

February 9, 2018
Sacramento, California

The Board of Trustees of the American River Flood Control District met in regular session in its office at 185 Commerce Circle, Sacramento, CA at 11:00 a.m. on Friday, January 12, 2018. In attendance were Trustee Holloway, Trustee Redway, Trustee Shah, Trustee Pavão and Trustee Johns. Trustee Holloway presided. Also present from the District were General Manager (GM) Tim Kerr, Superintendent Ross Kawamura, Legal Counsel David Aladjem and Office Manager Malane Chapman. One member of the public was present.

Item No. 1 Public Comments on Non-Agenda Items: It was suggested that the Board live stream or record the meetings.

Item No. 2 Approval of Consent Agenda Items: On a motion by Trustee Shah seconded by Trustee Johns, the Board unanimously approved Items 2a) Minutes of Regular Meeting on January 12, 2018, 2b) Minutes of Special Meeting on January 25, 2018, 2d) District Financial Reports: Statement of Operations (January 2018) and Cash Flow Report 2e) Resolution 2018-03: CEQA Exemption for the Program of Routine Maintenance for Calendar Year 2018 and 2f) Correspondence: None.

Item No. 2c) Approval of Report of Investment Transactions December 2017 (City Pool, LAIF, River City) and Treasurer's Certification: Trustee Pavão asked about the interest rate at River City Bank. Trustee Shah commented on the interest rates at City Pool and LAIF. Office Manager Chapman will research the interest rate with River City Bank and report back next month. On a motion by Trustee Pavão seconded by Trustee Shah, the Board unanimously approved the item.

Item No. 3 Accounts Payable and General Fund Expenses (January 2018): Trustee Shah requested clarification regarding payments to Robin Hardy Communication Designs. Trustee Redway requested clarification on the payments to Fastenal. On a motion by Trustee Shah seconded by Trustee Pavão, the Board unanimously approved payments on the Schedule of Accounts Payable (January 2018) of \$53,381.32 and General Fund Expenses of \$78,573.52 (total aggregate sum \$131,954.84).

Item No. 4 Administrative Staff Reports:

a) *General Manager Tim Kerr reported on the following:*

- General Manager's January Meeting Summary: SAFCA Agency Staff meeting was discussed;
- 2018 Water Bond: GM Kerr shared information received from Jerry Meral on the November 2018 Water Bond Initiative;
- Hydrologic Conditions: Folsom Lake is 59% full, with an outflow of 2,700 cfs and the gauge at the I Street Bridge shows 7 feet above sea level;
- Next Board Meeting: March 9, 2018.

b) *Legal Counsel David Aladjem had nothing further to report.*

c) *Office Manager Malane Chapman:*

- California Special District Association: Board Secretary/Clerk Conference will be held in South Lake Tahoe, October 22 thru 24. Office Manager Chapman expressed interest in attending the conference for networking and continuing education opportunities. The Board directed GM Kerr to register Ms. Chapman for the conference and to attribute the costs to staff training.
- Form 700, Statement of Economic Interest: Forms are due April 1, 2018
- 2018 Winter Newsletter: The Winter Newsletter was mailed January 25, 2018 to approximately 68,500 parcels.

Item No. 5 Operations and Maintenance Staff Reports:

a) *Superintendent Ross Kawamura reported on:*

- Crew activities including annual winter trimming, gate repair, updating the spray rig to be compliant with Sacramento County and installation of a shop air circulation system.

Item No. 6 Questions and Comments by Trustees: Trustee Redway commented on the invasive rodent, Giant Nutria, that has been spotted in Merced, Fresno and Stanislaus counties. Sacramento residents are encouraged to report any sighting of the rodent to California Department of Fish and Wildlife.

Trustee Pavão asked about the District's rodent control processes. GM Kerr noted that the District currently uses traps, smoke bombs and grouting to control rodents. In the future the District may outsource this task

Trustee Johns informed the Board on the Sacramento Tree Foundation: Urban Wood Rescue Program.

Item No 7 Adjourn: There being no further business requiring action by the Board, the meeting was adjourned by Trustee Holloway at 11:39 a.m. in memory of Daksha Shah.

Attest:

Secretary

President

**American River Flood Control District
Staff Report**

Investment Transactions Summary; January 2018

LAIF:

- On January 12, 2018 a quarterly interest deposit was received in the amount of \$1,966.11.

City Pool A

- Accrued Interest Receivable for the month of January was \$10,256.46.
- As of January 31, 2018, the balance of Interest Receivable in this account was \$69,298.46.

Interest Receivable is accrued and transferred to the Cash Balance at the discretion of the City.

River City Bank:

- On January 31, 2018 a deposit was received from Sacramento County for FY 2017-18 Assessment in the amount of \$788,621.15.
- Total amount of Accounts Payable cleared during the month of December was \$147,650.18.
- On January 31, 2018 a monthly interest payment was deposited in the amount of \$38.19.

**American River Flood Control District
Investment Transaction Report
January 2018**

Item 2b

Balance and Transactions

Account		LAIF	City Pool A	River City Bank
Beginning Balance	1/1/18	\$439,223.13	\$7,267,268.07	\$585,726.14
Transactions				
Sacramento County Assessment	12/15/17			788,621.15
LAIF	1/12/18	1,966.11		
City Pool A	1/31/18		10,256.46	
River City Bank Interest	1/31/18			38.19
Accounts Payable (cleared)				(147,650.18)
Ending Balance:	1/31/18	\$441,189.24	\$7,267,268.07	\$1,226,735.30

**City Pool A Interest is accrued and deposited in the account at the discretion of the City.

Interest

Date:	Feb 2017	Mar 2017	Apr 2017	May 2017
LAIF	0.75	0.82	0.88	0.88
City Pool A	1.58	1.47	1.56	1.42
River City Bank	0.25	0.25	0.25	0.25
Date:	June 2017	July 2017	Aug 2017	Sep 2017
LAIF	0.98	1.05	1.08	1.11
City Pool A	1.55	1.50	1.61	1.70
River City Bank	0.20	0.08	0.08	0.08
Date:	Oct 2017	Nov 2017	Dec 2017	Jan 2018
LAIF	1.14	1.17	1.24	1.35
City Pool A	1.66	1.46	1.71	1.65
River City Bank	0.08	0.08	0.08	0.08

**American River
Flood Control
District**

AMERICAN RIVER FLOOD CONTROL DISTRICT

MONTHLY REVIEW – JANUARY 2018

STRATEGY

The ARFCD funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

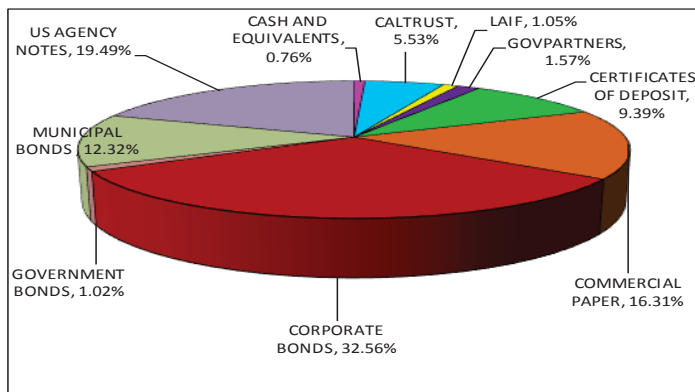
PORTFOLIO STATISTICS

Portfolio’s Beginning Balance	7,326,310
Contributions	0
Withdrawals	0
Interest Earned	10,256
Month-End Market Value	7,336,566

PERFORMANCE

Earned Interest Yield for the Month	1.65%
Laif Rate of Return (book value)	1.35%
90 Day T-Bill	1.36%
Federal Funds	1.40%

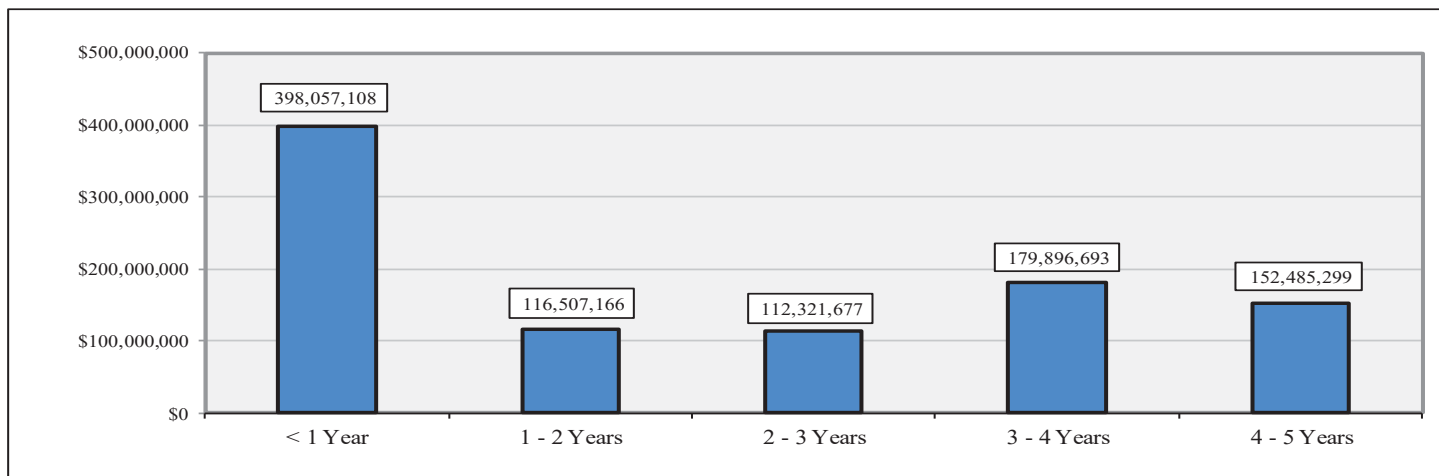
POOL A BY ASSET CLASS



POOL A MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	398,057,108	41.49%
1 - 2 Years	116,507,166	12.15%
2 - 3 Years	112,321,677	11.71%
3 - 4 Years	179,896,693	18.75%
4 - 5 Years	152,485,299	15.90%
Total	959,267,943	100.00%

Investment Description	Portfolio at Cost	Yield at Month End
CASH AND EQUIVALENTS	0.76%	1.12%
CALTRUST	5.53%	1.48%
LAIF	1.05%	1.35%
GOVPARTNERS	1.57%	1.39%
CERTIFICATES OF DEPOSIT	9.39%	1.72%
COMMERCIAL PAPER	16.31%	1.62%
CORPORATE BONDS	32.56%	2.01%
GOVERNMENT BONDS	1.02%	1.90%
MUNICIPAL BONDS	12.32%	1.97%
US AGENCY NOTES	19.49%	1.86%



City of Sacramento
 CASH LEDGER
American River Flood Control District
From 01-01-18 To 01-31-18

Item 2b

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Interest Receivable						
01-01-18				Beginning Balance		59,042.00
01-31-18	01-31-18	in		Pool A Cash	10,256.46	69,298.46
				Jan 2018 estimated Pool A interest	10,256.46	
01-31-18				Ending Balance		69,298.46
Pool A Cash						
01-01-18				Beginning Balance		7,267,268.07
01-31-18				Ending Balance		7,267,268.07

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
February 12,
2018

AMERICAN RIVER FLOOD CONTROL DISTRICT

DISTRICT ENGINEER/MANAGER
165 COMMERCE CIRCLE, SUITE D
SACRAMENTO, CA 95815

PMIA Average Monthly Yields

Account Number:
90-34-002

Tran Type Definitions

January 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/12/2018	1/11/2018	QRD	1559087	SYSTEM	1,966.11

Account Summary

Total Deposit:	1,966.11	Beginning Balance:	439,223.13
Total Withdrawal:	0.00	Ending Balance:	441,189.24



River City Bank

WWW.RIVERCITYBANK.COM

PO Box 15247, Sacramento, CA 95851-0247

Return Service Requested

Item 2b



Last statement: December 31, 2017

This statement: January 31, 2018

Total days in statement period: 31

AMERICAN RIVER FLOOD CONTROL DISTRICT
4000 MAGNOLIA HILLS DR
EL DORADO HILLS CA 95762-6561

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0811100952
(0)

Direct inquiries to:
916-567-2836

Public Fund Interest Checking

Account number	0811100952	Beginning balance	\$585,726.14
Low balance	\$467,263.90	Total additions	759,471.40
Average balance	\$562,077.72	Total subtractions	118,462.24
Avg collected balance	\$562,077	Ending balance	\$1,226,735.30

DEBITS

Date	Description	Subtractions
01-02	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	250.85
01-03	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	455.00
01-05	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	3,646.37
01-08	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	135.00
01-09	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	112.25
01-16	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	29,591.39
01-18	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	4,495.34

AMERICAN RIVER FLOOD CONTROL DISTRICT
January 31, 2018

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0811100952

Date	Description	Subtractions
01-19	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	38,056.43
01-22	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	12,101.48
01-23	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	4,524.44
01-24	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	11,324.75
01-25	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	10,371.61
01-26	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	711.41
01-29	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	1,835.02
01-30	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0736	850.90

CREDITS

Date	Description	Additions
01-31	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0736	759,433.21
01-31	' Interest Credit	38.19

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
12-31	585,726.14	01-16	551,535.28	01-25	470,661.23
01-02	585,475.29	01-18	547,039.94	01-26	469,949.82
01-03	585,020.29	01-19	508,983.51	01-29	468,114.80
01-05	581,373.92	01-22	496,882.03	01-30	467,263.90
01-08	581,238.92	01-23	492,357.59	01-31	1,226,735.30
01-09	581,126.67	01-24	481,032.84		

AMERICAN RIVER FLOOD CONTROL DISTRICT
January 31, 2018

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INTEREST INFORMATION

Annual percentage yield earned	0.08%
Interest-bearing days	31
Average balance for APY	\$562,077.72
Interest earned	\$38.19

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00



River City Bank

WWW.RIVERCITYBANK.COM

PO Box 15247, Sacramento, CA 95851-0247

Return Service Requested

Item 2b



Last statement: December 31, 2017

This statement: January 31, 2018

Total days in statement period: 31

AMERICAN RIVER FLOOD CONTROL DISTRICT
4000 MAGNOLIA HILLS DR
EL DORADO HILLS CA 95762-6561

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0811090736
(57)

Direct inquiries to:
916-567-2836

Public Fund Interest Checking

Account number	0811090736	Beginning balance	\$-0.84
Enclosures	57	Total additions	907,083.39
Low balance	\$-0.84	Total subtractions	907,084.65
Average balance	\$-0.03	Ending balance	\$-2.10
Avg collected balance	\$0		

CHECKS

Number	Date	Amount	Number	Date	Amount
6148	01-08	135.00	6231	01-18	897.00
6175 *	01-03	350.00	6232	01-25	202.81
6188 *	01-02	250.01	6233	01-22	250.00
6192 *	01-03	105.00	6234	01-23	750.53
6204 *	01-05	420.00	6235	01-24	1,664.83
6213 *	01-16	1,531.00	6236	01-29	949.15
6214	01-22	1,000.00	6237	01-22	60.98
6215	01-18	525.00	6238	01-18	2,550.00
6216	01-19	26,362.93	6239	01-23	1,005.60
6217	01-19	9,209.70	6240	01-18	523.34
6218	01-22	49.67	6241	01-19	896.94
6219	01-23	48.80	6242	01-24	17.00
6220	01-31	21.62	6243	01-22	350.15
6221	01-26	711.41	6244	01-24	352.26
6222	01-24	518.17	6245	01-23	22.68
6223	01-19	350.00	6246	01-16	543.61
6224	01-19	237.50	6247	01-23	1,050.00
6225	01-22	500.31	6249 *	01-22	1,750.00
6226	01-22	64.05	6250	01-31	116.30
6228 *	01-16	227.06	6251	01-22	1,138.76
6229	01-22	90.82	6252	01-19	846.41
6230	01-31	60.00	6253	01-22	621.71

AMERICAN RIVER FLOOD CONTROL DISTRICT
January 31, 2018

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Number	Date	Amount	Number	Date	Amount
6254	01-23	200.00	6260	01-23	208.61
6255	01-22	5,796.13	6261	01-25	303.91
6256	01-24	3,105.70	6262	01-25	9,763.23
6257	01-23	894.11	6264 *	01-30	428.00
6258	01-29	885.87	6265	01-25	101.66
6259	01-23	344.11	* Skip in check sequence		

DEBITS

Date	Description	Subtractions
01-05	' ACH Withdrawal CALPERS 1900 100000015157028	3,226.37
01-09	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 180109 946000047	112.25
01-16	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 180116 946000047	27,289.72
01-19	' ACH Withdrawal HEALTHEQUITY INC HealthEqui 180119	152.95
01-22	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 180122 946000047	428.90
01-24	' ACH Withdrawal CALPERS 3100 100000015137788	979.24
01-24	' ACH Withdrawal CALPERS 1900 100000015174995	1,948.96
01-24	' ACH Withdrawal CALPERS 3100 100000015137741	2,738.59
01-30	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 180130 946000047	422.90
01-31	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 180131 946000047	28,975.02
01-31	Incoming Wire Fee 201801310026801 COUNTY OF SACRAMENSACRAMENTO CA 9581 PROPERTY TAX DISTR	15.00
01-31	' Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT XXXXXX0952	759,433.21
01-31	' Service Charge ADDITIONAL DEBITS	2.10

AMERICAN RIVER FLOOD CONTROL DISTRICT
January 31, 2018

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CREDITS

Date	Description	Additions
01-02	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	250.85
01-03	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	455.00
01-05	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	3,646.37
01-08	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	135.00
01-09	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	112.25
01-16	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	29,591.39
01-18	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	4,495.34
01-19	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	38,056.43
01-22	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	12,101.48
01-23	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	4,524.44
01-24	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	11,324.75
01-25	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	10,371.61
01-26	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	711.41
01-29	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	1,835.02
01-30	' Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT XXXXXX0952	850.90

AMERICAN RIVER FLOOD CONTROL DISTRICT
January 31, 2018

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Date	Description	Additions
01-31	Incoming Wire 201801310026801 COUNTY OF SACRAMENSACRAMENTO CA 9581 PROPERTY TAX DISTR	788,621.15

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
12-31	-0.84	01-16	0.00	01-25	0.00
01-02	0.00	01-18	0.00	01-26	0.00
01-03	0.00	01-19	0.00	01-29	0.00
01-05	0.00	01-22	0.00	01-30	0.00
01-08	0.00	01-23	0.00	01-31	-2.10
01-09	0.00	01-24	0.00		

INTEREST INFORMATION

Annual percentage yield earned	0.00%
Interest-bearing days	31
Average balance for APY	\$0.00
Interest earned	\$0.00

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

CERTIFICATION

The American River Flood Control District's investment portfolio [] is [is not] in compliance with the District's Financial Management Investments Plan.

The District's investment portfolio is not in compliance in the following respects:

A cash flow analysis confirms that the District [is] [is not] expected to be able to meet its expenditure requirements for the next six months.

