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RECLAMATION DISTRICT NO. 1000 BOARD OF TRUSTEES

APRIL 12, 2024
MEETING MINUTES

Members of the Board of Trustees and the public participated in this meeting in person. Present were Board President Elena Lee Reeder, Board Vice President Thomas Gilbert, Trustee Nick Avdis, Trustee Thomas Barandas, Trustee Thomas Smith, Trustee Edwin Perez, General Counsel Rebecca Smith, General Manager Kevin King, Operations Manager Gabe Holleman, Administrative Services Manager Joleen Gutierrez, and Administrative Assistant Christina Forehand.

1. PRELIMINARY

1.1. Call Meeting to Order

Board President Elena Lee Reeder called the meeting to order.

1.2. Roll Call

Trustees Present: Lee Reeder, Gilbert, Avdis, Barandas, Perez, Smith

Trustees Absent: Bains

1.3. Approval of Agenda

MOVED/SECOND: Trustee Avdis/Trustee Gilbert

AYES: Trustee Lee Reeder, Avdis, Barandas, Gilbert, Smith

NOES: None

ABSENT: Bains

ABSTAIN: None

ACTION: The motion to approve the agenda for the April 12, 2024, Board Meeting is approved.

1.4. Pledge of Allegiance

Trustee Smith led the Pledge of Allegiance.

1.5. Conflict of Interest

Trustee Perez requested that items 5.8 and 5.9 be pulled from the consent calendar to recuse himself from these items due to a conflict of interest.

2. PRESENTATIONS

There were no scheduled presentations.

3. PUBLIC COMMENT (NON-AGENDA ITEMS)

No Public Comment Received.

4. INFORMATIONAL ITEMS

4.1. GENERAL MANAGER'S REPORT: Update on activities since the March 2024 Board Meeting.

General Manager King provided a verbal update on activities since the March 2024 Board Meeting.

Admin Services

The District received multiple responses to issued RFQs and held committee meetings related to last month's Request for Qualifications for Banking Services and District budget preparation.

Grant Funding

GM King reported that the District has been working with FEMA for the last year to receive disaster relief and system rehabilitation funding related to the winter 2023 storms. The District has also pursued efforts with the Department of Water Resources (DWR) and the US Army Corps of Engineers (USACE).

FSRP—The District is pending the final execution of an agreement for approximately \$400K in FSRP program funding, which will be used for the District's AB program.

FEMA – The District received notice from FEMA that funding for erosion control of the D The District's interior drainage system has been approved for approximately \$4 million. The funding agreement is pending final execution following a 30-day mandatory public comment period for the Notice of Public Hearing. Postings for the Notice of Public Hearing are at the District office and the City of Sacramento's Town Hall. GM King informed the Board that this funding does have a 75/25 cost-share agreement in which FEMA would provide 75% of funding, and CalOES would provide 20-25% with the District's funding obligation of around \$500K, which will be included in the District 24/25 budget.

Trustee Smith inquired what the funding would be used for. OM Holleman stated that the funding would primarily be used for erosion repair to the District's canals that were heavily impacted by the winter 2023 storms.

Trustee Gilbert asked if the FEMA funding would be in the form of a reimbursement program. GM King stated that the District has not seen the final terms of the agreement

yet, but it would likely be a reimbursement program agreement in which the District would be required to provide expenditure reports on a monthly or quarterly basis which could impact District cash flow. However, final execution likely wouldn't occur for several months.

Staff Training

GM King informed the Board that the District's executive staff would participate in the California Special District's Association (CSDA) Special District Leadership Foundation (SDLF) conference in San Diego the week following the board meeting. Completing the courses during the conference would provide Certification of Good Governance to all attendees.

Operations

GM King informed the Board that the District received communication from the Central Valley Flood Protection Board (CVFPB) about significant high-hazard encroachments along the Garden Highway. The CVFPB plans to issue Notices to Comply for other high-hazard encroachment properties.

With the approval of board meeting Items 5.8 and 5.9 for FMAP funding of approximately \$450K, the District may provide funding to impacted residents for vegetation management and address the high-hazard encroachments along the Garden Highway as it has done in previous years with this program. Any funds not used for vegetation management could be used toward vegetation maintenance around district facilities.

