROACHMENT STANDARDS

The “Reclamation District 1608 Levee Encroachment Standards,” dated April __, 2026, are incorporated by reference into Ordinance 2026-__ and are maintained in the District’s official records. (Attach final Standards as adopted.)

ITEM 6

Engineer's Report

**RECLAMATION DISTRICT NO. 1608
LINCOLN VILLAGE WEST
BOARD OF TRUSTEES MEETING
WEDNESDAY, APRIL 1, 2026
8:00 A.M.
ENGINEER'S REPORT**

I. LOWER SAN JOAQUIN RIVER FEASIBILITY PROJECT

- A. Review next meeting scheduled with the USACE for a Design Charette. scheduled for May 21 @ SJCo COG Conference room, February 12th. The charette is still in the planning and development phase, the workshop will be a full day, to include a brief site visit followed by focused discussion for the remainder of the day. The purpose of the meeting will be to form consensus on the path forward for design of the authorized gate structure. This meeting is by invitation only and the parties will be limited in an effort to keep the group focused and on-task as the USACE moves through the technical discussions to come to agreement on decisions made.

II. PLAN REVIEW

- A. Review plan review submittal.

3856 Fourteen Mile Drive
Parcel No. 098-500-38
Index No. 25 Lot 1151
Dottie M. Lofstrom
Phone: (209) 609-8834

Review of a permit application for a vegetable garden located landward of the levee toe submitted by the Dottie M. Lofstrom. Seek the Board of Trustees' approval for this application. KSN Inc. recommends approval. The Lofstrom vegetable garden meets the District Guidelines.

EXHIBIT A: Plans vegetable garden.

EXHIBIT B: Photograph of area of Lofstrom lot where garden will be placed.

EXHIBIT C: February 13, 2026, Encroachment Application for a vegetable garden.

- B. Review status of Annual Levee Inspection of the District's Levee system for 2026.

EXHIBIT D: Violation Remedy tracking 2026

III. DELTA LEVEE SUBVENTIONS PROGRAM

- A. Review status of drains at toe of levee along 5 Mile Slough at the North end of Potomac Way and Germana Court.

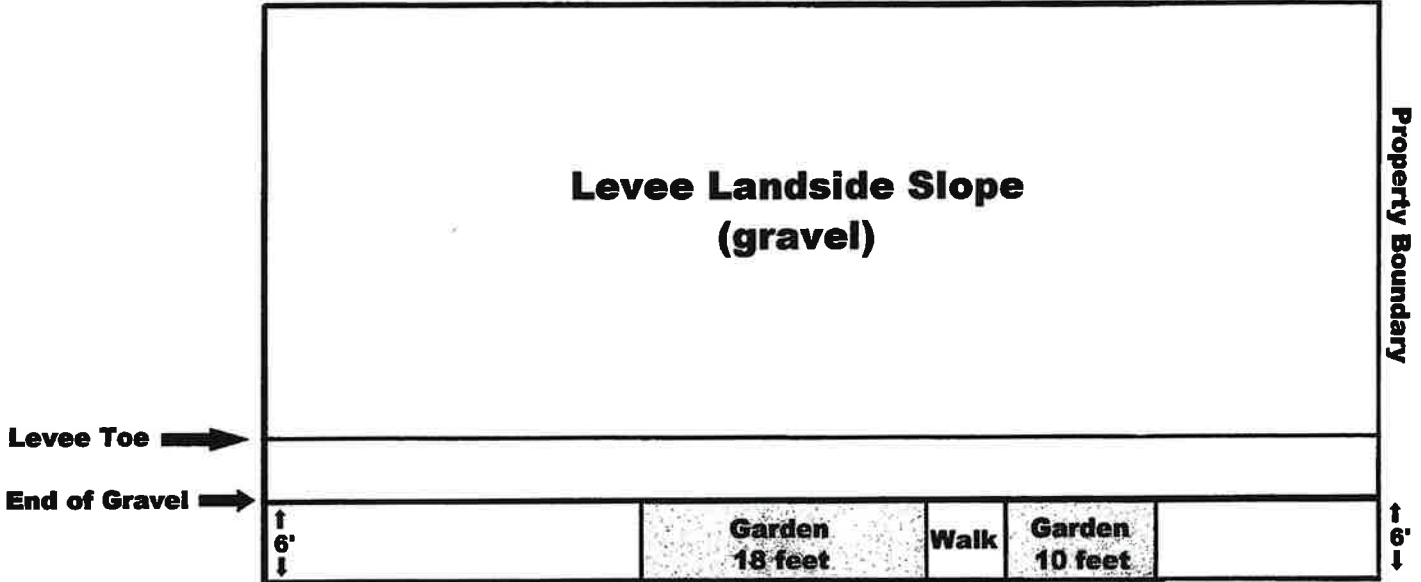
EXHIBIT E: Photos of levee toe at private driveways along Five Mile Drive.