The District's cash is insufficient to meet obligations for the next six months as a result of the following:

Attached hereto are the most recent statements of accounts of the following District accounts:

- LAIF Account, State Treasurer's Office **Dated January 2018**
- Investment Pool A Account, City of Sacramento **Dated January 2018**
- District Checking Account, River City Bank **Dated January 2018**
- District Repurchase Account, River City Bank **Dated January 2018**

Certified by: _____ Date: _____
Cyril Shah, District Treasurer

American River Flood Control District
Statement of Operations
July 1, 2017 to February 28, 2018 (Eight Months Ending of Fiscal Year 2017-2018)
For Internal Use Only

	Year to Date July 1, 2017 to February 28, 2018	Budget	Percent of Budget
Revenues			
Benefit assessment	\$ 788,632	\$ 1,385,000	56.94%
Consolidated capital assessment	-	650,000	0.00%
Interest	73,661	75,000	98.21%
O & M agreements	-	225,000	0.00%
Miscellaneous	3,658	3,500	104.51%
Total Revenues	<u>865,951</u>	<u>2,338,500</u>	37.03%
M & O Expenses			
Salaries and wages	409,271	664,645	61.58%
Payroll tax expense	29,697	53,172	55.85%
Pension expense	82,317	124,602	66.06%
Compensation insurance	17,291	33,232	52.03%
Medical/dental/vision	123,347	189,474	65.10%
Fuel/oil reimbursement	10,927	30,000	36.42%
Equipment rental	26,531	6,500	408.17%
Equipment repairs/parts	18,929	40,000	47.32%
Equipment purchases (< \$5,000)	-	5,000	0.00%
Shop supplies	8,691	12,000	72.43%
Levee maint. (supp. & material)	4,684	17,000	27.55%
Levee maint. chemicals	12,341	20,000	61.71%
Levee maint. services	52,115	34,000	153.28%
Rodent abatement (supplies & materials)	6,208	10,000	62.08%
Employee uniforms	925	5,000	18.50%
Staff training	3,154	15,000	21.03%
Miscellaneous	653	2,000	32.65%
Small tools & equipment	-	3,000	0.00%
Emergency preparedness program	6,907	20,000	34.54%
Engineering services	12,323	8,000	154.04%
Encroachment remediation	-	15,000	0.00%
Total M & O Expenses	<u>826,311</u>	<u>1,307,625</u>	63.19%
Administration Expenses			
Board of trustees compensation	4,367	7,900	55.28%
Trustee expenses	890	1,750	50.86%
Accounting services	1,750	15,000	11.67%
Legal services (general)	11,079	50,000	22.16%
Utilities	18,489	25,000	73.96%
Telephone	10,458	12,500	83.66%
Retiree benefits	102,223	135,270	75.57%
Office equipment/furniture	-	10,000	0.00%
Office supplies	622	2,000	31.10%
Auto allowance	4,718	7,100	66.45%
Parking reimbursement	29	150	19.33%
General office expense	6,446	13,000	49.58%
Technology and software	4,804	17,000	28.26%
Dues and associations	21,124	25,000	84.50%
Property and liability insurance	23,631	30,000	78.77%
Conference/workshop/seminar	-	1,500	0.00%
Public relations/information	22,962	35,000	65.61%
Miscellaneous	2,569	5,000	51.38%
Employee morale/wellness	882	1,500	58.80%
Investment fees	7,282	13,000	56.02%
Community services	1,000	1,500	66.67%
Bookkeeping services	4,556	12,000	37.97%
Property taxes	1,660	3,000	55.33%
Building maintenance	1,846	17,000	10.86%
County Dtech fees for DLMS	37,904	60,477	62.68%
County assessment fees	1,061	21,000	5.05%
Interest expense	342	-	Not budgeted
Total Administration Expenses	<u>292,694</u>	<u>522,647</u>	56.00%
Special Projects Expenses			
Engineering studies/survey studies	-	15,000	0.00%
Levee standards compliance	11,173	100,000	11.17%
Small capital projects	8,610	50,000	17.22%
Total Special Project Expenses	<u>19,783</u>	<u>165,000</u>	11.99%
Capital Outlay			
Equipment purchases (over \$5,000)	48,189	50,000	96.38%
Total Capital Outlay	<u>48,189</u>	<u>50,000</u>	
Capital Outlay: District Headquarters Build-Out			
Building improvements/maintenance	-	20,000	0.00%
La Riviera improvements/maintenance	746	30,000	2.49%
	<u>746</u>	<u>50,000</u>	

Note: Amounts above are not audited

The above information is current through the last day of the previous month's bank activity.

Data has been verified by the bookkeeper and physical copies of checks have not been reviewed or received and some checks may not have cleared the bank account.

AMERICAN RIVER FLOOD CONTROL DISTRICT
Cash Flow Report
July 2017 through June 2018

Cash Flow Report													
Maintenance and Operations Expens	Jul 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL
500 - Salary/Wages	47,744.54	50,883.41	51,666.88	50,964.96	51,666.88	74,781.73	26,944.12	55,714.89	23,290.84	0.00	0.00	0.00	433,658.25
501 - Payroll Taxes	3,674.40	3,923.51	3,992.41	3,648.14	3,160.27	4,494.90	2,619.55	4,920.61	1,821.03	0.00	0.00	0.00	32,254.82
502 - Pension	10,923.54	5,981.02	11,142.09	9,080.39	7,296.32	11,252.62	6,465.42	9,901.89	6,070.57	0.00	0.00	0.00	78,113.86
503 - Compensation Insurance	8,741.45	0.00	0.00	0.00	8,081.08	0.00	9,209.70	0.00	0.00	0.00	0.00	0.00	26,032.23
504 - Medical/Dental/Vision	13,701.42	13,701.42	13,800.42	13,701.42	13,701.42	14,791.05	14,371.05	15,479.13	0.00	0.00	0.00	0.00	113,247.33
508 - Fuel/Oil	2,966.92	2,085.35	2,513.28	837.83	1,708.85	822.09	949.15	1,263.38	0.00	0.00	0.00	0.00	13,146.85
509 - Equipment Rental	4,310.00	2,060.14	4,643.10	3,333.48	5,598.71	3,612.79	6,690.24	592.15	0.00	0.00	0.00	0.00	30,840.61
510 - Equipment Purchase(< \$5000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
511 - Equipment Repair/Parts	2,536.96	3,662.27	3,409.60	2,276.33	2,061.22	2,871.17	1,562.99	2,132.80	0.00	0.00	0.00	0.00	20,513.34
512 - Shop Supplies	1,471.30	869.01	1,771.04	711.22	1,353.41	469.05	3,128.55	609.99	0.00	0.00	0.00	0.00	10,383.57
514 - Levee Maint(Supplies&Materi	0.00	392.13	0.00	208.74	269.14	1,118.96	401.31	2,417.14	0.00	0.00	0.00	0.00	4,807.42
515 - Levee Maintenance Services	6,508.48	9,004.85	1,075.98	27,637.64	9,159.76	0.00	5,161.23	124.94	0.00	0.00	0.00	0.00	58,672.88
516 - Employee Uniforms	0.00	486.19	0.00	0.00	0.00	0.00	455.53	213.47	0.00	0.00	0.00	0.00	1,155.19
518 - Staff Training	738.93	164.58	5.20	235.36	327.31	375.54	14.99	180.00	0.00	0.00	0.00	0.00	2,041.91
519 - Miscellaneous O&M	0.00	0.00	0.00	540.62	1,061.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,601.62
521 - Small Tools & Equip	2,601.61	222.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,824.26
523 - Levee Maint. (Chemicals)	44.31	1,432.03	0.00	0.00	7,803.26	0.00	3,105.70	0.00	0.00	0.00	0.00	0.00	12,385.30
525 - Emergency Preparedness Pr	0.00	0.00	0.00	0.00	0.00	9,706.54	0.00	0.00	0.00	0.00	0.00	0.00	9,706.54
530 - Encroachment Remediation I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
532 - Rodent Abatement	0.00	26.88	333.93	5,831.10	0.00	1.34	14.76	0.00	0.00	0.00	0.00	0.00	6,208.01
605 - Engineering Services	3,878.00	2,986.75	4,745.50	1,645.50	386.25	4,539.75	1,005.60	0.00	0.00	0.00	0.00	0.00	19,187.35
615 - Survey Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
616 - Envionmental Services/Studi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total M&O Expense	109,841.86	97,882.19	99,099.43	120,652.73	113,634.88	128,837.53	82,099.89	93,550.39	31,182.44	0.00	0.00	0.00	876,781.34
Administrative Expenses	Jul 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL
505 - Telephone	1,018.25	1,048.45	1,056.94	1,018.12	1,291.36	1,074.05	1,055.52	1,407.41	0.00	0.00	0.00	0.00	8,970.10
506 - Utility Charges	2,753.83	2,281.71	2,741.07	2,311.02	3,153.53	1,288.83	2,931.79	4,000.77	0.00	0.00	0.00	0.00	21,462.55
507 - Office/Shop Lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
513 - Office Supplies	506.71	0.00	220.03	61.22	118.36	0.00	29.99	0.00	0.00	0.00	0.00	0.00	936.31
517 - Auto Allowance	550.00	550.00	550.00	550.00	550.00	825.00	275.00	550.00	275.00	0.00	0.00	0.00	4,675.00
520 - Retiree Benefits	11,272.49	11,272.49	11,272.49	11,272.49	11,272.49	11,991.88	11,991.88	10,609.48	0.00	0.00	0.00	0.00	90,955.69
522 - Office Equipment/Furniture	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
526 - Mileage/Parking Reimbursem	45.15	0.00	0.00	235.15	0.00	24.00	0.00	0.00	0.00	0.00	0.00	0.00	304.30
527 - General Office Expense	1,159.75	756.29	1,293.60	755.59	1,393.26	719.89	1,794.98	825.56	17.20	0.00	0.00	0.00	8,716.12
529 - Pre-funding Retiree Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
531 - Technology & Software	270.26	269.85	514.21	527.38	2,275.37	384.51	268.04	251.94	0.00	0.00	0.00	0.00	4,761.56
600 - Board of Trustees Compensa	285.00	380.00	475.00	380.00	760.00	475.00	760.00	475.00	0.00	0.00	0.00	0.00	3,990.00
601 - Trustee Expenses	363.22	81.63	5.81	60.61	58.20	66.57	478.85	43.30	28.56	0.00	0.00	0.00	1,186.75
602 - Accounting Services	0.00	0.00	0.00	0.00	0.00	0.00	1,750.00	0.00	0.00	0.00	0.00	0.00	1,750.00
603 - Legal Fees (General)	1,448.67	6,298.00	6,255.50	1,129.50	525.00	1,498.50	1,134.50	536.00	0.00	0.00	0.00	0.00	18,825.67
604 - Flood Litigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
606 - Legislative Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
607 - Dues and Assoc. Expenes	0.00	5,489.00	60.00	0.00	9,601.00	6,358.00	0.00	0.00	0.00	0.00	0.00	0.00	21,508.00
608 - Insurance Premiums	0.00	0.00	0.00	19,592.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,592.00
609 - Conference /Workshops/Sem	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
610 - Public Relations Information	0.00	0.00	0.00	0.00	0.00	2,500.00	9,763.23	10,698.61	0.00	0.00	0.00	0.00	22,961.84
611 - Election Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
612 - District Annexations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
613 - Community Services	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	1,000.00
614 - Miscellaneous Admin	155.70	146.95	224.75	(3,430.55)	382.89	260.14	478.55	268.38	0.00	0.00	0.00	0.00	(1,513.19)
617 - Investment Fees	0.00	3,619.00	0.00	0.00	3,634.00	0.00	0.00	3,648.00	0.00	0.00	0.00	0.00	10,901.00
618 - Property Tax	0.00	0.00	0.00	0.00	1,659.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,659.54

AMERICAN RIVER FLOOD CONTROL DISTRICT
Cash Flow Report
July 2017 through June 2018

619 - Building Maintenance	112.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112.93
620 - Bookkeeping Services	1,012.50	1,200.00	768.75	1,087.50	0.00	825.00	1,050.00	825.00	0.00	0.00	0.00	0.00	0.00	6,768.75
621 - County Assessment Fees	0.00	15.00	0.00	0.00	0.00	15.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.00
622 - County D/Tech Fees for DLMS	0.00	1,764.00	5,608.29	6,497.50	25,494.33	0.00	303.91	0.00	0.00	0.00	0.00	0.00	0.00	39,668.03
623 - Employee Morale/Wellness	88.40	915.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,004.27
Total Administrative	21,042.86	36,088.24	31,046.44	42,047.53	62,169.33	28,306.37	35,066.24	34,139.45	320.76	0.00	0.00	0.00	0.00	290,227.22

Special Projects Expenses	Jul 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL
702 - Engineering/Survey Studies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
703 - Encroachment Remediation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
704 - Vegetation Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
705 - Small Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
707 - Levee Standards Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Special Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Capital Outlay: Flood Control	Jul 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL
700 - Bank Protection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
701 - Magpie Creek	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
706 - Property Acquisition	0.00	7,593.18	0.00	1,118.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,711.98
709 - Equipment Purchase (> \$500)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Capital Outlay: Flood Control	0.00	7,593.18	0.00	1,118.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,711.98

Income	Jul 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL
120 - Benefit Assessment	0.00	40,376.68	0.00	0.00	0.00	32,307.85	788,621.15	0.00	0.00	0.00	0.00	0.00	861,305.68
122 - SAFCA CAD4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
123 - Interest	1,807.07	48.24	36.23	2,091.19	17.48	37.10	2,004.30	72.50	0.00	0.00	0.00	0.00	6,114.11
124 - O&M Agreements	0.00	0.00	0.00	0.00	0.00	245,528.40	0.00	0.00	0.00	0.00	0.00	0.00	245,528.40
126 - Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	1,807.07	40,424.92	36.23	2,091.19	17.48	277,873.35	790,625.45	72.50	0.00	0.00	0.00	0.00	1,112,948.19

Fund Balance	Jul 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18
District Operations Fund												
Beginning Balance	2,294,495.71	1,165,418.06	1,071,872.55	941,762.91	781,153.84	605,367.11	726,096.56	1,399,555.88	1,271,938.54	0.00	0.00	0.00
Income	1,807.07	40,424.92	36.23	2,091.19	17.48	277,873.35	790,625.45	72.50	0.00	0.00	0.00	0.00
Expenses	1,130,884.72	133,970.43	130,145.87	162,700.26	175,804.21	157,143.90	117,166.13	127,689.84	31,503.20	0.00	0.00	0.00
Ending Balance	1,165,418.06	1,071,872.55	941,762.91	781,153.84	605,367.11	726,096.56	1,399,555.88	1,271,938.54	1,240,435.34	0.00	0.00	0.00
Capital Outlay Reserve Fund												
Beginning Balance	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	0.00	0.00	0.00
Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Balance	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	1,065,000.00	0.00	0.00	0.00
Retiree Health Benefit Reserve Fund												
Beginning Balance	1,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	0.00	0.00	0.00
Income	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Balance	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	2,443,558.00	0.00	0.00	0.00
Flood Emergency Response Reserve Fund												
Beginning Balance	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	0.00	0.00	0.00
Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

AMERICAN RIVER FLOOD CONTROL DISTRICT
Cash Flow Report
 July 2017 through June 2018

Item 2c

Ending Balance	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	0.00	0.00	0.00
Emergency Repair Reserve Fund													
Beginning Balance	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	0.00	0.00	0.00
Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Balance	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	0.00	0.00	0.00
Total Balance	7,673,976.06	7,580,430.55	7,450,320.91	7,289,711.84	7,113,925.11	7,234,654.56	7,908,113.88	7,780,496.54	7,748,993.34		0.00	0.00	0.00



**California Special
Districts Association**

Districts Stronger Together

DATE: February 16, 2018

TO: CSDA Voting Member Presidents and General Managers

FROM: CSDA Elections and Bylaws Committee

**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT A**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2019 - 2021 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular member in good standing and located within the geographic network that they seek to represent. (See attached CSDA Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, usually 4-5 meetings annually, at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend, at minimum, the following CSDA annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the fall.
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years of being elected.
(CSDA does not reimburse for expenses for the two conferences or the Academy classes even if a Board or committee meeting is held in conjunction with the events).

(over)

Nomination Procedures: Any Regular Member in good standing is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors.

- **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination.**
- **Deadline for receiving nominations is April 18, 2018. Nominations and supporting documentation may be mailed or emailed to Beth Hummel.**
No faxes please.

Mail: CSDA Attention: Beth Hummel
1112 I Street, Suite 200, Sacramento, CA 95814

E-mail: bethh@csda.net

Once received, nominees will receive a candidate's letter in the mail. The letter will serve as confirmation that CSDA has received the nomination and will also include campaign guidelines.

Expiring Terms

(See enclosed map for Network breakdown)

Northern Network Seat A-Ralph Emerson, GM, Garberville Sanitary District*
Sierra Network Seat A-Noelle Mattock, Director, El Dorado Hills CSD*
Bay Area Network Seat A-Robert Silano, Director, Menlo Park Fire Protection District*
Central Network Seat A-Joel Bauer, GM, West Side Cemetery District*
Coastal Network Seat A-Elaine Magner, Director, Pleasant Valley Recreation & Park District*
Southern Network Seat A-Jo MacKenzie, Director, Vista Irrigation District*
 (* = Incumbent is running for re-election)

If you have any questions, please contact Beth Hummel at 877-924-CSDA or bethh@csda.net.

NEW THIS YEAR!

This year we will be using a web-based online voting system, allowing your district to cast your vote easily and securely. *Electronic Ballots will be emailed to the main contact in your district June 18, 2018. All votes must be received through the system no later than 5:00 p.m. August 10, 2018.*

Districts can opt to cast a paper ballot instead; but you must contact Beth by e-mail Bethh@csda.net, by April 18, 2018 in order to ensure that you will receive a paper ballot on time.

CSDA will mail paper ballots on June 17 per district request only. ALL ballots must be received by CSDA no later than 5:00 p.m. August 10, 2018.

The successful candidates will be notified no later than August 14, 2018. All selected Board Members will be introduced at the Annual Conference in Indian Wells, CA in September 2018.