Trustee Smith inquired about pending legal actions against the District for attempting to enforce Title 23. GM King clarified that there is no pending litigation against the District regarding Title 23. Trustee Avdis also stated that CVFPB is the actual enforcement agency and not the District. The District has been providing notification regarding Title 23. GM King further clarified that the District has made funding available to impacted residents to come into compliance with the O&M manual of Title 23.

Trustee Gilbert inquired as to how the District would handle future compliance. GM King replied that they had the option of submitting a notice of violation to the CVFPB and the property owner that was in violation and turning the property over to the state for enforcement action. However, he felt the most prudent action would be to plan to send out an annual notice to property owners to conduct mowing activities or other vegetation management measures ahead of inspection to ensure they comply. The District has only addressed the most critical high-hazard encroachments as part of the FEMA levee recertification process, approximately 100 properties.

4.2. OPERATIONS MANAGER'S REPORT: Update on activities since the March 2024 Board Meeting.

OM Holleman informed the Board that the District’s crew had been primarily focused on mowing, which is standard for this time of year.

OM Holleman also informed the Board that the District has been issuing notices to various unauthorized encampments and has conducted several clean-ups of sites around the District. Unfortunately, many of the residents of the unauthorized encampments have moved into the area of the Cove development, causing an uptick in residential complaints. OM Holleman is anticipating further issues with unauthorized encampments due to the closure of the City safe site, Camp Resolution, located on a City plot on Garden Highway and Colfax. In approximately 3 weeks, residents of the safe site will be ordered to vacate.

4.3. DISTRICT COUNSEL’S REPORT: Update on activities since the March 2024 Board Meeting.

District Counsel provided a verbal update on activities in March 2024.

5. CONSENT CALENDAR

The Board considers all Consent Calendar items to be routine and will adopt them in one motion. There will be no discussion on these items before the Board votes on the motion, unless Trustees, staff, or the public request specific items be discussed and/or removed from the Consent Calendar.

Pulled for Discussion: Items 5.8 & 5.9

The consent calendar was presented to the Board before items 4.1, 4.2, and 4.3. However, items 5.8 and 5.9 were removed from the consent calendar due to a conflict of interest.

MOVED/SECOND: Trustee Avdis/Trustee Perez

AYES: Trustee Avdis, Barandas, Gilbert, Smith, Lee Reeder, Perez

NOES: None

ABSENT: Bains

ABSTAIN: None

ACTION: The motion to approve the Consent Calendar items 5.1 - 5.7 is approved.

5.1. APPROVAL OF MINUTES: Approval of Minutes from March 8, 2024.

5.2. TREASURER’S REPORT: Approve Treasurer’s Report for March 2024.

5.3. EXPENDITURE REPORT: Review and Accept Report for March 2024.

5.4. BUDGET TO ACTUAL REPORT: Review and Accept Report for March 2024.

5.5. MEMORANDUM OF UNDERSTANDING: Authorize the General Manager to Execute a Memorandum of Understanding with the City of Sacramento—B Drain Bike Trail Crossing.

- 5.6. AUTHORIZATION TO QUITCLAIM EASEMENT DEED: Review and Consider Adoption of Resolution No. 2024-04-01: Authorizing General Manager to Quit Claim Grant of Easement Deed (Pacific Gas & Electric).
- 5.7. AUTHORIZATION TO ACCEPT EASEMENTS: Review and Consider Adoption of Resolution No. 2024-04-02: Authorizing General Manager to Accept Grant of Easement Deeds (Caltrans).

Consent Items Pulled for Discussion: Items 5.8 and 5.9

Trustee Perez recused himself from these items and left the room. GM King stated that items 5.8 and 5.9 were the annual DWR FMAP Grant approval items the District applies for annually.

MOVED/SECOND: Trustee Avdis/Trustee Gilbert

AYES: Trustee Avdis, Barandas, Gilbert, Smith, Lee Reeder

NOES: None

ABSENT: Bains

RECUSE: Perez

ACTION: The motion to approve items 5.8 and 5.9 is approved.