EXHIBIT A

Lofstrom/Johnson Residence
3856 Fourteen Mile Drive
Stockton, CA 95219
Index no. 25 Lot no. 1151



← Levee Crown = 70 Feet →



House Patio

Scale: 1" = 10'
Shaded areas are proposed garden plots

EXHIBIT B



EXHIBIT C

Index No. 25 Lot No. 1151

APPLICATION FOR APPROVAL OF PLANS AND/OR ENCROACHMENT PERMIT

1. Application to the Reclamation District 1608 for approval to _____
See Attached

2. Please check exhibits accompanying application.

- a. Location or vicinity map showing location of proposed work within the RD1608 area of responsibility, to permit visitation and inspection of work. Provide a marked-up copy of the RD1608 Boundary Map contained within the RD1608 Levee Encroachment Standards (Appendix E-1) to convey the appropriate location information (follow directions cited in Appendix E-1).
- b. A complete plan view and cross section of the proposed work, to scale, showing: dimensions; materials of construction and/or vegetative plantings; irrigation system; location of levee crown, toe and side slopes; relationship of the proposed work to the levee, adjacent home, RD1608 easement lines, and property lines; and any other notable feature within the lot.
- c. A cross section of the levee, berm, and stream area with dimensions and elevations of the levee crown, levee toes, floodplain, low water levee, etc., with reference to the U.S. Geological Survey, U.S. Corps of Engineers, or other datum generally used within the locale.
- d. Profiles of existing or proposed levees, fills, or other obstructions in the stream or overflow area with reference to the U.S. Geological Survey, U.S. Corps of Engineers, or other datum generally used within the locale.

3. Please Print or Type:

Name of Applicant Dottie M Lofstrom - See Attached Address-Zip Code _____ Telephone Number _____ Zip 95219
Home _____

Signature Dottie M Lofstrom Date 2-13-26

4. Endorsement

We, the Trustees of Reclamation District 1608 at its meeting held on the _____ day of _____, 20____, hereby

APPROVE and give consent to the execution of the encroachment permit subject to the following conditions:

- Conditions listed on the back of this form
- Additional attached conditions.
- No conditions

Rev: 3-1-13
F: 03950 069 DistStds04.doc
751856-1

Appendix A-1

DENY the application for the following reasons:

Date _____

Board of Trustees,
Reclamation District 1608

5. Name and address of owners of adjacent land parcels sharing a length of point of common boundary with the land upon which the contents of this application apply.

<u>Name</u>	<u>Address</u>	<u>Zip Code</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Conditions:

1. Comply with Reclamation District 1608 Levee Encroachment Standards.
2. Submit new application for any future encroachment within ten (10) feet of levee toe.