**California Special
Districts Association**
Districts Stronger Together

2018 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map on back)

Telephone: _____

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this form and a Board resolution/minute action supporting the candidate and Candidate Information Sheet by mail, or email to:

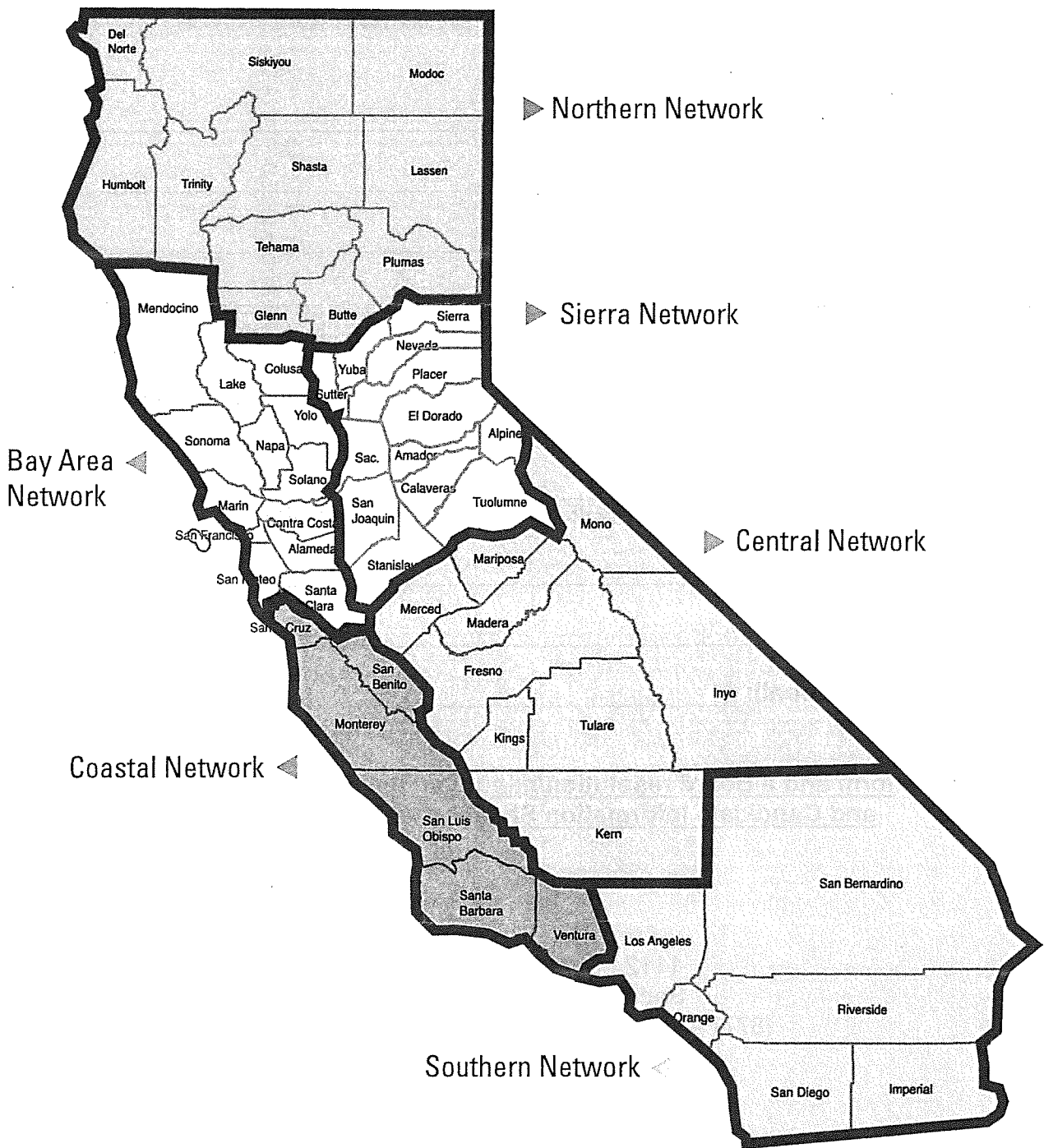
CSDA
Attn: Beth Hummel
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

bethh@cda.net

DEADLINE FOR RECEIVING NOMINATIONS – April 18, 2018



California Special Districts Association
DISTRICT NETWORKS





California Special Districts Association
Districts Stronger Together

2018 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2018 will not be included with the ballot.**

Invoices Paid

	DATE	AMOUNT	CHECK #
County Clerks (Miscellaneous Admin)	2/12/18	\$40.00	6300
Quickbooks (Employees & Trustees)	2/15/18	\$45.50	EFT
HSA (Employee Paid)	2/15/18	\$150.00	EFT
HSA (Miscellaneous Admin)	2/15/18	\$2.95	EFT
CA Central Valley Flood Control Assoc (Staff Training)	2/15/18	\$180.00	6302
Costco (General Office Supplies, Shop Supplies)	2/23/18	\$107.55	6303
Mailing Systems Inc (Public Relations Information)	2/23/18	\$538.95	6304
Quickbooks (Employees)	2/28/18	\$108.25	EFT
HSA (Employee Paid)	3/1/18	\$150.00	EFT
Sacramento County (La Riviera Imporvement/Maint)	3/2/18	\$102.00	6305
	Total	\$1,385.20	

Trustee Compensation

	DATE	GROSS	NET	CHK#
2/9/18 Board Meeting				
Holloway, Brian F	2/16/18	\$95.00	\$86.79	Direct Dep
Johns, Steven T	2/16/18	\$95.00	\$86.79	Direct Dep
Pavao, William J	2/16/18	\$95.00	\$86.78	Direct Dep
Redway, Bettina C	2/16/18	\$95.00	\$86.78	Direct Dep
Shah, Cyril A	2/16/18	\$95.00	\$86.79	Direct Dep
	Total	\$475.00	\$433.93	

Trustee Taxes

	DATE	AMOUNT	CHK#
2/9/18 Board Meeting			
Federal Tax Payment	2/15/18	\$13.74	EFT
CA Withholding & SDI	2/15/18	\$4.75	EFT
CA UI & ETT	2/15/18	\$8.56	EFT
	Total	\$27.05	

Payroll Summary

	DATE	GROSS	NET	CHK#
PP ending 2/15/18				
Malane Chapman	2/16/18	2946.24	1902.43	Direct Dep
Elvin Diaz	2/16/18	1998.48	1510.73	Direct Dep
David Diaz	2/16/18	2221.12	1549.98	Direct Dep
Gilberto Gutierrez	2/16/18	2493.04	1576.50	Direct Dep
Ross Kawamura	2/16/18	3784.00	2127.97	Direct Dep
Tim Kerr	2/16/18	6851.08	4978.03	Direct Dep
Erich Quiring	2/16/18	2221.12	1487.26	Direct Dep
Jose Ramirez	2/16/18	2493.05	1872.41	Direct Dep
Zerimar Robles	2/16/18	1936.00	1543.48	Direct Dep
PP ending 2/28/18				
Malane Chapman	3/1/18	2410.56	1552.74	Direct Dep
Elvin Diaz	3/1/18	1635.12	1246.78	Direct Dep
David Diaz	3/1/18	1817.28	1257.05	Direct Dep
Gilberto Gutierrez	3/1/18	2039.76	1313.18	Direct Dep
Ross Kawamura	3/1/18	3096.00	1612.72	Direct Dep
Tim Kerr	3/1/18	6851.08	4978.02	Direct Dep
Erich Quiring	3/1/18	1817.28	1236.15	Direct Dep
Jose Ramirez	3/1/18	2039.76	1471.67	Direct Dep
Zerimar Robles	3/1/18	1584.00	1287.15	Direct Dep
	Total	\$48,650.97	\$34,504.25	

Employee & Relief GM Taxes

	DATE	AMOUNT	CHK#
PP ending 2/15/18			
Federal Tax Payment	2/16/18	\$6,613.08	EFT
CA Withholding & SDI	2/16/18	\$1,234.40	EFT
CA UI & ETT	2/16/18	\$235.22	EFT
PP ending 2/28/18			
Federal Tax Payment	3/1/18	\$2,033.00	EFT
CA Withholding & SDI	3/1/18	\$963.94	EFT
CA UI & ETT	3/1/18	\$37.94	EFT
	Total	\$11,117.58	

Employee Pension

	DATE	AMOUNT	CHK#
PP ending 2/15/18			
PERS Retirement Contribution (Unfunded Liability)	2/2/18	\$3,226.37	EFT
PERS Retirement Contribution	2/16/18	\$3,717.84	EFT
457 Deferred Comp (Employee Paid)	2/16/18	\$2,068.96	EFT
457 District Contribution	2/16/18	\$80.00	EFT
PP ending 2/28/18			
PERS Retirement Contribution	3/1/18	\$3,235.92	EFT
457 Deferred Comp (Employee Paid)	3/1/18	\$2,100.96	EFT
457 District Contribution	3/1/18	\$80.00	EFT
	Total	\$14,510.05	

Total of Invoices Paid and Payroll \$61,978.06

**MEMORANDUM OF UNDERSTANDING BY AND BETWEEN
AMERICAN RIVER FLOOD CONTROL DISTRICT
AND
THE COUNTY OF SACRAMENTO**

1. **PARTIES.** This Memorandum of Understanding (MOU) is entered into by the American River Flood Control District (“District”) and the County of Sacramento, a political subdivision of the State of California (“County”).

2. **PURPOSE OF THIS MOU.** The purpose of this MOU is to define the expectations, rights, and responsibilities of the parties with regard to providing certain services for all elections. This MOU supersedes any other agreement between the parties related to the matters covered by this MOU.

3. **ROLES AND RESPONSIBILITIES.** The responsibilities of the Sacramento County Registrar of Voters and the Clerk of the Board of the American River Flood Control District are defined in Attachment A (Scope of Services), which is a part of this MOU.

4. **REIMBURSEMENT FOR SERVICES PROVIDED.** The District agrees to reimburse the County for elections services within 30 days from receipt of an invoice from the County Elections Office. If there is a dispute about services provided or costs claimed, the Registrar of Voters and the Clerk of the Board or General Manager shall meet in good faith to resolve the dispute before any other remedies are sought.

5. **MUTUAL INDEMNIFICATION.**

5.1 District agrees to indemnify and hold harmless County, its officers, employees, agents, and volunteers from any and all liabilities for injury to persons and damage to property arising out of any act or omission of District, its officers, employees, agents or volunteers in connection with District’s performance of its obligations under this MOU.

5.2 County agrees to indemnify and hold harmless District, its officers, employees, agents, and volunteers from any and all liabilities for injury to persons and damage to property arising out of any act or omission of County, its officers, employees, agents or volunteers in connection with County’s performance of its obligations under this MOU.

5.3 This Section 5 survives the termination or expiration of this MOU.

6. **TERM OF AGREEMENT.** This MOU is effective upon the signatures of the parties, and may be modified at any time by the written consent of the parties. It may be terminated at any time upon mutual consent of the parties, or unilaterally upon written notice from the terminating party to the other party at least 60 days prior to the date of termination. The District shall reimburse the County for cost of services provided through the date of the termination notice.

AMERICAN RIVER FLOOD
CONTROL DISTRICT,

COUNTY OF SACRAMENTO,
a political subdivision of the State of
California

By: _____
Clerk of the Board

By: _____
Registrar of Voters

Date: _____

Date: _____

Approved as to Form:

Approved as to Form:

By: _____
District Counsel

By: _____
County Counsel

ATTACHMENT A - SCOPE OF SERVICES

ALL ELECTIONS

Registrar of Voters shall provide the following services for all American River Flood Control District elections:

1. Prepare election process forms and provide to the Clerk of the Board at least 120 days prior to the election.
2. Verify signatures on petitions, including but not limited to, all candidate official filing forms, nomination paper petitions, and supplemental nomination paper petitions; initiative, referendum, and recall petitions; Notices of Intent to Circulate Petitions; and Notices of Intent to Recall.
3. Assign measure letters.
4. Prepare, translate, and format the sample ballot for materials including, as applicable: candidates' statement, ballot arguments and rebuttals, measure ballot title and summary, measure impartial analysis, facsimile ballot, voting instructions, polling place information, and map and/or address of ballot drop-off locations in the AMERICAN RIVER FLOOD CONTROL DISTRICT.
5. Supply sample ballot materials to registered voters in the affected District zones.
6. Provide to the Clerk of the Board an electronic listing of all electors eligible to vote in the election, including polling place, if applicable.
7. Provide ballot tabulation equipment and qualified and trained personnel for its operation throughout the election as provided by law.
8. Provide security during ballot counting and tabulation process.
9. Provide sufficient personnel to deliver, process, count, and tabulate election ballots.
10. Provide sufficient personnel to process, count, and tabulate signature withdrawal requests.
11. Distribute and process vote-by-mail ballots.
12. Distribute and process provisional ballots and challenged ballots.
13. Perform canvass and issue Official Statement of Vote to the Clerk of the Board as required by federal and state election laws.
14. Prepare invoices for services rendered within 45 days of the election and provide revised invoices, as necessary, following cost reconciliation
15. Other services as requested by the Clerk of the Board.

The Clerk of the Board shall provide the following services to the Registrar of Voters for all American River Flood Control District elections:

1. Provide a copy of the resolution calling the election and requesting services as required by federal and state election law.
2. Provide Board action regarding costs for printing of candidate statements.
3. As applicable, promptly furnish copies of the full text of measures, including a written description of any related maps or images, impartial analysis, ballot title and summary, arguments, and rebuttals.
4. Remit payment for services rendered within 30 days of receiving invoice.

ELECTION POLLING LOCATIONS

The Registrar of Voters shall provide the additional following services for American River Flood Control District polling location elections:

1. Establish polling locations that are compliant with State of California law regarding accessibility.
2. Provide furniture and equipment, as needed, for polling locations and poll workers.
3. Hire, train, and compensate poll workers and alternate poll workers.
4. Hire, train, and compensate Coordinators and technical teams for technical and logistical support to poll workers and elections personnel.
5. Provide the Clerk of the Board with a direct link to County website that indicates polling locations.

ALL-MAIL-BALLOT ELECTIONS

The Registrar of Voters shall provide the additional following services for American River Flood Control District all-mail-ballot elections:

1. Provide materials, equipment, staffing, and activities required for all-mail-ballot elections as required by law.
2. Hire and train workers for ballot drop-off locations.
3. Provide for the establishment of ballot drop-off locations, with days and hours of operation for a period of at least 15 days prior to Election Day and on Election Day from 7 a.m. to 8 p.m. or as required by election law.
4. Provide materials, furniture, and equipment, as needed, for ballot drop-off locations.
5. Timely deliver all official ballots as required by law.
6. Provide daily tallies of returned ballots by zone as requested to the Clerk of the Board.

The Clerk of the Board shall provide to the Registrar of Voters for American River Flood District all-mail-ballot elections:

1. Assist with the identification of potential facilities for ballot drop-off locations.

**Resolution 2018-04
American River Flood Control District**

CALLING GENERAL DISTRICT ELECTION

WHEREAS, an election will be held within the American River Flood Control District on November 6, 2018, for the purpose of electing three (3) Trustees to the Board of Trustees; and

WHEREAS, a statewide general election will be held within the County of Sacramento on the same day; and

WHEREAS, Elections Code Section 10403 requires jurisdictions to file with the Board of Supervisors, and a copy with the Registrar of Voters, a resolution requesting consolidation with a statewide election:

NOW THEREFORE BE IT RESOLVED that the American River Flood Control District requests the Board of Supervisors of Sacramento County to consolidate the regularly scheduled General District Election with the statewide election to be held on November 6, 2018; and

BE IT FURTHER RESOLVED that each trustee shall be a registered voter of the district and shall have resided therein at least one year next preceding his appointment or election; and

BE IT FURTHER RESOLVED that any person desiring to be a candidate at any election for trustees shall also file a statement under oath that he is a registered voter within the district and that he will not withdraw his name before the election; and

BE IT FURTHER RESOLVED that the candidate is to pay for the publication of the candidate's statement, pursuant to Election Code Section 13307, such publication cost to be pre-paid by the candidate to the District; and

BE IT FURTHER RESOLVED that the number of words that a candidate may use in his or her candidate's statement shall be limited to 200 words; and

BE IT FURTHER RESOLVED that the American River Flood Control District agrees to reimburse the Registrar of Voters for actual costs accrued, such costs to be calculated by the method set forth in the County's current Election Cost Allocation Procedures.

BE IT FURTHER RESOLVED that in the case of a tie between multiple candidates, the Board of Trustees of the American River Flood Control District shall select the winner and inform the County of Sacramento Voter Registration and Elections Department of their selection.

PASSED AND UNANIMOUSLY ADOPTED this 9th day of March, 2018.

ATTEST:

President

Secretary

From: [Tin-Wah Wong](#)
To: [Tim Kerr](#)
Cc: [Gary Hyden](#); [Sheryl Patterson](#); [Camille Wise](#)
Subject: RE: Sutter's Landing Invoice
Date: Thursday, March 1, 2018 3:26:42 PM

Tim,

I reviewed the invoices associated with the trail grading work with Gary and we found that the trail grading work completed by the contractor was \$43,756.77 over the ARFCD's agreed amount.

The total cost for the final trail regrading work by the contractor is \$210,000.
The agreed amount for the trail grading work by ARFCD is \$166,243.23.

ARFCD will not be compensated since the City spent an additional \$43,756.77 to complete the final trail regrading work.

I will provide you with an official letter soon.

Thank you.

Cordially,
Tin-Wah Wong
Associate Landscape Architect
City of Sacramento
Department of Youth, Parks and Community Enrichment
Landscape Architecture Section
915 I Street, 3rd Floor
Sacramento, CA 95814
Phone: (916) 808-5540

From: Tim Kerr [mailto:tkerr@arfcd.org]
Sent: Monday, February 12, 2018 4:00 PM
To: Tin-Wah Wong <TWong@cityofsacramento.org>
Subject: RE: Sutter's Landing Invoice

Thank you Tin-Wah.

Tim

Tim Kerr, P.E.
General Manager
American River Flood Control District
Office 916.929.4006
Fax 916.929.4160
Cell 916.417.4161

From: Tin-Wah Wong [<mailto:TWong@cityofsacramento.org>]
Sent: Monday, February 12, 2018 2:49 PM
To: Tim Kerr <tkerr@arfed.org>
Cc: Gary Hyden <GHyden@cityofsacramento.org>
Subject: RE: Sutter's Landing Invoice

Hi Tim,

I will have an answer to you by the end of the week.

Thank you.

Cordially,
Tin-Wah Wong
Associate Landscape Architect
City of Sacramento
Department of Youth, Parks and Community Enrichment
Landscape Architecture Section
915 I Street, 3rd Floor
Sacramento, CA 95814
Phone: (916) 808-5540

From: Tim Kerr [<mailto:tkerr@arfed.org>]
Sent: Monday, February 12, 2018 1:58 PM
To: Tin-Wah Wong <TWong@cityofsacramento.org>
Subject: FW: Sutter's Landing Invoice

Hi Tin-Wah,
Have you had a chance to look into this invoice payment? Thanks for your help,
Tim

Tim Kerr, P.E.
General Manager
American River Flood Control District
Office 916.929.4006
Fax 916.929.4160
Cell 916.417.4161

From: Tim Kerr
Sent: Monday, January 22, 2018 9:52 AM
To: Tin-Wah Wong <TWong@cityofsacramento.org>
Cc: Malane Chapman (Malane@arfed.org) <Malane@arfed.org>
Subject: Sutter's Landing Invoice

Hi Tin-Wah,
Now that the Sutter's Landing Trail project is complete, I would like to submit our invoice for our portion of the work per the Agreement. Here is the original invoice submitted in January 2016. I you prefer, I can provide an invoice with the updated dates but the cost numbers have not changed.

Thanks for your help,
Tim

Tim Kerr, P.E.
General Manager
American River Flood Control District
Office 916.929.4006
Fax 916.929.4160
Cell 916.417.4161

Sutter's Landing Park - American River Parkway Enhancements

L19-1672-00

2/2/2018

ARFCD Trail Grading Work	\$166,243.23
City Survey of Trail Grading Work by ARFCD	- \$6,664.00
Revised Grading Plan by Mark Thomas-Civil Eng	- \$28,826.00
City Survey (Grade Setting/Staking of Ramp and Trail by ARFCD)	- \$7,980.00
BRCO-Contractor Trail Grading	- \$210,000.00
	-\$87,226.77



165 Commerce Circle, Suite D
Sacramento, CA 95815

voice (916) 929-4006
fax (916) 929-4160

www.arfcd.org

Board of Trustees

Karolyn W. Simon
Brian F. Holloway
William J. Pavão
Cyril A. Shah
Bettina C. Redway

General Manager

Timothy R. Kerr, P.E.

Invoice

Date	Invoice #
1/14/2016	2016-01

Bill To
City of Sacramento Dept of Parks and Recreation 915 I Street, 3rd Floor Sacramento, CA 95814

Due Date
2/29/2016

Item	Description	Qty	Rate	Amount
Sutter's Landing Trail Augment	Exhibit attached for breakdown of expenses	1	166,243.23	166,243.23

Total	\$166,243.23
--------------	---------------------

Exhibit

**American River Flood Control District
Sutter's Landing Trail Costs**

Engineering	Mead & Hunt	\$	20,376.73
	Kleinfelder	\$	8,612.90
Environmental	Miriam Green Associates	\$	1,413.02
Legal	Downey Brand	\$	13,828.50
Rental	Budget Car Rental	\$	784.73
	Blue Line Rental	\$	3,827.52
	Neff Rental	\$	6,487.72
Materials	Bell Marine Co.	\$	18,963.24
	White Cap	\$	2,283.44
Fuel	Hunt & Sons	\$	2,272.74
Disposal	L and D Landfill	\$	4,124.40
Subtotal Services & Supplies		<u>\$</u>	<u>82,974.94</u>
Labor			
Operations & Maintenance		\$	40,680.99
Administrative		\$	2,892.10
General Manager		\$	39,695.20
Subtotal Labor		<u>\$</u>	<u>83,268.29</u>
TOTAL			<u><u>166,243.23</u></u>



165 Commerce Circle, Suite D
Sacramento, CA 95815

voice (916) 929-4006
fax (916) 929-4160

www.arfcd.org

Board of Trustees
Karolyn W. Simon
Brian F. Holloway
William J. Pavão
Cyril A. Shah
Bettina C. Redway

General Manager
Timothy R. Kerr, P.E.

January 14, 2016

City of Sacramento
Department of Parks and Recreation
Attn: Mr. Gary Hyden
915 I Street, 3rd Floor
Sacramento, CA 95814

Dear Gary,

Per our conversation, I am forwarding you an invoice for the expenses incurred by the American River Flood Control District to augment the Sutter's Landing Trail and Ramp.