- 5.8. AUTHORIZATION TO SUBMIT GRANT APPLICATION: Review and Consider Adoption of Resolution No. 2024-04-03 Authorizing the General Manager to Submit Application for Grant Funding with State of California Department of Water Resources – Flood Maintenance Assistance Program 2024/2025.
- 5.9. AUTHORIZATION TO EXECUTE FUNDING AGREEMENT: Review and Consider Adoption of Resolution 2024-04-04 Authorizing the General Manager to Execute Funding Agreement with State of California Department of Water Resources – Flood Maintenance Assistance Program 2024/2025.

6. SCHEDULED ITEMS

- 6.1. DISTRICT POLICY UPDATES: Review and Consider Adoption of Resolution No. 2024-04-05: Adopting District Policy Updates.

GM King provided a brief overview of item 6.1. The District adopted several sections of a policy handbook in December 2023 using the CSDA example as a framework for District policies. The goal is to complete all District policy updates by the June 2024 board meeting. Item 6.1 would be for two financial policy updates: the Investment Policy and the Reserve Fund Policy. Adopting Item 6.1 would add the California CLASS, approved at the March board meeting, to one of the funds allowed for District investment. It would also add the Money Market account from item 6.3, should that item be approved, as an investment account in the update to the Investment Policy.

There were no public comments made.

MOVED/SECOND: Trustee Avdis/Trustee Smith

AYES: Trustee Avdis, Barandas, Gilbert, Smith, Lee Reeder, Perez

NOES: None

ABSENT: Bains

ABSTAIN: None

ACTION: The motion to adopt Resolution No. 2024-04-05: Adopting District Policy Updates is approved.

6.2. INVESTMENT FUND TRANSFERS: Review and Consider Approval of Transferring Funds Amongst Investment Accounts.

GM King provided a brief overview of Item 6.2 requesting the Board approval of a warrant transfer of all funds in excess of the minimum required balance to maintain an account at the Sacramento County Treasury, and the City of Sacramento's Investment Pool A, and invest 50% of those funds into the California CLASS and the other additional 50% into River City Bank Money Market Account, should the Board approve item 6.3. as part of the Investment Policy provision of "Security, Liquidity, and Yield". GM King informed the Board that City Pool A provides funding for local businesses and community projects but does not have a minimum required balance to maintain an account in City Pool A. GM King also informed the Board that the District

was informed by the County Treasurer that they do not have a minimum account balance, however, due to Water Code 5660 the County serves as the District's treasurer in the absence of an appointed and approved treasurer and that the majority of the District's funds should remain with the treasury and should not be dictated by yields or liquidity. GM King feels that this is in direct conflict with the adopted Investment Policy objective of "Security, Liquidity, and Yield" and that the County has never inquired in the past what funds withdrawn from the treasury would be utilized for.

GM King stated that staff is recommending sweeping the District's Special Benefit Assessment fund, leaving a balance of \$400K, approximately the amount of the 2nd installment of the Special Benefit Assessment, and sweeping the entire balance of the Stormwater Fee account, approximately \$1.4 million, with sweeps of funds after each installment. GM King also informed the Board that staff would be providing a monthly investment yield report as part of the Consent Calendar for the District's approved investment accounts.

Trustee Avdis noted the importance of the District being responsible custodians of the public's funds and this was part of the impetus for looking at where the District invests its funds as well as addressing liquidity. However, in light of the new information of the County Treasurer's response, he would require further elaboration on their position. Co-Counsel Smith responded that while the District would be required to keep some of its funds from the Special Benefit Assessment in the treasury to be managed by the County,

the Stormwater Fee is separate, and the minimum required for the Special Benefit Assessment account did not have a fixed number.

Upon further discussion, GM King recommended proceeding with a Warrant Transfer from the Special Benefit Assessment account for \$1.5 million, sweeping all funds from the Stormwater Fee account for approximately \$1.4 million, and sweeping all funds from the City of Sacramento Investment Pool A.

There were no public comments made.

MOVED/SECOND: Trustee Avdis/Trustee Barandas

AYES: Trustee Avdis, Barandas, Gilbert, Smith, Lee Reeder, Perez

NOES: None

ABSENT: Bains

ABSTAIN: None

ACTION: The motion to issue a Warrant for \$1.5 million from the Special Benefit fund and sweep all funds from the Stormwater Fee account and the City of Sacramento's Investment Pool A is approved.