SEE ATTACHED ADDITIONAL CONDITIONS. IF BOX CHECKED ON FRONT PAGE

3. _____
4. _____
5. _____
6. _____
7. _____

APPLICATION FOR APPROVAL OF PLAN AND/OR ENCROASHMENT PERMIT

1. Application to the Reclamation District 1608 for approval to plant a vegetable garden located four feet landward of the levee toe and the property boundary, as shown on accompanying line drawing and photo. It is the intent of the landowners that the garden will not interfere with maintenance and inspection. No more than 15 percent (seven feet) of the area will be planted in large bushy plants such as corn, tomatoes, grapes and peas. Moreover, when possible, bushy plants will be enclosed in a garden "cage" to promote vertical rather than horizontal growth. The landowners state there is not a maintenance access road along the landside levee toe. Note that the adjacent levee slope is covered with gravel and ongoing herbicide spray to contain weeds is necessary on occasion. The landowners state that there is no burrowing rodent activity in the vicinity of the proposed vegetable garden, nor within the entire backyard. Rodents are contained by cats, both domestic and feral. The landowners further acknowledge that even if the requested vegetable garden is approved, the District may require the removal of said garden if the District deems that the vegetable garden poses a threat to the integrity of the levee, or the vegetable garden interferes with the regular maintenance and inspection of the levee.
2. Exhibits accompanying application include:
 - a. Location map showing location of proposed work within the RD 1608 area of responsibility, to permit visitation and inspection of work. A marked-up copy of the RD1608 Boundary map contained within the RD 1608 Levee Encroachment Standards (Appendix E-1) to convey the appropriate location information.
 - b. A complete plan view and cross section of the proposed work, to scale, showing dimensions; vegetative plantings; irrigation system; location of levee crown, toe, and side slopes; relationship of the proposed work to the levee, adjacent home, RD 1608 easement lines, and property lines. Note that the irrigation system, shown on photo, is proposed to be a PVC pipe with drilled holes attached to a nearby hose that lies atop the ground area.
3. Name of applicant; Address, zip code, telephone number.