Enclosed is our invoice for your review and approval. Please feel free to contact me at (916) 929-4006 if you have any questions or concerns.

Sincerely,

Tim Kerr
General Manager

Enclosures (2)

City of
SACRAMENTO
Parks and Recreation

SCOPE OF CONSTRUCTION SURVEY SERVICES REQUIREMENTS
COVER PAGE FOR

Project Name: Sutter's Landing Park American River Parkway Enhancements Lower Trail

1. See the Public Works Survey Request form for specific project agreement requirements.
2. Project information are as follows:

DPR Project Manager:	Tin-Wah Wong
DPW Survey Party Chief:	Jimmy Byrum
Construction Cost:	\$150,000
Services Budget in Dollars:	\$6,664
Services Budget in 2-Person Crew Hours:	
Capital Improvement Project Number:	TBD
Estimated Start Date:	4-28-16
Estimated Completion Date:	4-28-16
Additional Tasks & Requirements:	

Public Works:

Frank Re
Supervising Land Surveyor

5-9-16
Date

Department of Parks and Recreation:

C. Hayden
Supervising Landscape Architect

4/27/16
Date

SUPPLEMENTAL AGREEMENT- CITY MANAGER APPROVAL

Project Title and Job Number: Sutter's Landing Park-American River Parkway Enhancements, L19-1672-00

Date: 1-14-16

Purchase Order #: 23827

Supplemental Agreement No.: 5

The City of Sacramento ("City") and **H.T. Harvey and Associates** ("Contractor"), as parties to that certain Professional Services Agreement designated as Agreement Number **C2014-0321**, including any and all prior supplemental agreements modifying said agreement (said agreement and supplemental agreements, are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows:
Additional design services task to include the preparation of revised contour grading plans/cross section profiles for the proposed multi-use trail including field survey and project specific aerial photo. Revised planned completion date for the study is March 31, 2016.

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is **increased by \$28,826.00** and said maximum not-to-exceed amount is amended as follows:

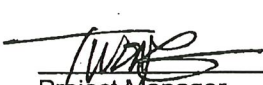
Agreement's original not-to-exceed amount :	\$ 232,340.00
Net change by previous supplemental agreements:	\$ 118,487.00
Not-to-exceed amount prior to this supplemental agreement:	\$ 350,827.00
Increase by this supplemental agreement:	\$ 28,826.00
New not-to exceed amount including all supplemental agreements:	\$ 379,653.00

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor .

4. Contractor warrants and represents that the person or persons executing this supplemental agreement on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental agreement and bind Contractor to the terms hereof.

5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

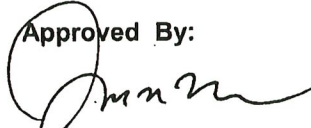
Approval Recommended By:


Project Manager 1/14/16
Date


Approved As To Form By:


Senior Deputy City Attorney
Date


Approved By:


Contractor Name/Title 1/19/16
Date
Joseph M. Howard principal

Attested To By:


City Clerk
Date

Approved By:


Christopher C. Conlin, Director 2/25/16
Date
for John Shirey, City Manager

2014-0321-5
With: H.T. Harvey and Associates
Title: Sutters Landing Park American

City of
SACRAMENTO
Parks and Recreation

SCOPE OF CONSTRUCTION SURVEY SERVICES REQUIREMENTS
COVER PAGE FOR

Sutter's Landing Park American River Parkway Enhancements Lower Trail

Project Name: (Additional Services)

1. See the Public Works Survey Request form for specific project agreement requirements.
2. Project information are as follows:

DPR Project Manager:	Tin-Wah Wong
DPW Survey Party Chief:	Jimmy Byrum
Construction Cost:	\$150,000
Services Budget in Dollars:	\$7,980
Services Budget in 2-Person Crew Hours:	
Capital Improvement Project Number:	L19-1672-01
Estimated Start Date:	5-9-16
Estimated Completion Date:	5-20-16
Additional Tasks & Requirements:	Assistance as requested by ARFCD for grade setting ramp sections and remaining trail per the attached email from Jimmy Byrum.

Public Works: *Faith Reel* 5-19-16
Supervising Land Surveyor *Date*

Department of Parks and Recreation: *CG Hayden* 5/19/16
Supervising Landscape Architect *Date*

CITY OF SACRAMENTO
 Department of Parks and Recreation
 Park Planning and Development Services

Bid Proposal
 Page 1 of 5

CONTRACTOR NAME: BRCO Constructors, Inc.

TO THE HONORABLE CITY COUNCIL
 SACRAMENTO, CALIFORNIA:

In compliance with the Contract Documents, the undersigned hereby proposes to furnish all required labor, materials, supervision, transportation, equipment, services, taxes and incidentals required for:

**BID PROPOSAL
 AMERICAN RIVER PARKWAY ENHANCEMENTS
 at SUTTER'S LANDING PARK
 (L19167200)**

in the City and County of Sacramento, California.

The Work is to be done in strict conformity with the Contract Documents now on file in the Office of the City Clerk, for the following sum:

Item No.	Item	Estimated Quantity	Unit	Unit Price	Total
1.	Trail Grading As Shown on Sheets 1-7 Dated 06/25/2015	1	LS	\$ 210 000	\$ 210 000
2.	City Building Permit Inspection Coordination	1	LS	\$ 1,000.00	\$ 1,000.00
3.	Temporary Construction Fence	1	LS	\$ 3500	\$ 3500
4.	Temporary Fence (Type ESA)	1	LS	\$ 7000	\$ 7000
5.	Habitat Protection Temporary Fencing	1	LS	\$ 7500	\$ 7500
6.	Site Clearing and Grubbing	1	LS	\$ 30000	\$ 30000
7.	Salvage and Demolition	1	LS	\$ 20 000	\$ 20 000
8.	Site Staking	1	LS	\$ 5500	\$ 5500
9.	Erosion and Sediment Control for Sites 1 Acre and Over	1	LS	\$ 35000 85000 ^{min.}	\$ 35000 85000 ^{min.}
10.	Site Grading (at Trailhead)	1	LS	\$ 15000	\$ 15000
11.	Roof Drain Assembly Modification	1	LS	\$ 3000	\$ 3000
12.	Electrical System	1	LS	\$ 3000	\$ 3000
13.	Aggregate Base	1	LS	\$ 75 000	\$ 75 000

SECOND AMENDMENT TO OPERATION AND MAINTENANCE
AGREEMENT FOR TWO RIVERS TRAIL - PHASE II

THIS SECOND AMENDMENT (the "Amendment") is made as of February 12, 2016, by and between the CITY OF SACRAMENTO ("City") and the AMERICAN RIVER FLOOD CONTROL DISTRICT ("ARFCD").

RECITALS

WHEREAS, on April 4, 2006, the City and ARFCD entered into the Agreement for the Operation and Maintenance of Two Rivers Trail (City Agreement No. 2006-0324), the "Principal Agreement," which allowed for ARFCD to issue an easement or permit to City for the purpose of "constructing, operating, maintaining, repairing, rehabilitating, and replacing" a paved recreational trail on the south American River levee which is managed and maintained by ARFCD. Pursuant to the Principal Agreement, City paved this trail, known as the Two Rivers Trail, which extends from the confluence of the Sacramento River along the American River eastward to Hwy 160.

WHEREAS, on May 5, 2015, City and ARFCD entered into the First Amendment to the Agreement for the Operation and Maintenance of Two Rivers Trail to allow for implementation of the second phase of the Two Rivers Trail project to extend the trail eastward along the south American River levee from Sutter's Landing Regional Park to within 100 feet from the western side of the existing railroad bridge. Under the terms of the First Amendment, ARFCD agreed to design and grade the preferred lower trail alignment, which would also serve as a second maintenance road for ARFCD's operations and levee inspections.

WHEREAS, the purpose of this Second Amendment is to reimburse ARFCD for its costs to design and grade the lower trail alignment now that the total amount of such costs is known, and for ARFCD to undertake additional work to insure that the grades of the trail alignment and access ramps meet the accessibility standards under the American with Disabilities Act (ADA).

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, ARFCD and the City agree as follows:

AGREEMENT

1. Lower Trail Alignment:
ARFCD will undertake further grading work for the lower trail alignment to insure that the grades comply with the ADA accessibility standards based on the City survey provided to ARFCD.
2. Compensation:
City will pay ARFCD its cost to design and grade the lower trial alignment, including making further alterations to comply with ADA, in an amount not to exceed \$166,234.23.



3. Principal Agreement:

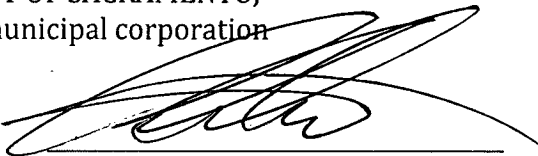
All of the terms and conditions set forth in the Principal Agreement, as amended under the First Amendment, shall remain unchanged.

4. Entire Agreement:

This Second Amendment constitutes the entire agreement and supersedes any prior written or oral agreements with regard to compensation for ARFCD's costs to design and grade the lower trail alignment.

IN WITNESS WHEREOF, this Second Amendment has been executed by City and ARFCD as of the day and year first stated above.

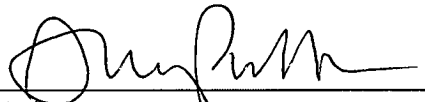
CITY OF SACRAMENTO,
a municipal corporation

By: 

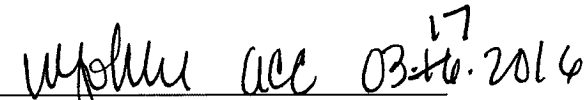
Christopher C. Conlin, Director
Department of Parks and Recreation

For: John F. Shirey, City Manager

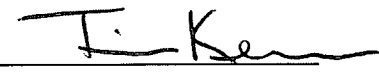
Approved as to form:

By: 
Sheryl Patterson, Senior Deputy City Attorney


Attest:

By:  acc 03-10-2014
Assistant City Clerk

AMERICAN RIVER FLOOD CONTROL DISTRICT,
a municipal corporation

By: 
Tim Kerr, General Manager

Approved as to form:

By: 
David R.E. Aladjem, ARFCD Counsel



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MANAGEMENT LETTER

To the Board of Directors and Management
American River Flood Control District
Sacramento, California

In planning and performing our audit of the financial statements of the American River Flood Control District (the District) as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of the following matters that have been included in this letter for your consideration:

New Pronouncements: In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which replaces the requirements of GASB Statement No. 45 and requires governments to report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust, on the face of the financial statements that was previously just disclosed in the footnotes. Based on the September 1, 2016 actuarial report, the District's OPEB liability is \$4,165,293, and the District currently has a liability recorded of \$2,363,145. However, the amounts could change by the time GASB 75 is implemented as a result of updated actuarial valuations. The accounting and financial reporting requirements under GASB Statement No. 75 are similar to the accounting and reporting requirements implemented by the District for its pension plan under GASB Statement No. 68 during the year ended June 30, 2015. This new statement will result in changes to the disclosures for the District's OPEB plan and will be effective beginning the year ended June 30, 2018. The District will be required to have a new actuarial valuation performed prior to June 30, 2018 that complies with GASB 75.

To the Board of Directors and Management
American River Flood Control District
Page 2

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the examination. This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than the specified parties.

_____, 2018



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GOVERNANCE LETTER

To the Board of Trustees
American River Flood Control District
Sacramento, California

We have audited the financial statements of the American River Flood Control District for the year ended June 30, 2017, and have issued our report thereon dated _____, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 6, 2017. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*

As stated in our engagement letter dated July 6, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no internal control related matters that are required to be communicated under professional standards.

Board of Trustees
 American River Flood Control District
 Page 2

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated July 6, 2017.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 estimates affecting the financial statements were: depreciable lives and method used to depreciate capital assets, the amount receivable from the County for delinquent assessments, the accruals for postemployment and pension benefits, and levee improvements constructed by the Army Corps of Engineers. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The accrual for postemployment benefits was determined by an actuarial valuation, which is required to be performed every three years. The most recent actuarial calculation was prepared as of September 2016. The accrual for the unfunded pension liability was determined by an actuarial valuation performed by CalPERS, which is performed annually.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were:

Pension Liability: Information on the District's pension plans, including the District's share of the unfunded pension liability, is shown in Note E. The District's share of the unfunded pension liability at June 30, 2016, the most recent measurement date, was \$860,019 which is reflected as a liability in the District's financial statements as of June 30, 2017.

Liability for Postemployment Benefits: The postemployment benefit (OPEB) disclosure in Note F shows that because the District has not been pre-funding its OPEB, the liability has increased to \$2,363,145 as of June 30, 2017.

Assessments: Note I describes the tentative nature of assessments and fees collected under Proposition 218.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no 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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a

result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. Seven audit adjustments were proposed to update the accrued vacation, pension and post-employment health benefit balances, adjust the designated fund balance accounts, adjust the property tax and reimbursement receivables to the amounts actually received, and to reclassify County assessment expenses.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter 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 _____, 2018.

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.

Issues Discussed Prior to Retention of Independent Auditors

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 management discussion and analysis, other postemployment benefits schedule of funding progress, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, and schedule of revenue, expenditures and changes in fund balance- budget and actual, which are 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.

We have been engaged to report on the schedule of expenditures – budget and actual which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information

Board of Trustees
American River Flood Control District
Page 4

is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

_____, 2018

DRAFT

AMERICAN RIVER FLOOD CONTROL DISTRICT

Audited Financial Statements
and Other Reports

June 30, 2017

AMERICAN RIVER FLOOD CONTROL DISTRICT

Audited Financial Statements
and Other Reports

June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
American River Flood Control District
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, of the American River Flood Control District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Trustees
American River Flood Control District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2017 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 as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, other postemployment benefits schedule of funding progress, and budgetary comparison information on pages 3 to 10 and 32 to 34 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 supplementary 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures – budgeted and actual – is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

_____, 2018

AMERICAN RIVER FLOOD CONTROL DISTRICT

STATEMENT OF NET POSITION

June 30, 2017

ASSETS	
Cash and investments - Note B	\$ 8,901,327
Receivables:	
Assessments	72,685
Interest	1,751
Due from other agencies	347,043
Other	4,065
Prepaid expenses and deposits	43,457
Capital assets, net - Note C	10,820,221
TOTAL ASSETS	<u>20,190,549</u>
DEFERRED OUTFLOW OF RESOURCES	
Pensions	<u>247,818</u>
LIABILITIES	
Accounts payable	52,126
Accrued payroll expense	952
Current portion of capital lease	1,775
Long-term liabilities	
Accrued vacation and sick leave	31,949
Capital lease	7,823
Net pension liability - Note E	860,019
Accrual for post-employment benefits - Note F	2,363,145
TOTAL LIABILITIES	<u>3,317,789</u>
DEFERRED INFLOW OF RESOURCES	
Pensions	<u>91,102</u>
NET POSITION	
Net investment in capital assets	10,810,623
Unrestricted	<u>6,218,853</u>
TOTAL NET POSITION	<u>\$ 17,029,476</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN RIVER FLOOD CONTROL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

PROGRAM EXPENSES	
Governmental activities:	
Flood protection	\$ 2,276,715
PROGRAM REVENUES	
Charges for services	<u>245,528</u>
NET PROGRAM (EXPENSE) REVENUE	(2,031,187)
GENERAL REVENUES	
Assessments	2,043,348
Interest income	107,768
Gain on sale of capital assets	4,608
Other	501
TOTAL GENERAL REVENUES	<u>2,156,225</u>
CHANGE IN NET POSITION	125,038
Net position at beginning of year	<u>16,904,438</u>
NET POSITION AT END OF YEAR	<u><u>\$ 17,029,476</u></u>

The accompanying notes are an integral part of these financial statements.

AMERICAN RIVER FLOOD CONTROL DISTRICT

BALANCE SHEET – GENERAL FUND

June 30, 2017

ASSETS	
Cash and cash equivalents	\$ 8,901,327
Receivables:	
Assessments	72,685
Interest	1,751
Due from other agencies	347,043
Other	4,065
Prepaid costs and deposits	<u>43,457</u>
TOTAL ASSETS	<u><u>\$ 9,370,328</u></u>
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 52,126
Accrued payroll expense	<u>952</u>
TOTAL LIABILITIES	<u>53,078</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>379,302</u>
FUND BALANCES	
Nonspendable	43,457
Committed	6,000,000
Unassigned	<u>2,894,491</u>
TOTAL FUND BALANCES	<u>8,937,948</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 9,370,328</u></u>

The accompanying notes are an integral part of these financial statements.

AMERICAN RIVER FLOOD CONTROL DISTRICT

RECONCILIATION OF THE BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION – GENERAL FUND

June 30, 2017

Fund balance - total governmental funds, June 30, 2017		\$ 8,937,948
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Governmental capital assets	\$ 13,364,640	
Less: accumulated depreciation	<u>(2,544,419)</u>	10,820,221
Pension differences will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.		247,818
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued vacation and sick leave		(31,949)
Capital lease		(9,598)
Net pension liability		(860,019)
Accrual for post-employment benefits		(2,363,145)
Employee pension differences to be recognized in the future as pension expense are reported as deferred inflows of resources on the statement of net position.		(91,102)
Some revenues are not recognized in governmental funds because they do not represent current financial resources that are recognized in the Statement of Activities:		
Unavailable revenue		<u>379,302</u>
Net position - governmental activities, June 30, 2017		<u><u>\$ 17,029,476</u></u>

The accompanying notes are an integral part of these financial statements.

AMERICAN RIVER FLOOD CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GENERAL FUND

For the Year Ended June 30, 2017

REVENUES		
Assessments	\$ 2,041,097	
O & M reimbursements	226,841	
Use of money	107,768	
Other revenues	501	
TOTAL REVENUES	<u>2,376,207</u>	
EXPENDITURES		
Current:		
Flood protection		
Maintenance and operations	1,416,779	
Administration	422,930	
Debt service		
Principal	144	
Interest payments	39	
Capital outlay	120,935	
TOTAL EXPENDITURES	<u>1,960,827</u>	
EXCESS OF REVENUES OVER EXPENDITURES	415,380	
OTHER FINANCING SOURCES		
Proceeds from sale of capital assets	4,608	
Issuance of capital lease	9,742	
OTHER FINANCING SOURCES	<u>14,350</u>	
NET CHANGE IN FUND BALANCE	429,730	
Fund balance at beginning of year	<u>8,508,218</u>	
FUND BALANCE AT END OF YEAR	<u><u>\$ 8,937,948</u></u>	

The accompanying notes are an integral part of these financial statements.

AMERICAN RIVER FLOOD CONTROL DISTRICT

RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES –
GENERAL FUND

For the Year Ended June 30, 2017

Net change in fund balance - total governmental funds for the year
ended June 30, 2017 \$ 429,730

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

Governmental funds report capital outlay as expenditures. In the
statement of activities, however, the cost of those assets are
allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 120,935	
Depreciation expense	<u>(266,246)</u>	(145,311)

Revenues and expenses in the Government-wide Statement
of Activities that do not provide current financial resources are
not reported as revenues and expenses in the governmental funds.

Change in accrual for post-employment benefits	(134,244)
Change in unavailable revenue	20,938
Change in accrued vacation and sick leave	4,379
Issuance of capital lease	(9,742)
Principal payments on capital lease	144
Change in deferred outflows of resources related to employee pensions	159,981
Change in employee net pension obligation	(237,500)
Change in deferred inflows of resources related to employee pensions	<u>36,663</u>

Change in net position - governmental activities for the year ended June 30, 2017 \$ 125,038

The accompanying notes are an integral part of these financial statements.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the American River Flood Control District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Background: The District was formed under an Act of the Legislature of the State of California in 1927. The District is governed under a Board of Trustees and operates and maintains levees in Sacramento County.

Basis of Presentation – 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 non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the 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 to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest and other items not properly included among program revenues are reported instead as general revenues.

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.

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.