6.3. AUTHORIZATION TO ESTABLISH ACCOUNTS: Review and Consider Authorizing the General Manager to Finalize the Terms of the District's Partnership with River City Bank and Establish Accounts.

There were no public comments made.

MOVED/SECOND: Trustee Avdis/Trustee Smith

AYES: Trustee Avdis, Barandas, Gilbert, Smith, Lee Reeder, Perez

NOES: None

ABSENT: Bains

ABSTAIN: None

ACTION: The motion to authorize the general manager to finalize the terms of the District's partnership with River City Bank and establish accounts has been approved.

6.4. PROFESSIONAL SERVICES AGREEMENT: Review and Consider Authorizing the General Manager to Executive a Professional Services Agreement with Allied Universal for Security Services.

GM King provided a brief overview of the services agreement; however, due to security reasons, we will not discuss the details in an open session.

Trustee Gilbert inquired if the District is awaiting feedback from the Natomas Basin Conservancy (NBC). GM King stated that TNBC elected not to participate in discussions or interviews regarding security services within the Basin at this time. If the Board authorizes the execution of the agreement, the next step would be to reach out to interested parties to negotiate the terms of the agreement with the service provider.

There were no public comments made.

MOVED/SECOND: Trustee Gilbert/Trustee Smith

AYES: Trustee Avdis, Barandas, Gilbert, Smith, Lee Reeder, Perez

NOES: None

ABSENT: Bains

ABSTAIN: None

ACTION: The motion to Authorize the General Manager to Executive a Professional Services Agreement with Allied Universal for Security Services is approved.

6.5. SPONSORSHIP OPPORTUNITY: Review and Consider Sponsorship – Natomas Chamber of Commerce: 2024 Annual State of Natomas.

GM King recommends that the Board sponsor the State of the Natomas at the Gold Level for four tickets due to the lack of attendance at the Platinum level (eight seats) in previous years.

There were no public comments made.

MOVED/SECOND: Trustee Avdis/Trustee Amith

AYES: Trustee Avdis, Barandas, Gilbert, Smith, Lee Reeder, Perez

NOES: None

ABSENT: Bains

ABSTAIN: None

ACTION: The motion to sponsor the 2024 Annual State of Natomas at the Gold Level (\$1,300) is approved.

7. **BOARD ACTIVITY UPDATES:**

7.1.1. Committee Meetings Since Last Board Meeting

- Finance Committee (Gilbert, Barandas, & Avdis) March 21, 2024
- Personal Committee (Barandas, Bains, & Perez) April 2, 2024
- Executive Committee (Lee Reeder & Gilbert) April 3, 2024
- Finance Committee (Gilbert, Barandas, & Avdis) April 4, 2024
- Operations Committee (Bains, Perez, & Smith) April 11, 2024

7.1.2. Upcoming Meetings

- RD 1000 Finance Committee Meeting – April 22, 2024 @ 8:00 am
- State of Natomas – April 24, 2024 @ 1:00 pm
- SAFCA Board Meeting – April 25, 2024 @ 3:00 pm
- RD 1000 Executive Committee Meeting – May 1, 2024 @ 8:00 am
- RD 1000 Board Meeting – May 10, 2024 @ 8:00 am

8. CLOSED SESSION

8.1. PERSONNEL EVALUATION: Pursuant to Government Code § 54957, hold annual personnel evaluation of the General Manager. The Board will appraise and comment upon the performance of the General Manager.

9. RECONVENE TO OPEN SESSION

9.1. REPORT ON CLOSED SESSION: Discuss and take action on any changes in duties, compensation, or benefits for the General Manager.

No reportable action was taken during the closed session. The Board reported that future changes to compensation would be discussed in connection with the 2024-2025 budget approval.

10. ADJOURN

MOVED/SECOND: Trustee Avdis/Smith

AYES: Trustee Avdis, Barandas, Gilbert, Smith, Lee Reeder, Perez

NOES: None

ABSENT: Bains

ABSTAIN: None

ACTION: The motion to adjourn the meeting is approved.