Dottie M Lofstrom 3856 Fourteen Mile Drive

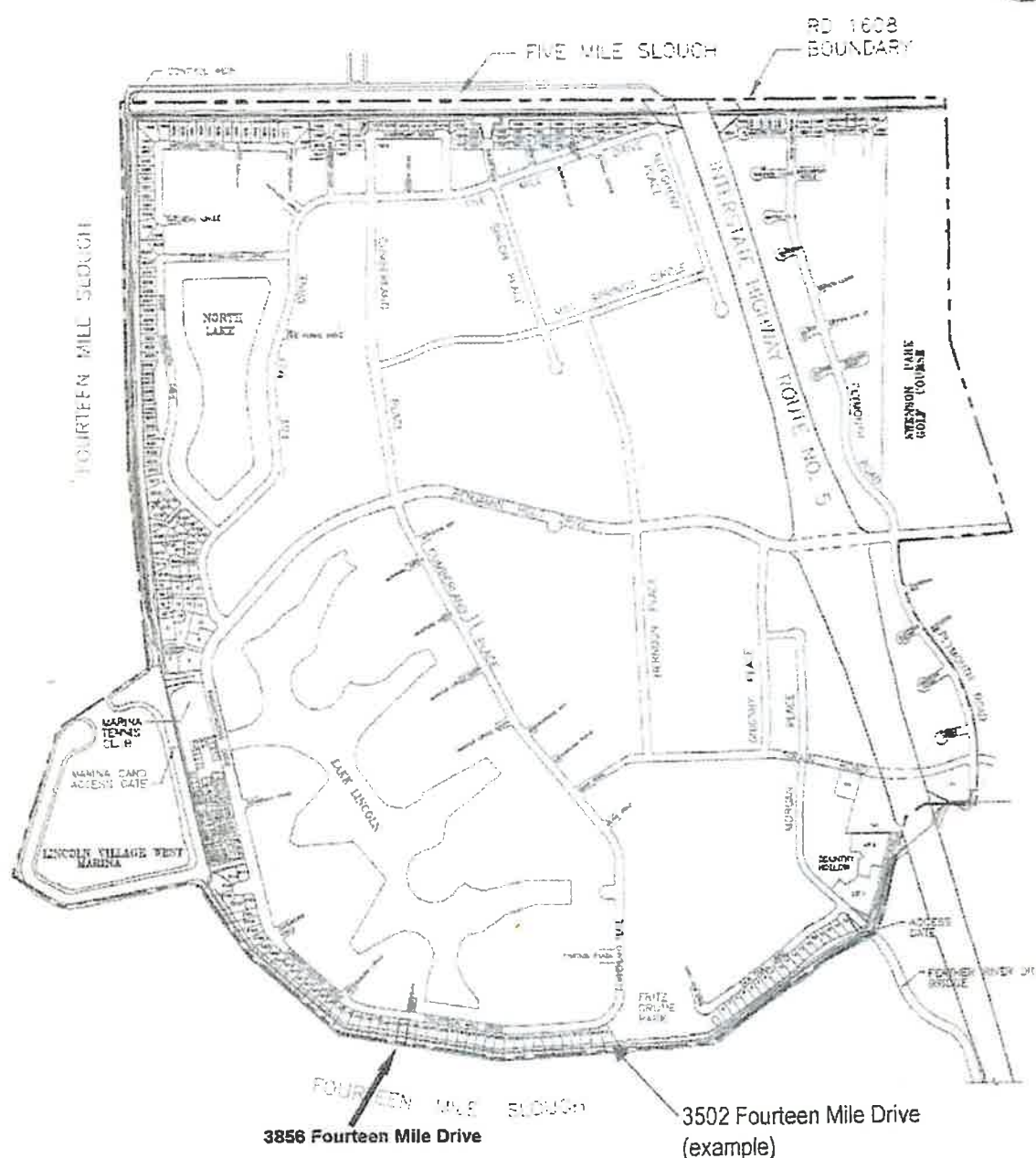
209-609-8834

Signature

Dottie M Lofstrom

Date

2-13-26



- Notes:
1. Provide address of lot for which Levee Encroachment Permit is being requested on this map.
 2. Draw an arrow from the address provided to the location of the lot as shown on this map (see example above).
 3. Attach annotated map to Levee Encroachment Permit Application.

LOCATION OF REQUESTED LEVEE ENCROACHMENT PERMIT	DATE: MARCH 2013
RECLAMATION DISTRICT 1608	APPENDIX: E-1

EXHIBIT D

Lincoln Village West Violation/Remedy Tracking 2026

Address	Homeowner	Violation Notice Sent	Homeowner Response Date (required within 7 days) Phone	Homeowner Response Date (required within 7 days) Written	Home Owners Second Notice	Remedy Completion Date	Requiring Additional Work
Southwest Quadrant Violations							
3604 Fourteen Mile Drive	Fouls, Tom & Wendy	VEGETATION VIOLATION	3/4/2026				
<i>2/13/2026 - AJL conducted annual property inspection and discovered dense landside vegetation that requires clearing to meet District vegetation standards.</i>							
3620 Fourteen Mile Drive	Nakamura, Darin & Man Wai	VEGETATION VIOLATION	3/4/2026				
<i>2/13/2026 - AJL conducted annual property inspection and discovered dense landside vegetation that requires clearing to meet District vegetation standards.</i>							
3722 Fourteen Mile Drive	Legkov, Maria	AS-BUILT VIOLATION					
<i>2/13/2025 - AJL conducted annual property inspection and discovered several modifications and additions to the property currently under construction. After having been asked for a Plan of Modifications for the District to review, none was brought forth presently and was promised at a later date. Multiple requests and claims by property owner to provide a Plan for District Review never materialized, the modifications to the property were completed. The property owner was contacted last year around October and the Owner said he would not be back in town until January, following the holidays. An As-Built or a Plan for Modifications has yet to be forthcoming for the District to review.</i>							
3852 Fourteen Mile Drive	Fodor, Laszlo & Connie	VEGETATION VIOLATION	3/4/2026				
<i>2/13/2026 - AJL conducted annual property inspection and discovered dense landside vegetation that requires clearing to meet District vegetation standards.</i>							
3872 Fourteen Mile Drive	Hemington, Herbert & Judy	VEGETATION VIOLATION	3/4/2026				