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

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 District considers all revenues other than reimbursement revenues to be available if they are collected within 60 days of the end of the current fiscal period. For reimbursement revenues, amounts collected within 180 days of the end of the current fiscal period are considered available. Amounts not received within the 60 or 180 day availability period are reported as deferred inflows of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Payable balances consist primarily of payables to vendors.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax assessment revenues, reimbursement revenues and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District and accounts for revenues collected to provide services and finance the fundamental operations of the District. The Fund is charged with all costs of operations.

Budgets: Budgets are adopted on a basis consistent with generally accepted accounting principles and in accordance with the District’s policies and procedures. Budgetary control is exercised by major object. Budgetary changes, if any, during the fiscal year require the approval of the District’s Board of Trustees. Unencumbered budget appropriations lapse at the end of the fiscal year.

Prepaid Costs: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. Prepaid costs and deposits are reported in the fund financial statements as nonspendable fund balance to indicate they do not constitute resources available for appropriation.

Capital Assets: Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets owned by the District are stated at historical cost or estimated historical cost, if actual historical cost is not available. Contributed capital assets are recorded at their estimated fair market value at the time received. Capital assets are depreciated using the straight-line method over the estimated useful lives.

Levees and improvement	100 years
Construction equipment and mowers	7-10 years
Vehicles	7 years
Shop and levee maintenance equipment	7-10 years
Office equipment and furniture	5-10 years
Computers and accessories	5 years
Building improvements	10 years
Buildings	30 years

The District’s capitalization threshold is \$1,000 with no minimum for infrastructure assets and other real property. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase the values, change capacities, or extend the useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and the related accumulated depreciation, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Accrued Vacation and Sick Leave: The District’s policies regarding vacation and sick leave permit employees to accumulate earned, but unused vacation and sick leave. The District’s policy for sick-pay states that upon retirement, an employee may be paid one-third (up to a maximum of 400 hours) of their

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

accumulated unused sick leave balance. The remaining balance of the employees' sick leave is then available for service credit under the District's pension plan. Alternatively, the employees may elect to use their entire balance of accumulated unused sick leave for service credit under the District's pension plan. All vacation and an estimate of the probable sick leave pay-out is accrued when incurred. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate compensated absences. All of the accrued vacation and sick leave is considered long-term.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The District does not have any restricted net position.

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

Fund Equity: In the General Fund financial statements, the District reports the following fund balances:

Non-spendable fund balances are not expected to be converted to cash within the next operating cycle and are typically comprised of prepaid costs and deposits.

Committed fund balances include amounts that can be used only for specific purposes determined by a formal action of the Board. The Board has authority to establish, modify, or rescind a fund balance commitment through a resolution of the Board.

Unassigned fund balance is the residual classification for the District's funds and includes all spendable amounts not contained in the other classifications.

The District's committed or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. Committed fund balances consist of the following:

Capital Outlay Projects Fund – To accumulate funds for future capital projects. Such projects represent capital improvement projects to repair damaged levees, improve the reliability of the system and/or increase the District's ability to monitor the system and respond in a flood emergency. As of June 30, 2017, \$1,500,000 has been designated by the Board.

Emergency Repair Fund – Funds designated for necessary repairs due to substantial damage from high flows. As of June 30, 2017, \$1,500,000 has been designated by the Board.

Emergency Flood Fight Fund – Funds designated to fight flood emergencies and to help prevent the need for future special assessments. As of June 30, 2017, \$1,500,000 has been designated by the Board.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retiree Health Benefits Fund – Funds designated to fund future retiree health benefit costs. As of June 30, 2017, \$1,500,000 has been designated by the Board.

Assessments: The District made assessments against properties within the District in accordance with requirements of State law and the American River Flood Control District Act. Assessments are processed through Sacramento County based on the parcel size and designated land use of the parcels. Assessments are payable with the property owner's property taxes. The assessments are typically levied on or before the first day of September each year and become a lien on real property upon levy. Assessments are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. The District recognizes assessments when the individual installments are due provided they are collected within 60 days after year end.

The County uses the Alternative Method of Property Tax Apportionment (Teeter). Under this method of property tax apportionment for assessments collected as part of property taxes, the County purchases the delinquent secured property taxes at June 30 of each fiscal year and guarantees the District 100% of its annual assessment.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements: In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, replacing the requirements of GASB Statement No. 45 and requires governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria to report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments, on the face of the financial statements. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. This Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. This Statement is effective beginning the year ended June 30, 2018.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In March 2016, the GASB issued Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement clarifies certain accounting and reporting issues related to pension plans, including the presentation of payroll related measures in required supplementary information, clarifies the use of the term deviation for the selection of assumptions, and clarifies the classification of employer-paid member contributions and the period in which they should be recognized. This Statement is effective in the first reporting period in which the measurement date of the employer's pension liability is on or after June 15, 2017.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's), which is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The timing and pattern of recognition of the liability and corresponding deferred outflow of resources recorded is defined in this Statement. This Statement is effective for periods beginning after June 15, 2018.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying and disclosing fiduciary activities of state and local governments. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements of the government. Four fiduciary funds should be reported under this statement: Pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. This Statement is effective for periods beginning after December 15, 2018.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB statements, including issues related to blending component units, goodwill, fair value measurements and application, pensions and other postemployment benefits. This Statement is effective for periods beginning after June 15, 2017.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND INVESTMENTS

Cash and cash equivalents consisted of the following at June 30, 2017:

Cash on hand	\$	53
Deposits with financial institutions		873,597
Total cash		<u>873,650</u>
City of Sacramento Pool A		7,267,268
Local Agency Investment Fund (LAIF)		760,409
Total investment		<u>8,027,677</u>
Total cash and investments	\$	<u><u>8,901,327</u></u>

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE B – CASH AND INVESTMENTS (Continued)

Investment policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. During the year ended June 30, 2017, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
Local agency bonds	5 years	None	None
U.S. Treasury securities	5 years	None	None
U.S. Agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates and time deposits	5 years	30%	None
Repurchase agreements	92 days	20%	None
Medium term corporate notes	5 years	30%	None
Money market mutual funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
Pooled investment funds	N/A	None	None

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investment in the City of Sacramento's Investment Pool: The District maintains a portion of its cash in the City of Sacramento's cash and investment pool which is managed by the City Treasurer. The District's cash balances invested in the City Treasurer's cash and investment pool are stated at fair value. The amount invested by all public agencies in the City's cash and investment pool is \$1,053,914,451 at June 30, 2017. The City does not invest in any derivative financial products directly. However, they do invest in Local Agency Investment Fund (LAIF), which does invest in derivative financial products. The City Council has oversight responsibility for the cash and investment pool. The value of pool shares in the City that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasurer through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$77,616,683,602, managed by the State Treasurer. Of that amount, 2.25% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE B – CASH AND INVESTMENTS (Continued)

the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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. As of June 30, 2017, the weighted average maturity of the investments contained in the City's investment pool was approximately 2.11 years. As of June 30, 2017, the weighted average maturity of the investment in LAIF was approximately 194 days.

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 issued by a nationally recognized statistical rating organization. The City's investment pool and LAIF do not have a rating provided by a nationally recognized statistical rating organization.

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 deposits 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 would limit the exposure to custodial credit risk for deposits, 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 governmental 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 public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2017, the carrying amount and the balances in financial institutions of the District's deposits were both \$873,597. Of the balance in financial institutions, \$250,000 is covered by federal depository insurance and amounts in excess of this balance are covered by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Disposals	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 321,463	\$ -	\$ -	\$ 321,463
Capital assets being depreciated:				
Levees and improvements	9,544,047	-	-	9,544,047
Building	1,763,304	-	-	1,763,304
Levee maintenance equipment	1,279,871	1,034	(8,097)	1,272,808
Vehicles	335,103	105,096	(51,733)	388,466
Office equipment	54,911	9,742	-	64,653
Building improvements	4,836	5,063	-	9,899
Total capital assets, being depreciated	<u>12,982,072</u>	<u>120,935</u>	<u>(59,830)</u>	<u>13,043,177</u>
Less accumulated depreciation for:				
Levees and improvements	(1,147,986)	(95,502)	-	(1,243,488)
Building	(34,286)	(58,777)	-	(93,063)
Levee maintenance equipment	(857,117)	(82,705)	8,097	(931,725)
Vehicles	(276,835)	(24,388)	51,733	(249,490)
Office equipment	(16,943)	(4,663)	-	(21,606)
Building improvements	(4,836)	(211)	-	(5,047)
Total accumulated depreciation	<u>(2,338,003)</u>	<u>(266,246)</u>	<u>59,830</u>	<u>(2,544,419)</u>
Total capital assets, being depreciated, net	<u>10,644,069</u>	<u>(145,311)</u>	<u>-</u>	<u>10,498,758</u>
Capital assets, net	<u>\$ 10,965,532</u>	<u>\$ (145,311)</u>	<u>\$ -</u>	<u>\$ 10,820,221</u>

Depreciation expense of \$266,246 for the year ended June 30, 2017 was charged to the flood protection function.

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2017.

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Accrued vacation and sick leave	\$ 36,328	\$ -	\$ (4,379)	\$ 31,949	\$ -
Capital lease obligation	-	9,742	(144)	9,598	1,775
Net pension liability	622,519	237,500	-	860,019	-
Accrual for post-employment benefits	2,228,901	245,107	(110,863)	2,363,145	-
	<u>\$ 2,887,748</u>	<u>\$ 492,349</u>	<u>\$ (115,386)</u>	<u>\$ 3,264,711</u>	<u>\$ 1,775</u>

The District's capital lease consists of the following:

Copier Lease: In May 2017, the District entered into a capital lease for the acquisition of a copier. The lease has an interest rate of 4.77%, with monthly payments of \$183 through May 2022. The cost of the copier is \$9,742 and accumulated depreciation is \$162 at June 30, 2017.

Annual debt service requirement of the District's long-term debt obligations are as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 1,775	\$ 419	\$ 2,194
2019	1,861	333	2,194
2020	1,951	243	2,194
2021	2,047	147	2,194
2022	1,964	47	2,011
	<u>\$ 9,598</u>	<u>\$ 1,189</u>	<u>\$ 10,787</u>

NOTE E – PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The District has the following cost-sharing Plans:

- Miscellaneous Plan
- PEPRM Miscellaneous Plan (inactive)

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE E – PENSION PLANS (Continued)

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	PEPRA	
	Miscellaneous Prior to January 1, 2013	Miscellaneous On or after January 1, 2013
Hire date		
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%
Required employer contribution rates	8.880%	6.55%

In addition to the contribution rates above, the District was also required to make payments of \$30,277 toward its unfunded actuarial liability during the year ended June 30, 2017.

The Miscellaneous Plan is closed to new members that are not already CalPERS participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2017, the contributions made to the Plan were \$80,014.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2017, the District reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan of \$860,019.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The District's

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE E – PENSION PLANS (Continued)

proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2015 and 2016 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2015	0.02269%
Proportion - June 30, 2016	0.02476%
Change - Increase (Decrease)	0.00207%

For the year ended June 30, 2017, the District recognized pension expense of \$78,680. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 80,014	\$ -
Differences between actual and expected experience	2,961	(679)
Changes in assumptions	-	(28,012)
Change in employer's proportion	19,049	(35,485)
Differences between the employer's contribution and the employer's proportionate share of contributions	-	(26,926)
Net differences between projected and actual earnings on plan investments	<u>145,794</u>	<u>-</u>
Total	<u>\$ 247,818</u>	<u>\$ (91,102)</u>

The \$80,014 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ (16,808)
2018	(7,720)
2019	63,467
2020	37,763
Thereafter	<u>-</u>
	<u>\$ 76,702</u>

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE E – PENSION PLANS (Continued)

Actuarial Assumptions: The total pension liabilities in the June 30, 2015 actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.65% (2)
Mortality	Developed using CalPERS Membership Data for all funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in June 30, 2017 were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE E – PENSION PLANS (Continued)

The table below reflects the long-term expected real rate of return by asset class for the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100.0%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.65%
Net Pension Liability	\$ 1,408,761
Current Discount Rate	7.65%
Net Pension Liability	\$ 860,019
1% Increase	8.65%
Net Pension Liability	\$ 406,511

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2017, the District reported a payable of \$952 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description: The District provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended through agreements. The District's contribution is 100% of the medical premium, which currently ranges from \$551 to \$2,568. The benefit continues to surviving spouses and dependents.

Funding Policy: The contribution requirements of the District's participants and the District are established by and may be amended by the District pursuant to agreements with its employees. Contributions to the OPEB plan in fiscal 2016/2017 totaled \$110,863, which represents premium payments made on retirees. The District has set aside a cash designation of \$1,500,000 for retiree health benefits; however, the cash is not maintained in a trust.

Annual OPEB Cost and Net OPEB Obligation: The District's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's Net OPEB obligation for the year ended June 30, 2017:

Annual required contribution	\$ 215,133
Interest on net OPEB obligation	109,606
Adjustment to annual required contribution	<u>(79,632)</u>
Annual OPEB cost (expense)	245,107
Contributions made (premiums payments made)	<u>(110,863)</u>
Increase in net OPEB obligation	<u>134,244</u>
Net OPEB obligation, beginning of year	<u>2,228,901</u>
Net OPEB obligation, end of year	<u><u>\$ 2,363,145</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the past three fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017	\$ 245,107	42.30%	\$ 2,363,145
6/30/2016	260,235	17.43%	2,228,901
6/30/2015	260,235	16.67%	2,014,035

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress: The funded status of the Plan as of September 1, 2016, the most recent valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 4,165,293
Actuarial value of Plan assets	-
Underfunded actuarial accrued liability (UAAL)	<u>4,165,293</u>
Funded ratio (actuarial value of Plan assets/AAL)	0.00%
Covered payroll (active Plan participants)	523,951
UAAL as a percentage of covered payroll	794.98%

Although the District has not established a trust for funding the OPEB Plan, it has set aside cash to provide for these benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the September 2016 actuarial valuation, the entry age normal actuarial cost level of pay method was used. The actuarial assumptions included a 3.5% investment rate of return, a 3% salary increase and a 3% general inflation rate. Premiums were assumed to increase 4% per year.

NOTE G – INSURANCE

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public official liability, property damage, fidelity insurance and workers compensation liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2017

NOTE G – INSURANCE (Continued)

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District’s deductibles and maximum coverage are as follows:

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General and auto liability (includes public officials liability)	\$ 5,000,000	\$ 55,000,000	None
Property damage	100,000	150,000,000	\$500 to 1,000
Fidelity	100,000	NA	1,000
Workers compensation liability	2,000,000	Statutory	None

NOTE H – CONTINGENCIES

Proposition 218, which was approved by the voters in November 1996, regulates the District’s ability to impose, increase, and extend assessments and fees. Any new or increased assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the District’s ability to finance the services for which the property assessments were imposed may be significantly impaired. However, the District may also have the ability to assess certain government owned properties which were previously rendered exempt. The effect Proposition 218 will have on the District’s ability to maintain or increase the revenue it receives from assessments and fees in the future is unknown.

REQUIRED SUPPLEMENTARY INFORMATION

AMERICAN RIVER FLOOD CONTROL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2017

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN
Last 10 Years**

	2017	2016	2015
Proportion of the net pension liability	0.02476%	0.02269%	0.02458%
Proportionate share of the net pension liability	\$860,019	\$622,519	\$607,424
Covered - employee payroll - measurement period	\$667,525	\$657,579	\$708,794
Proportionate share of the net pension liability as a percentage of covered payroll	113.86%	94.67%	85.70%
Plan fiduciary net position as a percentage of the total pension liability	78.90%	83.70%	83.03%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes in assumptions: The June 30, 2015 Actuarial Valuation changed the discount rate from 7.5% (net of administrative expense) to 7.65%.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN
Last 10 Years**

	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 80,014	\$ 82,858	\$ 75,370
Contributions in relation to the actuarially determined contributions	80,014	82,858	75,370
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered - employee payroll - fiscal year	\$577,710	\$667,525	\$657,579
Contributions as a percentage of covered - employee payroll	13.85%	12.41%	11.46%

Notes to Schedule:

Valuation date:

June 30, 2014	June 30, 2013	June 30, 2012
------------------	------------------	------------------

Methods and assumptions used to determine contribution rates:

	Entry age normal		
Amortization method	Level percentage of payroll, closed		
Remaining amortization period	13 years	14 years	15 years
Asset valuation method	5-year smoothed market		
Inflation	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service		
Investment rate of return	7.50%, net of pension plan investment expense, including inflation		

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

AMERICAN RIVER FLOOD CONTROL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2017

**Other Postemployment Benefits
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/1/2016	-	\$4,165,293	\$4,165,293	0%	\$523,951	794.98%
9/1/2013	-	3,584,662	3,584,662	0%	704,638	508.72%
9/1/2010	-	1,443,558	1,443,558	0%	626,063	230.58%

OTHER SUPPLEMENTARY INFORMATION

AMERICAN RIVER FLOOD CONTROL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Assessments	\$ 2,035,000	\$ 2,035,000	\$ 2,041,097	\$ 6,097
O & M reimbursements	225,000	225,000	226,841	1,841
Use of money	75,000	75,000	107,768	32,768
Other revenues	-	-	501	501
TOTAL REVENUES	<u>2,335,000</u>	<u>2,335,000</u>	<u>2,376,207</u>	<u>41,207</u>
EXPENDITURES				
Current:				
Flood protection				
Maintenance and operations	1,413,551	1,413,551	1,416,779	(3,228)
Administration	548,203	548,203	422,930	125,273
Debt service				
Principal	-	-	144	(144)
Interest payments	-	-	39	(39)
Capital outlay	114,000	114,000	120,935	(6,935)
TOTAL EXPENDITURES	<u>2,075,754</u>	<u>2,075,754</u>	<u>1,960,827</u>	<u>114,927</u>
EXCESS OF REVENUES OVER EXPENDITURES	259,246	259,246	415,380	156,134
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	4,608	4,608
Issuance of capital lease	-	-	9,742	9,742
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>14,350</u>	<u>14,350</u>
NET CHANGE IN FUND BALANCES	259,246	259,246	429,730	170,484
Fund balance at beginning of year	<u>8,508,218</u>	<u>8,508,218</u>	<u>8,508,218</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,767,464</u>	<u>\$ 8,767,464</u>	<u>\$ 8,937,948</u>	<u>\$ 170,484</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN RIVER FLOOD CONTROL DISTRICT

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Maintenance and Operations:			
Salaries	\$ 675,000	\$ 702,486	\$ (27,486)
Payroll taxes	54,000	50,822	3,178
Pension	119,536	122,379	(2,843)
Workers compensation insurance	33,750	35,824	(2,074)
Group insurance	116,265	167,012	(50,747)
Fuel and oil	30,000	21,720	8,280
Equipment rental	6,500	5,665	835
Equipment repairs	40,000	44,803	(4,803)
Equipment purchases less than \$1,000	500	-	500
Small tools and equipment	3,000	4,489	(1,489)
Shop supplies	12,000	11,408	592
Levee maintenance supplies	17,000	17,864	(864)
Levee maintenance chemicals	10,000	22,417	(12,417)
Levee maintenance services	34,000	84,530	(50,530)
Rodent abatement	10,000	3,132	6,868
Staff training	15,000	3,339	11,661
Employee uniforms	7,000	5,274	1,726
Emergency preparedness	20,000	76,948	(56,948)
Miscellaneous	2,000	1,313	687
Encroachment remediation	15,000	-	15,000
Engineering services	8,000	26,031	(18,031)
Not-capitalized capital outlay			
Levee Standards Compliance	100,000	-	100,000
Small capital projects	50,000	-	50,000
Engineering studies and survey studies	15,000	-	15,000
La Riviera improvements	20,000	9,323	10,677
	<u>1,413,551</u>	<u>1,416,779</u>	<u>(3,228)</u>

AMERICAN RIVER FLOOD CONTROL DISTRICT

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL - (Continued)
GENERAL FUND

For the Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Administration:			
Utilities	\$ 25,000	\$ 28,074	\$ (3,074)
Telephone	12,500	15,123	(2,623)
Retiree benefits	115,000	110,863	4,137
Office equipment and furniture	10,000	1,945	8,055
Office supplies	2,000	1,920	80
Auto allowance	7,100	7,082	18
Technology and software	17,000	6,060	10,940
Trustee fees	7,900	7,088	812
Trustee expenses	1,750	1,967	(217)
Accounting services	15,000	12,250	2,750
Legal services (general)	50,000	38,298	11,702
Dues and association expenses	25,000	20,631	4,369
Insurance premiums	30,000	26,838	3,162
Conferences and workshops	1,500	-	1,500
Public relations and information	35,000	29,102	5,898
Election expense	81,826	1,669	80,157
Investment services	13,000	14,404	(1,404)
Parking reimbursement	150	72	78
General office	13,000	10,366	2,634
Bookkeeping services	12,000	14,155	(2,155)
County assessment fees	21,000	36,472	(15,472)
County technology fees	24,477	26,241	(1,764)
Community services	1,500	1,000	500
Building maintenance	17,000	5,614	11,386
Property taxes	3,000	1,597	1,403
Employee morale and wellness	1,500	256	1,244
Miscellaneous	5,000	3,343	1,657
Property Acquisition	-	500	(500)
	<u>548,203</u>	<u>422,930</u>	<u>125,273</u>
Debt service			
Principal	-	144	(144)
Interest payments	-	39	(39)
	<u>-</u>	<u>183</u>	<u>(183)</u>
Capital outlay:			
Capitalized equipment and building	114,000	120,935	(6,935)
	<u>114,000</u>	<u>120,935</u>	<u>(6,935)</u>
Total expenditures	<u>\$ 2,075,754</u>	<u>\$ 1,960,827</u>	<u>\$ 114,927</u>

OTHER REPORTS



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
American River Flood Control District
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the American River Flood Control District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Trustees
American River Flood Control District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

_____, 2018

American River Flood Control District

SAFCA Agreement for OMRR&R

Staff Report

Discussion:

The Sacramento Area Flood Control Agency(SAFCA) has developed a levee improvement project to increase the level of protection of the District's Arcade Creek Levees. The project, called the North Sacramento Streams(NSS) Levee Improvement Project, will be cost-shared with the State of California(State). The State requires a Local Project Partnering Agreement with a local project sponsor such as SAFCA to assign roles, responsibilities, and cost-sharing provisions for the work.