Lincoln Village West Violation/Remedy Tracking 2026

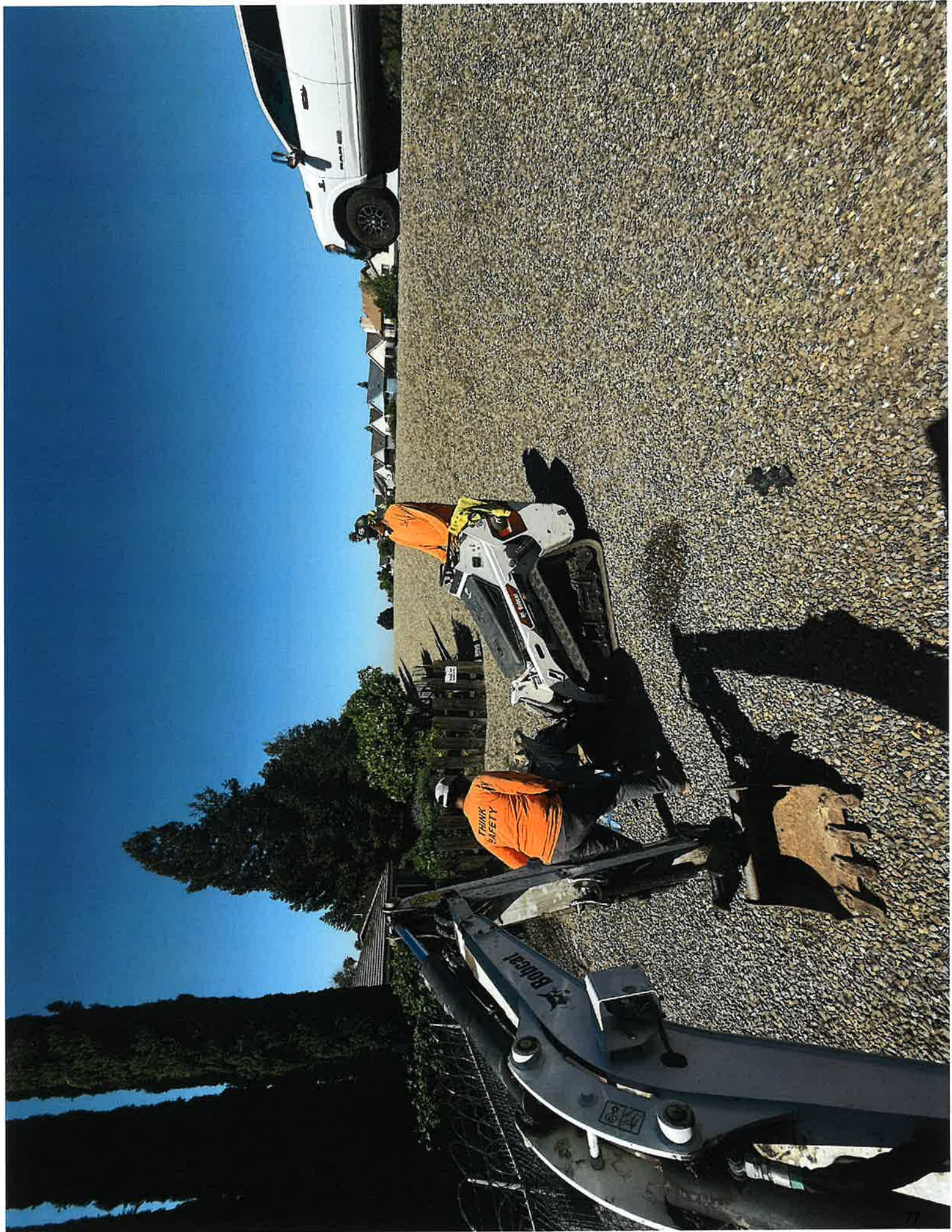
Address	Homeowner	Violation Notice Sent	Homeowner Response Date (required within 7 days) Phone	Homeowner Response Date (required within 7 days) Written	Home Owners Second Notice	Remedy Completion Date	Requiring Additional Work
<p><i>2/13/2026 - AJL conducted annual property inspection and discovered dense landside vegetation that requires clearing to meet District vegetation standards.</i></p>							
<p>Northwest Quadrant Violations</p>							