The State also requires and Operation, Maintenance, Repair, Replacement, and Rehabilitation(OMRR&R) Agreement between the State and the local sponsors. In recent years, the State also identifies the Local Maintaining Agency as an entity that must be a party to the OMRR&R Agreement. In order for SAFCA to obtain cost-sharing funding to construct the NSS project, SAFCA staff believes that the District must sign the State OMRR&R Agreement.

In the past, the District provided assurances to the State that they would Operate and Maintain any levee facilities constructed and turned over to the District. It is not evident that the District has ever committed to Repair, Replace, or Rehabilitate(RR&R) any levee facilities.

Many Local Maintaining Agencies in the Central Valley are struggling with the idea of RR&R and their ability to pay for the enormous costs associated with RR&R. The Sutter Butte Flood Control Agency in the Yuba City area has acknowledged this discrepancy between the costs of RR&R and the small budgets of LMAs and has crafted an alternate definition for OMRR&R that better captures what an LMA could actually provide. This draft description of LMA OMRR&R is included in your materials for this agenda item.

During a recent meeting with District Legal Counsel and SAFCA staff, three possible options were identified to help SAFCA construct the NSS project with State funding:

1. Sign the OMRR&R Agreement
2. Sign the OMRR&R Agreement but include a transmittal letter indicating that the signature is only given because there is no feasible alternative
3. Sign the OMRR&R Agreement but indicate the District has an alternate definition of OMRR&R

Recommendation:

The General Manager recommends that the Board of Trustees choose one of the three listed options to sign the OMRR&R Agreement and thereby allow SAFCA to construct the NSS project with cost-shared State funding.

OPERATION, MAINTENANCE, REPAIR, REPLACEMENT, AND
REHABILITATION AGREEMENT BETWEEN
The Central Valley Flood Protection Board
AND
American River Flood Control District and
the Sacramento Area Flood Control Agency
FOR
The Levee Accreditation Project
North Sacramento Streams Levee Improvement Project

This Operation, Maintenance, Repair, Replacement, and Rehabilitation Agreement (“OMRR&R Agreement”) is entered into by and between the State of California (“State”), acting by and through the Central Valley Flood Protection Board, or any successor thereto, (“Board”), American River Flood Control District (“Local Maintaining Agency”), and, for the limited purpose of Section I.A.3., hereof, the Sacramento Area Flood Control Agency (“Funding Recipient”) on this _____ day of _____, 2017 in view of the following circumstances:

1. The North Sacramento Streams Levee Improvement Project (the “Project”) is being undertaken under the Department of Water Resources’ (Department) Urban Flood Risk Reduction (“UFRR”) Program. The Project is a part of the Sacramento River Flood Control Project which was authorized by Congress by Section 101(a)(1) of the Water Resources Development Act (WRDA) of 1996 (Pub. L. No. 104-303, § 101(a)(1), 110 Stat. 3658, 3662-3663 (1996)), as amended. Amendments to this authority are as follows: 1) Section 366 of WRDA of 1999 (Pub. L. 106-53, § 366, 113 Stat. 269, 319-20 (1999)); 2) Section 129 of the Energy and Water Development Appropriations Act (EWDAA) of 2004 (Pub. L. No. 108-137, § 129, 117 Stat. 269, 1839 (2003)); 3) Section 130 of the Consolidated Appropriations Act (CAA) of 2008 (Pub. L. No. 110-161, § 130, 121 Stat. 1844, 1947 (2007)); and 4) Section 7002 of the Water Resources Reform and Development Act (WRRDA) of 2014 (Pub. L. No. 113-121, §7002, 128 Stat. 1193, 1366 (2014)).and the Water Infrastructure Improvements for the Nation Act (WINN) of 2016 (Pub. L. No 114-322, §1401) and is a part of the Sacramento River Flood Control Project which was authorized by Congress on March 1, 1917, and amended on May 16, 1928, August 26, 1937, August 18, 1941, August 17, 1954, and July 14, 1960.
2. State funding had become available for the Project:
 - The voters of California approved the California Disaster Preparedness and Flood Prevention Bond Act of 2006 (Proposition 1E) on November 7, 2006, making available proceeds from the sale of general obligation bonds for flood control work and other purposes.
 - The State, acting by and through the Department of Water Resources (“Department”), solicited applications for funding for its Urban Flood Risk Reduction (UFRR) Program.
 - The Funding Recipient applied for funding and ~~signed an the~~ UFRR Funding Agreement- was executed on February 23, 2015 (“Funding Agreement”). This Funding ~~agreement~~Agreement is between the Department and the Sacramento Area Flood Control Agency (“Funding Recipient”) for the Project.
 - The Funding Agreement provides that the Funding Recipient will be responsible for construction, operation, maintenance, repair, replacement, and rehabilitation (“OMRR&R”) of projects on land and rights-of-way that will ultimately be transferred to the Sacramento and San Joaquin Drainage District, acting by and through the Board.

- The Department has agreed to enter into the Funding Agreement on the condition that the Funding Recipient enters into this OMRR&R Agreement under which ~~the Central Valley Flood Protection Board (“The Board”)~~ Board will oversee OMRR&R for the Project for the State of California, as part of the State Plan of Flood Control.
 - Under the Funding Agreement, the Funding Recipient may agree to assume the responsibility of the Local Maintaining Agency as set out in this OMRR&R Agreement, or may agree with a Local Maintaining Agency that it shall assume responsibility for OMRR&R of the Project, provided that the Funding Recipient shall seek to assume responsibility for OMRR&R if for any reason the Local Maintaining Agency fails to perform under this OMRR&R Agreement.
 - The Funding Recipient has agreed with the Local Maintaining Agency that the Local Maintaining Agency shall assume responsibility for OMRR&R by entering into this OMRR&R Agreement.
 - The Department has agreed to enter into the Funding Agreement with the Funding Recipient on the condition that the Local Maintaining Agency enter into the OMRR&R Agreement and that the Funding Recipient shall seek to assume responsibility for OMRR&R if for any reason the Local Maintaining Agency fails to perform under this OMRR&R Agreement.
3. It is not expected that the federal government will provide funding for the Project at this time, but in anticipation that federal funds may become available eventually:
- The Funding Agreement requires the Funding Recipient to seek credit for the expenditures made under the Funding Agreement from the federal government, acting by and through the U.S. Army Corps of Engineers (“USACE”), and to enter into agreements necessary to obtain credit or reimbursement from the USACE.
 - The parties agree that this OMRR&R Agreement may be superseded by one or more agreements acceptable to the USACE, the Department, and the Board that gives satisfactory assurances to the federal government and the Board that the required local cooperation will be furnished in connection with the Project.
4. The Local Maintaining Agency agrees that it already has responsibility for ~~OMRR&R for~~ existing portions of the Project (as hereinafter defined and as depicted on the plat attached here to as Figure 1) under California Water Code Section 12642 which states, and under which the State contends, that in all cases where the Federal Government does not maintain and operate projects, it is the responsibility and duty of the county, city, state agency, or public district affected to maintain and operate flood control and other works, after constructed pursuant to the Water Code, after their completion, and hold and save the State and the United States free from damages.
5. The Board has agreed to enter into this OMRR&R Agreement on the condition that the Local Maintaining Agency provides the Board with the assurances specified in this OMRR&R Agreement that Local Maintaining Agency or Funding Recipient will be responsible for OMRR&R of the Project upon its completion; and will, as described below, hold and save the federal government, State, their representatives, officers, directors, and employees, including their attorneys, ~~as well as their successors and assigns,~~ free and harmless from any and all claims and damages arising from OMRR&R of the Project, and Funding Recipient will, as described below, hold and save the federal government, State, their representatives, officers, directors, and employees, including their attorneys, ~~as well as their successors and assigns,~~ free and harmless from any and all claims and damages arising from construction of the Project.

6. The Board, Funding Recipient, and the Local Maintaining Agency have agreed that this OMRR&R Agreement will set forth not only their agreement with respect to OMRR&R for the Project, but also for work funded under prior and future funding agreements related to the Project, on land and rights-of-way that have been or will ultimately be transferred to the Sacramento and San Joaquin Drainage District, acting by and through the Board, and all of the federally and State authorized flood facilities related to the project that are within the Local Maintaining Agency's boundaries.

NOW, THEREFORE, IT IS HEREBY AGREED:

For purposes of this OMRR&R Agreement, the terms below are defined as indicated:

“Board:” The State of California Central Valley Flood Protection Board or any successor thereto.

“Department:” The State of California Department of Water Resources.

~~**“Functional Portion of the Project:”** A completed portion of the Project to be constructed under the Overall Work Plan as determined by the Board to be suitable to operate and maintain in advance of completion of construction of the entire Project.~~

“Funding Agreement:” Agreement between the State of California Department of Water Resources and the Sacramento Area Flood Control Agency for The Levee Accreditation Project dated February 23, 2017, Agreement Number 4600011724, as amended.

“Funding Recipient:” The Sacramento Area Flood Control Agency (SAFCA), a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, which is the signatory to the Funding Agreement.

“Local Maintaining Agency:” The American River Flood Control District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, which has been designated by the Funding Recipient as the agency which will assume responsibility for OMRR&R for any Functional Portion of the North Sacramento Streams Levee Improvement Project.

“OMRR&R:” Operation, maintenance, repair, replacement, and rehabilitation of the Project.

“OMRR&R Agreement:” This agreement between the Central Valley Flood Protection Board, the Sacramento Area Flood Control Agency and American River Flood Control District for OMRR&R of the Project.

“Overall Work Plan:” The plan described in the Funding Agreement ~~in Paragraph [22],~~ as amended, and Funding Agreement Exhibit A, as amended.

“Post Construction Performance Reports:” This report shall be prepared annually in compliance with Assembly Bill 156 (Stats. 2007, ch. 368) and comply with Section 9140 of the California Water Code.

~~**“Project:”** The Project Site described in the Overall Work Plan, but also including all~~**“Project:”** All of the federally and State authorized flood facilities to the extent to which they are within the Local Maintaining Agency's boundaries as shown in Figure 1.

“Project Site:” The location of the North Sacramento Streams Levee Improvement Project where permanent improvements are made to facilities of the State Plan of Flood Control.

“North Sacramento Streams Levee Improvement Project:” The ~~project~~flood risk reduction project features of such North Sacramento Streams Levee Improvement Project as described in the Overall Work Plan described in the relevant Funding Agreement, as amended.

“Standard Operation and Maintenance Manual:” A document prepared by the Funding Recipient and approved by the Local Maintaining Agency and submitted to the State for review, comment and approval that will govern the operation, maintenance, repair, replacement and rehabilitation of the Project. This manual will include all manuals related to the State Plan of Flood Control facilities covered by this OMRR&R agreement, including those prepared by the USACE and/or Board for flood, ecosystem, habitat, mitigation or other purposes and any other such manuals.

“State:” The State of California, acting by and through the Board.

“State Plan of Flood Control:” The state and federal flood control works, lands, programs, plans, conditions, and mode of maintenance and operations described in Cal. Pub. Res. Code § 5096.805(j).

“USACE:” The United States Army Corps of Engineers.

SECTION I: Obligations of the Local Maintaining Agency, and, in part, the Funding Recipient.

A. General Obligations. The Local Maintaining Agency, and, in part, as provided in Subsection 3 and 4, below, the Funding Recipient agree to the following:

1. To cause to perform OMRR&R for the Project, without limitation, in accordance with the Project design specifications, environmental permits, environmental impact reports, regulations, and directions prescribed by the State, all without any cost to the State. The duties of the Local Maintaining Agency to perform OMRR&R for all State Plan of Flood Control Project features shall be performed in a manner that does not diminish the flood protection afforded by or jeopardize the structural integrity of the Project and the flood control system of which the Project is part. The duties of the Local Maintaining Agency pursuant to this paragraph are described further in Section I-B below.
2. To defend, indemnify, hold and save the federal government and the State, to the extent allowed by law, their representatives, officers, directors, agents, and employees, including their attorneys ~~as well as their successors and assigns~~ free and harmless, to the extent permitted by law, from any and all liability for any claims and damages (including inverse condemnation) that may arise out of this OMRR&R Agreement, including but not limited to any claims or damages arising from the construction and performance of OMRR&R under this Agreement.
3. The Funding Recipient agrees to defend, indemnify, hold and save the federal government and the State, to the extent allowed by law, their representatives, officers, directors, agents, and employees, including their attorneys ~~as well as their successors and assigns~~ free and harmless, to the extent permitted by law, from any and all liability for any claims and damages (including inverse condemnation) that may arise out of construction of the Project, and to assume responsibility for OMRR&R if for any reason the Local Maintaining Agency fails to perform under this Agreement.
4. The Funding Recipient agrees to cause to perform OMRR&R of all mitigation features of the Project, without limitation, in accordance with environmental permits, environmental impact reports, ~~regulations, and directions prescribed by the State, all without any cost to the State~~ and regulations.

B. Specific Obligations to Operate, Maintain, Repair, Replace, and Rehabilitate

1. The Local Maintaining Agency hereby accepts responsibility for OMRR&R of the Project. The Local Maintaining Agency agrees that it will be responsible for OMRR&R of the

Project as further explained in: (1) the Standard Operation and Maintenance Manual for the Project and (2) any applicable Supplement to the Standard Operation and Maintenance Manual for the Project.

2. The Local Maintaining Agency agrees to cooperate in the Funding Recipient's development of a Standard Operation and Maintenance Manual for State Plan of Flood Control features of the Project as required by Board permits issued to The Funding Recipient for the Project. The Standard Operation and Maintenance Manual for the Project or Functional Portions of the Project may be a stand-alone document or an amendment to the Standard Operation and Maintenance Manual for the Project as directed by the Board. The Local Maintaining Agency acknowledges and the Funding Recipient acknowledge that changes to the Standard Operation and Maintenance Manual of State Plan of Flood Control facilities may be made by the State and the USACE before the document becomes final. The State may make reasonable changes but shall consult with Local Maintaining Agency and Funding Recipient prior to making such changes. Local Maintaining Agency shall be required to update the Standard Operation and Maintenance Manual as may be necessary or as required by the Board and shall make a copy available to the State and Funding Recipient within three (3) days after the State or Funding Recipient so requests. Local Maintaining Agency shall be responsible for OMRR&R in accordance with any revised version of the Standard Operation and Maintenance Manual for the Project or any Supplement to the Standard Operation and Maintenance Manual.
3. The Local Maintaining Agency hereby gives the State and Funding Recipient the right to enter, at reasonable times and in a reasonable manner, upon the Project Site and land which it owns or controls for access to the Project Site for the purpose of: (i) conducting subsequent inspections to verify that the Local Maintaining Agency is complying with its obligations under this OMRR&R Agreement; and (ii) operating, maintaining, repairing, replacing, or rehabilitating any part of the Project located at or accessible by the Project Site in conjunction with any present or future flood control plan if in the reasonable judgment of State or Funding Recipient, the Local Maintaining Agency fails to comply with its obligations under this OMRR&R Agreement. In the event the State assumes title to any of the land to which the Local Maintaining Agency needs access to fulfill the obligations set forth in the paragraph, the State grants an irrevocable license to the Local Maintaining Agency and Funding Recipient to enter the land to fulfill its obligations under this OMRR&R Agreement.
4. If the Local Maintaining Agency has failed or refused to perform the obligations set forth in this OMRR&R Agreement or the requirements of the manuals mentioned above, ~~the State~~ Funding Recipient may take appropriate actions including proceedings to establish a maintenance area under Water Code Section 12878 *et seq.*

If the Local Maintaining Agency has failed or refused to perform the obligations set forth in this OMRR&R Agreement or the requirements of the manuals mentioned above, and for any reason the Funding Recipient is not able to take appropriate actions under these provisions of law, then the Funding Recipient may take appropriate actions under this OMRR&R Agreement as follows: If the failure or refusal constitutes, in the sole discretion of the Funding Recipient, a threat to the continued ability of the Project or functional portion thereof to perform in a manner necessary to provide its designed level of flood protection, then the Funding Recipient may itself perform the necessary work or do so by contract. The Funding Recipient may in its sole discretion develop a work plan and present it to the Local Maintaining Agency with instructions that if the Local Maintaining Agency does not agree to carry out the work plan within the time specified in the work plan, the Funding Recipient will perform the necessary work or do so by contract. The Local Maintaining Agency will reimburse the Funding Recipient for the costs of performing such work in accordance with the procedures set forth in this OMRR&R

Agreement. No completion, operation, maintenance, repair, replacement, or rehabilitation by the Funding Receipt shall operate to relieve the Local Maintaining Agency of responsibility to meet the Local Maintaining Agency's obligations as set forth in this OMRR&R Agreement, or to preclude the Funding Recipient from pursuing any other remedy at law or equity to ensure faithful performance pursuant to this OMRR&R Agreement.

5. If both the Local Maintaining Agency and the Funding Recipient have failed or refused to perform the obligations set forth in this OMRR&R Agreement or the requirements of the manuals mentioned above, the State may take appropriate actions including proceedings to establish a maintenance area under Water Code Section 12878 et seq.

If the both Local Maintaining Agency and the Funding Recipient have failed or refused to perform the obligations set forth in this OMRR&R Agreement or the requirements of the manuals mentioned above, and for any reason the State is not able to take appropriate actions under these provisions of law, then the State may take appropriate actions under this OMRR&R Agreement as follows: If the failure or refusal constitutes, in the sole discretion of the State, a threat to the continued ability of the Project or functional portion thereof to perform in a manner necessary to provide its designed level of flood protection, then the State may itself perform the necessary work or do so by contract. The State may in its sole discretion develop a work plan and present it to the Local Maintaining Agency and Funding recipient with instructions that if the Local Maintaining Agency and/or Funding Recipient does not agree to carry out the work plan within the time specified in the work plan, the State will perform the necessary work or do so by contract. The Local Maintaining Agency and/or Funding Recipient will reimburse the State for the costs of performing such work in accordance with the procedures set forth in this OMRR&R Agreement. No completion, operation, maintenance, repair, replacement, or rehabilitation by the State shall operate to relieve the Local Maintaining Agency and Funding Recipient of responsibility to meet the Local Maintaining Agency's their obligations as set forth in this OMRR&R Agreement, or to preclude the State from pursuing any other remedy at law or equity to ensure faithful performance pursuant to this OMRR&R Agreement.

C. Additional Obligations:

1. The Funding Recipient and/or Local Maintaining Agency shall annually review and, if appropriate or requested by the State, update the safety plan for the Project prepared pursuant to the relevant Funding Agreements or required by Cal. Water Code § 9650. The Funding Recipient and/or Local Maintaining Agency agrees to use best efforts to ensure that the updated safety plan is integrated into any other local agency emergency plan and is coordinated with the State emergency plan.
2. No later than September 30 of each calendar year Local Maintaining Agency shall provide an annual Post Construction Performance Report to the Department, in accordance with Water Code Section 9140 that pertain to the Project.
 - (a) If the Local Maintaining Agency is not the same as the Funding Recipient, the Local Maintaining Agency represents that it has made arrangements with the Funding Recipient to obtain any information needed from the Funding Recipient in order to prepare this report.
 - (c) The Department in its sole determination may modify these reporting requirements as needed to ensure that it has adequate information with which to perform its responsibilities.

3. Upon request, the Funding Recipient will provide the State with copies of Project Completion Reports prepared pursuant to the Funding Agreement.

SECTION II: Hazardous Substances

The Local Maintaining Agency acknowledges and Funding Recipient acknowledge State may incur obligations with respect to hazardous substances regulated under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. §§ 9601-9675; California Hazardous Substances Account Act, Calif. Health & Safety Code § 25310 *et seq.* or other statutes or regulations (collectively referred to as “state and federal Hazardous Substances Laws”) on lands necessary for Project construction and OMRR&R to the extent the Local Maintaining Agency fails to comply with its obligations under this OMRR&R Agreement. The Local Maintaining Agency agrees:

- A. That in the event that the Local Maintaining Agency discovers through an environmental investigation or other means that any lands, easements, or rights of way that have been acquired or provided for the Project contain reportable quantities of hazardous substances regulated under CERCLA and/or other state and federal Hazardous Substances Laws, the Local Maintaining Agency shall promptly notify the State and Funding Recipient of that discovery if it can be reasonably anticipated that the discovery of reportable quantities of hazardous substances will require Local Maintaining Agency to incur response costs in excess of \$10,000.

If the Funding Recipient is responsible for OMRR&R, that in the event that the Funding Recipient discovers through an environmental investigation or other means that any lands, easements, or rights of way that have been acquired or provided for the Project contain reportable quantities of hazardous substances regulated under CERCLA and/or other state and federal Hazardous Substances Laws, the Funding Recipient shall promptly notify the State and Local Maintaining Agency of that discovery if it can be reasonably anticipated that the discovery of reportable quantities of hazardous substances will require the Funding Receipt to incur response costs in excess of \$10,000.

- B. That in the event reportable quantities of hazardous substances regulated under CERCLA and/or other state and federal Hazardous Substances Laws have been found, the Local Maintaining Agency shall initiate and complete any and all necessary response and cleanup activity required under CERCLA and/or other state and federal Hazardous Substances Laws, which shall include any studies and investigations necessary to determine the appropriate response to the contamination. Payment for the costs of such necessary response and cleanup activity as required under CERCLA and/or other state and federal Hazardous Substances Laws shall be made by the Local Maintaining Agency. In the event that the Local Maintaining Agency fails to provide the funds necessary for response and cleanup activity required under CERCLA and/or other state and federal Hazardous Substances Laws or to otherwise discharge the Local Maintaining Agency’s responsibilities under this Paragraph B, then the State may perform the necessary response and cleanup activity, and the Local Maintaining Agency shall reimburse the State in accordance with the procedures set out in this OMRR&R Agreement. If the State performs the necessary response and cleanup activity required under CERCLA and/or other state and federal Hazardous Substances Laws, the State shall consult with the Local Maintaining Agency concerning the selection of the person(s) to perform the work, the amount of money to be spent on the work, the scope of the work, and any other aspect of response and cleanup activity.

If the Funding Recipient is responsible for OMRR&R, that in the event reportable quantities of hazardous substances regulated under CERCLA and/or other state and federal Hazardous Substances Laws have been found, the Funding Recipient shall initiate and complete any and all necessary response and cleanup activity required under CERCLA and/or other state and federal Hazardous Substances Laws, which shall include any studies and investigations necessary to determine the appropriate response to the contamination. Payment for the costs of such necessary response and cleanup activity as required under CERCLA and/or other state and federal Hazardous Substances Laws shall be made by the Funding Recipient. In the event that

the Funding Recipient fails to provide the funds necessary for response and cleanup activity required under CERCLA and/or other state and federal Hazardous Substances Laws or to otherwise discharge the Funding Recipient's responsibilities under this Paragraph B, then the State may perform the necessary response and cleanup activity, and the Funding Recipient shall reimburse the State in accordance with the procedures set out in this OMRR&R Agreement. If the State performs the necessary response and cleanup activity required under CERCLA and/or other state and federal Hazardous Substances Laws, the State shall consult with the Funding Recipient concerning the selection of the person(s) to perform the work, the amount of money to be spent on the work, the scope of the work, and any other aspect of response and cleanup activity.

- C. That the Local Maintaining Agency shall consult with the State in order to ensure that responsible persons under CERCLA and/or other state and federal Hazardous Substances Laws ultimately bear all necessary response and cleanup costs as defined in CERCLA and/or other state and federal Hazardous Substances Laws.

If the Funding Recipient is responsible for OMRR&R, that the Funding Recipient shall consult with the State in order to ensure that responsible persons under CERCLA and/or other state and federal Hazardous Substances Laws ultimately bear all necessary response and cleanup costs as defined in CERCLA and/or other state and federal Hazardous Substances Laws.

- D. That the Local Maintaining Agency shall operate, maintain, repair, replace, and rehabilitate the Project in a manner that will control and minimize the release or threatened release of hazardous substances regulated under CERCLA and/or other state and federal Hazardous Substances Laws on lands necessary for Project construction, operation, maintenance, repair, replacement, or rehabilitation.

If the Funding Recipient is responsible for OMRR&R, that the Funding Recipient shall operate, maintain, repair, replace, and rehabilitate the Project in a manner that will control and minimize the release or threatened release of hazardous substances regulated under CERCLA and/or other state and federal Hazardous Substances Laws on lands necessary for Project construction, operation, maintenance, repair, replacement, or rehabilitation.

- E. That in the event that the State, their representatives, officers, directors, employees, including their attorneys, as well as their successors and assigns, are found to be liable under CERCLA and/or other state and federal Hazardous Substances Laws for the release or threatened release of hazardous substances arising out of the operation, maintenance, repair, replacement, or rehabilitation of the Project, then the Local Maintaining Agency shall indemnify and hold the State, their representatives, officers, directors, employees, including their attorneys, as well as their successors and assigns, harmless from any response or cleanup costs for which the State, their representatives, officers, directors, employees, including their attorneys, as well as their successors and assigns, may be found to be liable under CERCLA and/or other state and federal Hazardous Substances Laws.

If the Funding Recipient is responsible for OMRR&R, that in the event that the State, their representatives, officers, directors, employees, including their attorneys, as well as their successors and assigns, are found to be liable under CERCLA and/or other state and federal Hazardous Substances Laws for the release or threatened release of hazardous substances arising out of the operation, maintenance, repair, replacement, or rehabilitation of the Project, then the Funding Recipient shall indemnify and hold the State, their representatives, officers, directors, employees, including their attorneys, as well as their successors and assigns, harmless from any response or cleanup costs for which the State, their representatives, officers, directors, employees, including their attorneys, as well as their successors and assigns, may be found to be liable under CERCLA and/or other state and federal Hazardous Substances Laws.

- F. No decision made or action taken pursuant to any provision of this Section of the Project OMRR&R Agreement shall relieve any responsible person from any liability that may arise under CERCLA and/or other state and federal Hazardous Substances Laws, nor shall such decision or action be considered a waiver by the State ~~or~~, the Local Maintaining Agency or the Funding Recipient of any right to seek from any responsible person as defined by CERCLA and/or other state and federal Hazardous Substances Laws the recovery, contribution of, or indemnification from costs incurred by the State ~~or~~, the Local Maintaining Agency or the Funding Recipient for response or cleanup activity required under CERCLA and/or other state and federal Hazardous Substances Laws, nor shall such decision or action be considered a waiver by the State of any other right or remedy provided by law.

SECTION III: Authorization for Delegation or Subcontracting

The Local Maintaining Agency or the Funding Recipient may delegate or subcontract its responsibilities under this OMRR&R Agreement. The Local Maintaining Agency or the Funding Recipient shall be responsible for all work to be performed under the contract, including any delegated work. The State shall have the right to ask that any services for this OMRR&R Agreement provided by any subcontractor be terminated if its performance is unsatisfactory.

Payment for services rendered by subcontractors shall be made entirely by the Local Maintaining Agency or the Funding Recipient; the State shall not have any responsibility for making any payments to the subcontractors for any services they may render in connection with this OMRR&R Agreement.

SECTION IV: Procedures for Reimbursing the State

If the Local Maintaining Agency fails to fulfill its obligations under this Agreement and if the failure or refusal constitutes, in the sole discretion of the State, a threat to the continued ability of the flood project to perform in a manner necessary to provide its designed level of flood protection, then the StateFunding Recipient, after notifying the Local Maintaining Agency and providing a sixty (60) day opportunity to cure period, may in its sole discretion develop a work plan and present it to the Local Maintaining Agency with instructions that if the Local Maintaining Agency does not agree to carry out, or is unable to carry out, the work plan within the time specified in the work plan, the StateFunding Recipient will perform the necessary work or do so by contract. The Local Maintaining Agency agrees, subject to compliance with applicable state law, to reimburse the StateFunding Recipient for the costs of performing such work in accordance with the procedures set forth in this Agreement. No completion, operation and maintenance, by the StateFunding Recipient shall operate to relieve the Local Maintaining Agency of responsibility to meet the Local Maintaining Agency's obligations as set forth in this Agreement, or to preclude the StateFunding Recipient from pursuing any other remedy at law or equity to ensure faithful performance pursuant to this Agreement.

If the Local Maintaining Agency and Funding Recipient fails to fulfill its obligations under this Agreement and if the failure or refusal constitutes, in the sole discretion of the State, a threat to the continued ability of the flood project to perform in a manner necessary to provide its designed level of flood protection, then the State, after notifying the Local Maintaining Agency and the Funding Recipient and providing a sixty (60) day opportunity to cure period, may in its sole discretion develop a work plan and present it to the Local Maintaining Agency and the Funding Recipient with instructions that if the Local Maintaining Agency or the Funding Recipient does not agree to carry out, or is unable to carry out, the work plan within the time specified in the work plan, the State will perform the necessary work or do so by contract. The Local Maintaining Agency and the Funding Recipient agree, subject to compliance with applicable state law, to reimburse the State for the costs of performing such work in accordance with the procedures set forth in this Agreement. No completion, operation and maintenance, by the State shall operate to relieve the Local Maintaining Agency or the Funding Recipient of responsibility to meet the Local Maintaining Agency's and the Funding Recipient's obligations as set forth in this Agreement, or to preclude the State from pursuing any other remedy at law or equity to ensure faithful performance pursuant to this Agreement.

SECTION V: Disputes

Before any party to the OMRR&R Agreement may bring suit in any court concerning an issue relating to this OMRR&R Agreement, that party must first seek in good faith to resolve the issue through negotiation or other forms of nonbinding alternative dispute resolution mutually acceptable to all parties.

SECTION VI: Obligation of Future Appropriations

The parties agree that nothing herein shall constitute, or be deemed to constitute, an obligation of future appropriations by the Legislature of the State of California, the Board of Directors of Funding Recipient, and the Board of Trustees of the Local Maintaining Agency.

SECTION VII: Term of Agreement; Amendment

The effective date of this OMRR&R Agreement is the date ~~it is signed by~~ all parties sign it. The OMRR&R Agreement will continue in full force and effect unless terminated or amended upon written consent of all parties.

The parties acknowledge that in order to obtain federal credits or reimbursement for this Project, it may be necessary to amend this OMRR&R Agreement as required by the USACE. The parties agree that they will not unreasonably withhold consent for any amendments necessary to obtain federal credits or reimbursement.

SECTION VIII: Notices

All notices, requests, demands, and other communications required or permitted to be given under this OMRR&R Agreement shall be deemed to have been duly given if in writing and delivered personally or mailed by first class (postage pre-paid), registered, or certified mail, as follows:

If to the Local Maintaining Agency:
American River Flood Control District
ATTN: General Manager
185 Commerce Circle
Sacramento, CA 95815

If to the Board:
Central Valley Flood Protection Board
ATTN: Executive Officer
3310 El Camino Avenue, Suite 170
Sacramento, CA 95821

If to the Funding Recipient:
Sacramento Area Flood Control Agency
ATTN: Executive Director
1007 7th Street, 7th Floor
Sacramento, CA 95814

A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this section.

Any notice, request, demand, or other communication made pursuant to this section shall be deemed to have been received by the addressee at such time as it is personally delivered or seven (7) calendar days after it is mailed, as the case may be.

SECTION IX: Standard Conditions

This OMRR&R Agreement incorporates by reference the standard conditions that are included in Attachment A to this OMRR&R Agreement.

SECTION X: Authority

The Funding Recipient and the Local Maintaining Agency have each provided a copy of a resolution adopted by its governing body designating a representative to execute this OMRR&R Agreement. This resolution is substantially the same as the draft resolution provided in Attachment B to this OMRR&R Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this OMRR&R Agreement.

The Central Valley Flood Protection Board

American River Flood Control District

By _____
Leslie M. Gallagher,
Executive Officer

By _____
Timothy R. Kerr,
General Manager

Date: _____

Date: _____

Approved as to Legal Form
and Sufficiency:

Approved as to Legal Form
and Sufficiency:

Kenwarjit Dua,
Board Counsel

David Aladjem,
District Legal Counsel

Sacramento Area Flood Control Agency

By _____
Jason Campbell,
Deputy Executive Director

Approved as to Legal Form
And Sufficiency:

M. Holly Gilchrist,
Agency Counsel

Attachment A

STANDARD CONDITIONS

1. **GOVERNING LAW:** This OMRR&R Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
2. **TIMELINESS:** Time is of the essence in this OMRR&R Agreement.
3. **AMENDMENT:** This OMRR&R Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Local Maintaining Agency for amendments must be in writing stating the amendment request and the reason for the request. State shall have no obligation to agree to an amendment.
4. **SUCCESSORS AND ASSIGNS:** This OMRR&R Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this OMRR&R Agreement or any part thereof, rights hereunder, or interest herein by the Local Maintaining Agency shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
5. **INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this OMRR&R Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this OMRR&R Agreement. Failure or refusal by Local Maintaining Agency to comply with this provision shall be considered a breach of this OMRR&R Agreement, and State may take any other action it deems necessary to protect its interests, after complying with paragraph V of the OMRR&R Agreement.
6. **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** Local Maintaining Agency shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, without prior permission of State. Local Maintaining Agency shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Local Maintaining Agency meet its obligations under this OMRR&R Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property acquired, reimbursed or credited with State funds be remitted to State.
7. **NO THIRD PARTY RIGHTS:** The parties to this OMRR&R Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this OMRR&R Agreement, or of any duty, covenant, obligation or undertaking established herein.
8. **OPINIONS AND DETERMINATIONS:** Where the terms of this OMRR&R Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
9. **SUIT ON OMRR&R AGREEMENT:** Each of the parties hereto may sue and be sued with respect to this OMRR&R Agreement.
10. **REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this OMRR&R Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

11. SEVERABILITY: Should any portion of this OMRR&R Agreement be determined to be void or unenforceable, such shall be severed from the whole and the OMRR&R Agreement shall continue as modified.
12. WAIVER OF RIGHTS: None of the provisions of this OMRR&R Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this OMRR&R Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the OMRR&R Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
13. TERMINATION FOR CAUSE: The State may terminate this OMRR&R Agreement should Local Maintaining Agency fail to perform the requirements of this OMRR&R Agreement at the time and in the manner herein provided or in the event of a default by the Funding Recipient under the relevant Funding Agreement.
14. INDEPENDENT CAPACITY: Local Maintaining Agency, and the agents and employees of Local Maintaining Agencies, in the performance of the OMRR&R Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
15. CONFLICT OF INTEREST
 - a) Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - c) Employees of the Local Maintaining Agency: Employees of the Local Maintaining Agency shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 *et seq.*
 - d) Employees of and Consultants to the Local Maintaining Agency: Individuals working on behalf of a Local Maintaining Agency may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
16. WORKERS' COMPENSATION: Local Maintaining Agency affirms that it is aware of the provisions of Labor Code Section 3700 *et seq.*, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Local Maintaining Agency affirms that it will comply with such provisions before commencing the performance of the work under this OMRR&R Agreement and will make its contractors and subcontractors aware of this provision.

17. **AMERICANS WITH DISABILITIES ACT:** By signing this OMRR&R Agreement, Local Maintaining Agency assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
18. **NONDISCRIMINATION CLAUSE:** During the performance of this OMRR&R Agreement, Local Maintaining Agency and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Local Maintaining Agency and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Local Maintaining Agency and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Local Maintaining Agency and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Local Maintaining Agency shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the OMRR&R Agreement.

19. DRUG-FREE WORKPLACE CERTIFICATION

Certification of Compliance: By signing this OMRR&R Agreement, Local Maintaining Agency, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and, if such Act applies to Local Maintaining Agency, have or will provide a drug-free workplace by taking the following actions:

a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a)(1).

b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:

1. The dangers of drug abuse in the workplace,
2. Local Maintaining Agency's policy of maintaining a drug-free workplace,
3. Any available counseling, rehabilitation, and employee assistance programs, and
4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.

c) Provide as required by Government Code Sections 8355(a)(3), that every employee, contractor, and/or subcontractor who works under this OMRR&R Agreement:

1. Will receive a copy of Local Maintaining Agency's drug-free policy statement, and
2. Will agree to abide by terms of Local Maintaining Agency's condition of employment, contract or subcontract.

Suspension of Payments: This OMRR&R Agreement may be subject to suspension of payments or termination, or both, and Local Maintaining Agency may be subject to debarment if the State determines that:

- a) Local Maintaining Agency, its contractors, or subcontractors have made a false certification, or
- b) Local Maintaining Agency, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted above.

20. UNION ORGANIZING: Local Maintaining Agency, by signing this OMRR&R Agreement, hereby acknowledges the applicability of Government Code 16645 through 16649 to this OMRR&R Agreement. Furthermore, Local Maintaining Agency, by signing this OMRR&R Agreement, hereby certifies that:

- a) No State funds disbursed by this OMRR&R Agreement will be used to assist, promote, or deter union organizing.
- b) Local Maintaining Agency shall account for State funds disbursed for a specific expenditure by this OMRR&R Agreement to show those funds were allocated to that expenditure.
- c) Local Maintaining Agency shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
- d) If Local Maintaining Agency makes expenditures to assist, promote, or deter union organizing, Local Maintaining Agency will maintain records sufficient to show that no State funds were used for those expenditures and that Local Maintaining Agency shall provide those records to the Attorney General upon request.

21. COMPUTER SOFTWARE: Local Maintaining Agency certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this OMRR&R Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

22. DELIVERY OF INFORMATION, REPORTS, AND DATA: Local Maintaining Agency agrees to expeditiously provide, during work on the Urban Flood Risk Reduction Program and throughout the term of this OMRR&R Agreement, such reports, data, information, and certifications as may be reasonably required by State.