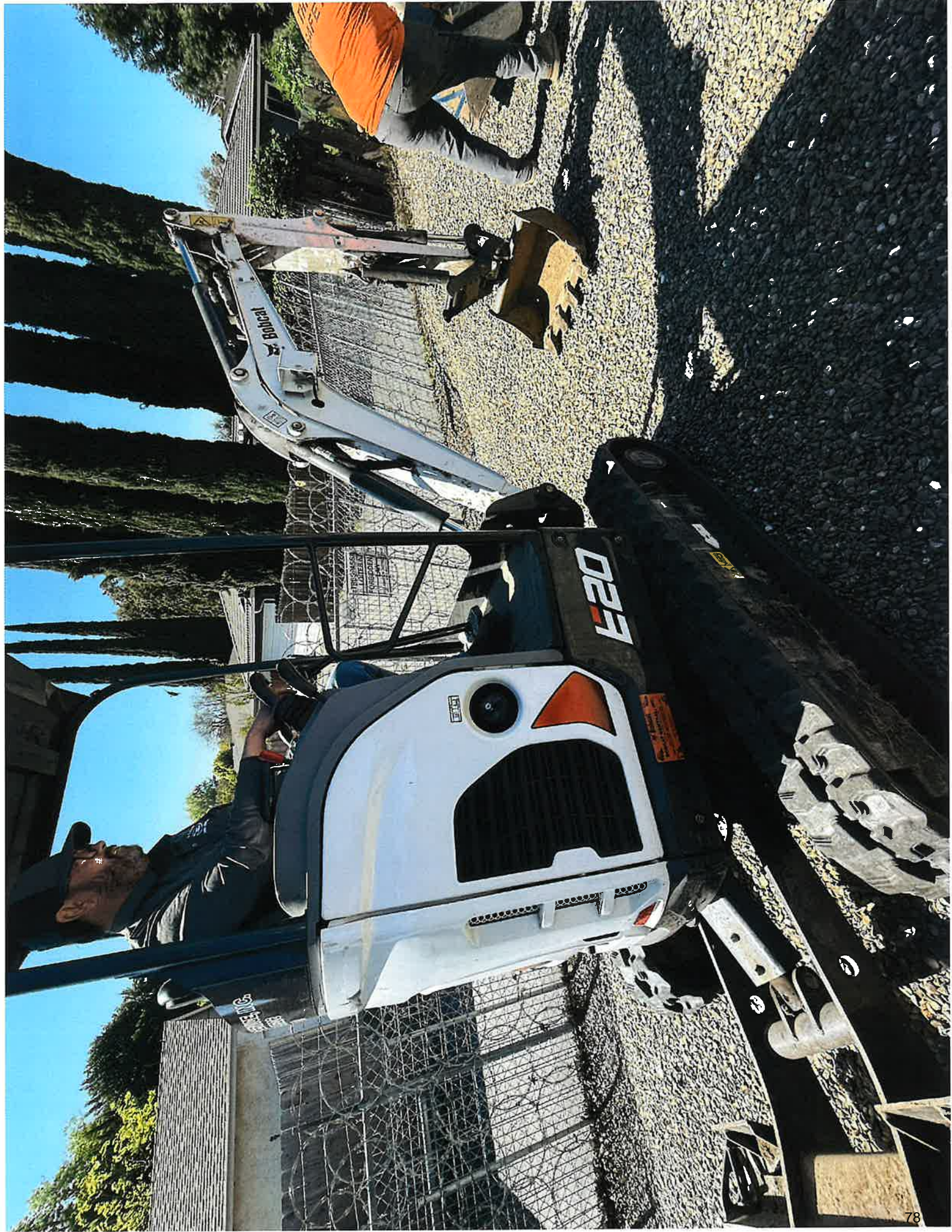
EXHIBIT E





















ITEM 10

Short-Term and Long-Range Goals

SHORT TERM GOALS 2026

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 11

District Calendar

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	2025	First Friday of Dec 2029
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 13

Approval of Bills

Reclamation District 1608
Bills for Approval - April 1, Board Meeting

NAME	Date	INVOICE #	AMOUNT	TOTAL \$	WARRANT #	CHECK #	RATIFICATION
CA Assoc. of Mutual Water Companies	2/17/2026	4139	\$100.00				
(Electrical Work)				\$100.00	6996		X
Michael Panzer	4/1/2026	Trustee Stipend	\$299.92				
				\$299.92	6997		
Dan MacDonnell	4/1/2026	Trustee Stipend	\$299.92				
				\$299.92	6998		
Dottie Lofstrom	4/1/2026	Trustee Stipend	\$299.92				
				\$299.92	6999		
Elvia Trujillo	4/1/2026	Secretary Fee	\$963.08				
(March Services)				\$963.08	7000		
Kjeldsen Sinnock & Neudeck	3/23/2026	42888	\$946.25				
	3/23/2026	42889	\$630.25				
	3/23/2026	42890	\$10,235.55				
	3/23/2026	42891	\$3,392.50				
				\$15,204.55	7001		
PG&E	3/6/2026	0950847867-5	\$1.59				
				\$1.59	7002		
James G. Parker Insurance Associates	3/19/2026	106220	\$25,261.00				
				\$25,261.00	7003		
Rhonda Olmo	3/25/2026		\$399.63				
				\$399.63	7004		
Reclamation District 1608	4/1/2026		\$40,000.00				
				\$40,000.00	7005		
Chem-Weed LLC	3/24/2026	18839-25-APL	\$10,000.00				
				\$10,000.00	7006		