23. RIGHTS IN DATA: Local Maintaining Agency agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this OMRR&R Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act, Cal. Gov't Code §§ 6250 *et seq.* Local Maintaining Agency may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this OMRR&R Agreement, subject to appropriate acknowledgement of credit to State for financial support. Local Maintaining Agency shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.

23. CHILD SUPPORT COMPLIANCE ACT: For any OMRR&R Agreement in excess of \$100,000, the Funding Recipient acknowledges in accordance with Public Contract Code 7110, that:

- a) The Funding Recipient recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings

assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b) The Funding Recipient, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

24. PRIORITY HIRING CONSIDERATIONS: If this OMRR&R Agreement includes services in excess of \$200,000, the Funding Recipient shall give priority consideration in filling vacancies in positions funded by the OMRR&R Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code § 10353.
25. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the Funding Recipient certifies by signing this OMRR&R Agreement, under penalty of perjury under the laws of State of California that Funding Recipient is in compliance with Public Contract Code section 10295.3
26. LOCAL MAINTAINING AGENCY NAME CHANGE: Approval of the State is required to change the Local Maintaining Agency's name as listed on this OMRR&R Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
27. AIR OR WATER POLLUTION VIOLATION: Under State laws, the Local Maintaining Agency shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution

Section 9 Inspection and Maintenance

Inspection and maintenance requirements are generally described in the USACE *Standard Operation and Maintenance Manual for the Sacramento River Flood Control Project*, the Supplement Manuals, and DWR's *Superintendent's Guide to Operation & Maintenance of California's Flood Control Projects*. These documents, as well as any manufacturer's instructions for specialized features and/or appurtenances should be readily available at all times. Additional inspection and maintenance guidance, forms, and checklists are included in **Appendix I** (attached).

For purposes of this local agency supplement manual, Maintenance is defined using the definition from the *Flood System Long-Term Operations, Maintenance, Repair, Rehabilitation, and Replacement Cost Evaluation* prepared by DWR as part of the 2017 CVFPP Update as:

Maintenance includes routine activities that need to be performed to keep the system operational. Maintenance is further defined to include minor repairs, rehabilitation, and replacement of items as necessary to keep the system in good working condition.

Typical activities involved in routine repairs, rehabilitation, and replacement as part of routine maintenance are generally described below and are described in more detail later in this section. For purposes of this manual, routine repair and rehabilitation are generally referred to as repair.

Routine or periodic maintenance includes activities that must be performed annually or semiannually, including vegetation management (such as invasive species and channel snags), sediment removal, mowing, rodent and burrowing vector control to maintain levee integrity, minor erosion repair, levee crown repairs, crown road surfacing, and bank stabilization. Other typical activities include maintaining pumping plants, gates and closure structures, and other appurtenant flood control facilities as necessary.

Major repairs resulting from levee breaches, deep underseepage repairs, large slips with large stability failures, or erosion damage that threatens the integrity or stability of the levee are beyond the capacity of the LMAs to address as part of routine OMRR&R. Furthermore, repairs or improvements to the levee or appurtenant structures that may be needed in the future in order to meet updated design criteria are not included in routine OMRR&R.

The specific actions to be taken by the LMAs for routine inspection and maintenance of the levee and appurtenant structures are outlined in this section. **This document is general and preliminary in nature. Specific details of OMRR&R actions are currently in development.**

9.1. General

As indicated in the USACE *Standard Operation and Maintenance Manual for the Sacramento River Flood Control Project*, inspections should be completed by the LMA under the following circumstances:

- 1) Immediately prior to the beginning of each flood season;
- 2) Immediately following each major high-water period (i.e.: when the river stage exceeds the elevation of the landside levee toe);
- 3) At intervals not exceeding 90 days;
- 4) At intermediate times as may be necessary to confirm the levee is properly maintained; and

5) Following significant earthquakes in the vicinity of the project as shown below:

<u>Magnitude</u>	<u>Distance to Epicenter</u>
$5 > M$	less than 10 miles
$5 < M < 6$	less than 30 miles
$M > 6$	less than 50 miles

9.2. Levees and Embankments

Crown Roadways and Access Roads

The crown roadway, ramps, and access roads should be properly maintained and kept serviceable. Levee crown roadway and access roads need to be maintained to be free of ruts, pot holes, or other depressions. The levee crown and access road crowns should also be maintained so that they drain properly without any ponded water.

This work involves periodically grading and gravelling road surfaces following the same procedures and requirements outlined in Section 4 of the *Superintendent's Guide to Operation & Maintenance of California's Flood Control Projects*. Other specific actions for LD1 to be added.

Cracking and Slips

Repair of cracking and slips that are less than four feet in depth, and that do not encroach into the theoretical levee prism or threaten the structural integrity / stability of the levee are included as part of routine maintenance. Repairs for slips and cracking more than four feet in depth, those that encroach into the theoretical levee prism, or those that threaten the structural integrity or stability of the levee are not included in routine OMRR&R.

Any cracks or slips should be immediately marked on the ground, reported to the LMA General Manager, and evaluated by a registered civil engineer with levee experience and remedial measures implemented, as determined necessary.

All cracks greater than one inch wide in the levee crown or slopes should be repaired using the following procedure: 1) remove and salvage the gravel surfacing material on the levee crown; 2) excavate the levee crown and/or slope along the crack to the full depth of the crack; 3) backfill the excavation with compacted clayey material placed in thin lifts and meeting the material property and compaction requirements for the original levee construction; 4) replace and compact the gravel surfacing over the levee crown; and 5) stabilize the repaired area on the levee slope using an erosion mat or fabric, and reseed it to re-establish the ground cover.

Localized sloughing and slips should be immediately repaired and the areas promptly stabilized and revegetated, if needed. These repairs should be made with earth that is free from brush, roots, sod, or other unsuitable material. The materials should be placed in 6-inch-thick lifts and compacted in accordance with Title 23. Other specific repair actions for LD1 to be added.

Erosion and Riprap Revetment

Repair of erosion damage, scour holes, or bank caving caused by high water events, heavy rains, or wave wash action that are less than four feet in depth and that do not encroach into the theoretical levee prism or threaten the structural integrity / stability of the levee are included as part of routine maintenance. Repairs for erosion damage that are more than four feet in depth,

encroach into the theoretical levee prism, or damage that threaten the structural integrity or stability of the levee are not included in routine OMRR&R.

Dragging, seeding and mulching of the levee slopes to repair minor surface erosion or irregularities and to prevent serious erosion should be performed when needed. Procedures for dragging should be implemented as outlined in Section 4.22 of DWR's *Superintendent's Guide to Operation & Maintenance of California's Flood Control Projects*.

Erosion, scour holes or bank caving should be immediately repaired and the areas promptly stabilized and revegetated, if needed. These repairs should be made with earth that is free from brush, roots, sod, or other unsuitable material. The materials should be placed in 6-inch-thick lifts and compacted in accordance with Title 23. Rock slope protection or riprap that becomes dislodged or displaced should be replaced. **Other specific repair actions for LD1 to be added.**

Cutoff Walls

The cutoff wall acts as an impervious barrier and should not be penetrated or encroached at any location. Modification or repair work in the vicinity of the SB, CB, or SCB cutoff walls should include provisions to avoid damaging the cutoff wall. Proposed future utilities should be placed over the existing cutoff wall. Repairs or improvements to cutoff walls are not part of routine OMRR&R.

Rodent Activity

Ground squirrels, beavers, and other burrowing rodents can threaten the structural integrity of levees by loosening soil which increases the risk of erosion and sloughing, reduces the length of the seepage path, and increases the seepage gradient and the likelihood of piping-type erosion failures. Therefore, a continuous rodent control program should be implemented.

The rodent control program should use the same procedures and requirements as outlined in Section 5 of DWR's *Superintendent's Guide to Operation & Maintenance of California's Flood Control Projects*. Animal dens and runways should be opened up and backfilled with compacted fill or pumped full of a grout mixture. **Other specific repair actions for LD1 to be added.**

Vegetation Management

DWR has established a Life Cycle Management (LCM) approach for maintaining vegetation on levees. The LCM generally applies to a Vegetation Management Zone (VMZ) consisting of the entire landside levee slope (and berm) plus 15 feet beyond the landside toe, the levee crown, and the top 20 feet (slope length) of the waterside levee slope (see Section 7.16.7 of the ULDC for more information). LCM achieves visibility and accessibility criteria while progressing gradually (over many decades) toward the current USACE vegetation policy goal of eventually eliminating woody vegetation from the VMZ.

Mowing, grazing, burning, spraying, and/or discing of low-lying vegetation and trimming, pruning, and/or removal of woody vegetation may be needed in order to ensure that vegetation is maintained in accordance with the LCM.

LCM provides that:

- The required removal of immature trees and other woody vegetation less than four inches in diameter at breast height is conducted in consultation with the appropriate resources agencies.
- Trees and other woody vegetation beyond this size (that do not pose an unacceptable threat to levee integrity) may live out their normal lives on the levee.
- Throughout their lives and after their deaths, these trees and other woody vegetation are periodically evaluated and, if found to pose an unacceptable threat to levee integrity, would be removed.

Therefore, trees and other woody vegetation on the levee and within 15 feet of the levee toe that pose an unacceptable threat to the integrity of the levee need to be removed, and associated root balls and roots should be appropriately remediated. At a minimum, all roots larger than 1.5 inches in diameter that are within 3 feet of the perimeter of the tree trunk will be removed. Immature trees less than 4 inches in diameter at breast height that are removed may be cut off at or below ground level, generally without root removal. More extensive root removal may be required, depending upon the location, size, and type of tree; the quantity, orientation, and size of the roots; the dimensions of the levee; the composition of the levee and foundation; and the levee features that address seepage and underseepage. Less extensive root removal may be justified where roots from adjacent trees would be unduly damaged. Any excavation resulting from the above actions should be backfilled with engineered fill using appropriate placement, moisture conditioning, and compaction methods.

Trees and other woody vegetation that do not pose an unacceptable threat do not need to be removed. As part of the routine O&M, trees and other woody vegetation that are not removed must be monitored to identify changing conditions that could cause any of these remaining trees and other woody vegetation to pose an unacceptable threat to levee integrity. Trees allowed to remain must be trimmed five feet above the ground level (12-foot clearance is needed above the levee crown) in order to maintain visibility and access within the VMZ.

Sod-forming grasses and ground covers which permit inspection and flood fighting are necessary to prevent erosion on the levee embankment and slopes. Ground cover should be maintained at 12 inches in height or less. The levee crown should be kept free of vegetation. Inspections should determine if there is good coverage of sod over the levees and should also note those areas that are deficient. No action should be taken (such as burning grass and weeds during inappropriate seasons) which may retard or destroy the growth or sod. Broadleaf weeds growing among desirable grasses should be controlled by selective herbicides. Brush and weeds should be trimmed, thinned, or removed as needed to maintain visibility and access within the VMZ.

Authorized mowing, burning, spraying, managed grazing, and other vegetation management procedures should be implemented as outlined in Section 3 of DWR's *Superintendent's Guide to Operation & Maintenance of California's Flood Control Projects*. **Other specific repair actions for LD1 to be added.**

9.3. Stability Berms and Seepage Berms

Stability berms and seepage berms should be maintained in the same manner that the levee embankments are maintained. Vegetation and rodent control in these areas is important so that the berm

geometry does not change and is free from borrows or voids. **Other specific repair actions for LD1 to be added.**

9.4. Pipe Penetrations

The known penetrations through or over the levee are summarized in Table 4 (attached). The penetrations must be clear of debris and structurally sound. If significant settlement or seepage is detected along a pipe, a registered civil engineer with seepage and levee experience should be contacted for repair measures. Additionally, exposed portions of pipe and culvert penetrations must be visually inspected at least annually.

All flap gates, slide gates, vaults, head walls and other appurtenances should be inspected (and the mechanical devices lubricated if recommended by the manufacturer) at least once per year just before the flood season. During the inspection, all gates should be operated and any debris or obstructions removed. All gate seats should be checked and, if the gate is not seating properly, the frames should be readjusted. The inlet and outlet channels and pump station sumps should be kept free of debris, trees, brush, and sediment.

The interiors of all pipes and culvert penetrations must be visually inspected and/or pressure tested every five years. Pipes and culverts that could be damaged by corrosion should be further examined for signs of interior and exterior corrosion. Inspections of the exterior should be performed in representative areas where the pipe or culvert is in contact with the levee embankment and/or foundation soils. Corrosion assessment inspections performed from the interior can be completed using non-destructive means such as ultrasonic or electrical conductivity measurements.

Pipes that are found to be structurally damaged or near the end of their useful life need to be replaced. Replacement is the responsibility of the owner of the pipe/penetration. **Other specific repair actions and specific pipe details for LD1 to be added.**

9.5. Encroachments

Known encroachments are summarized in Table 5 (attached). During routine inspections, LMA personnel should check to determine if trash, debris, excavations, structures, or other obstructions are present within the physical levee prism or within the waterside and landside easements. If non-permitted encroachments are observed, the LMA should contact the encroaching entity by mail and instruct them to remove the encroachment. The LMA should also notify the CVFPB of any non-permitted encroachments. Any levee modification, including utility penetrations, must be reviewed and approved via the normal encroachment permit process through the CVFPB. **Other specific repair actions and specific encroachment details for LD1 to be added.**

9.6. Pump Stations

The pump station near Levee Mile 4.39 (Star Bend) must be inspected and maintained by LD1 as necessary to properly drain the relief wells that it serves. Routine maintenance activities include, but are not limited to: rewinding the motor, inspecting and replacing the pump bowls as needed (approx. every ten years), as well as maintenance of the electrical panel and motor control units. **Other specific repair actions and pump station details for LD1 to be added.**

9.7. Railroad Flood Gates

During routine inspections, all permanent components of the UPRR Closure Structure located at Levee Mile 16.10 should be inspected by LD 1 to verify that they are intact. If damage is noted, it should be repaired as soon as practical.

Additionally, all temporary components of the UPRR Closure Structure must be visually inspected at least once each year to verify that all components are present and in good condition. If any damage is noted, it should be repaired as soon as practical.

At least once every two years, LD1 will assemble, install and then disassemble the closure structure. It is estimated that installation and disassembly of the closure structure takes approximately four hours with a well-trained crew of four people. Prior to installation of the closure structure, the UPRR Response Management Communication Center (RMCC) must be contacted at 1-888-877-7267 in order to request approval from UPRR that activities can be completed within the allowable track windows. This testing may not occur without prior approval from UPRR. Sand bagging at the closure structure is not necessary during these periodic inspections and training exercises. (Will update this section if we can add a mock-up assembly station in the LD-1 maintenance yard).

9.8. Relief Wells

Relief well access points must be maintained so that cover plates can be easily removed for inspection of the tees and surrounding piping. The outfall structures must be kept clear of debris or other material that may affect the operation of the outlet pipe flap gates.

The relief wells should be pump-tested, swabbed/cleaned, and sounded by the LMA every five years using the procedures outlined in USACE EM 1110-2-1914, Chapter 8. The purpose of these tests is to measure the efficiencies and flow capacities of the wells and to determine whether sediment or other debris have been deposited in the wells. All wells requiring sediment removal must be pump-tested after sediment has been removed to confirm that the well efficiency has not decreased by more than 20 percent due to the presence of foreign material in the well.

During pump tests, runoff must be directed through the lateral pipes toward the outfall structures in order to check that the lines are free of blockages and that the flap gates function properly. Sediment amounts in the relief wells must be measured by sounding a well before and after pump tests. If significant algae or other biological growth is suspected within a well, it must be cleaned as described in USACE EM 1110-2-1914. If efficiencies are less than 80 percent of those recorded at the time of installation, corrective measures per USACE EM 1110-2-1914, Chapters 10 and 11 should be employed. If corrective measures are implemented but do not improve performance to at least 80 percent of the original efficiency, the well should be replaced.

Any items that are malfunctioning or have been damaged must be replaced by the LMA. Any condition that prohibits flow into or out of relief wells could result in potentially unstable and hazardous conditions. Malfunctioning and damage to the relief wells can be caused by vandalism, breakage, or excessive deformation of the well screens due to ground movements, corrosion or erosion of the well screen. Repairs to relief wells should be made in accordance with USACE EM 1110-2-1914.

Reliefwells must be replaced upon reaching 50 years of service life. If non-functioning relief wells cannot be repaired and are found to be no longer acceptable due to collapse, excessive sediment production or other conditions, they should be properly abandoned and replaced. Abandoned wells

should be sealed following procedures established by Yuba County and the California Water Well Standards (Bulletins 74-90 and 74-81). New well replacements should be installed and operational before the old ones are abandoned.

9.9. Piezometers

Maintenance of the piezometers associated with the relief well fields should include evaluations of the following items:

- The LMA should inspect the piezometer and cables to verify that they are in good condition and have not been tampered with.
- The LMA should sound each piezometers and record the groundwater elevation to the nearest 0.1 foot on an annual basis and compare with piezometer readings.
- DWR should evaluate the recorded groundwater elevation and river stage annually, and compare with predicted values to evaluate the performances of the piezometers and relief wells.

The piezometers associated with the relief well fields do not require regular maintenance, except when depth sounding indicates that a discrepancy exists between piezometer readings and sounded depth. When this is the case, the piezometers should be replaced by the LMA.

If a piezometer appears to be malfunctioning (i.e.: water levels in the well do not rise and fall with river stages or seasonal fluctuations, or differ significantly from nearby wells), the well should be redeveloped by removing the piezometer, pumping approximately 1,000 gallons out of the well, and allowing the groundwater readings to recover. If this does not resolve the issue, the well may need to be redeveloped or abandoned and replaced.

9.10. Data Collection and Telemetry System

Recommended maintenance of the data collection and telemetry system by the LMA includes:

- Maintain the fence, gates and locks that protect the data collection and telemetry system.
- Maintain the fire break slab to be free of vegetation and soil build-up.
- Maintain the enclosure cabinet in sound condition to protect the equipment from vandalism, rain and dust. Replace the desiccant packs in the cabinet annually in order to control humidity within the cabinet.
- Replace cables, wires, data logger, modem, etc., as needed.
- A voltage meter is included with the data collection and telemetry system so that the 12VDC battery can be changed when necessary. The battery pack for the data controller/logger and cellular module is expected to last approximately three months based on the settings described in Section 4.1, and can vary depending on the frequency and duration of the data collection and transmission to Valarm CDEC. The battery usage will be monitored by the LMA after construction, and the settings will be adjusted by the LMA as needed to balance data collection/transmission intervals and battery life. The procedure for making adjustments to the data logger settings via the cloud-based server is described in Appendix G. It is recommended that the battery be recharged when the voltage drops below 10.5 volts.
- Recommended maintenance for the data logger and cellular module should be performed as described in their respective instruction manuals. See Appendix G for product data details (will

include when construction is complete and component manuals are available).

9.11. Observation Wells

The relief wells that were converted to observation wells between Stations 846+64 and 926+69 do not need to be inspected or maintained. **Other specific abandonment criteria for LD1 to be added.**

9.12. Fences, Gates, and Signs

Fences, gates, concrete barriers, and bollards must be inspected and maintained by the LMA as necessary to maintain access control to the levee and appurtenant structures. Routine maintenance activities include, but are not limited to: replacing lock mechanisms, replacing bollards, repairing and replacing fences or gates that have been vandalized, and painting/coating metal surfaces prone to corrosion.

Additionally, signs and mile markers need to be maintained as necessary to maintain visibility. Signs or markers that are corroded, damaged, or stolen need to be repaired or replaced as necessary. **Other specific repair actions/locations for LD1 to be added.**

9.13. Canals

There is an existing canal along the landside toe of the levee from **RM X to Y**. This canal mitigates seepage issues in this segment as long as it is kept full of water during high water events.

The canal should be properly maintained as needed to be able to convey water. If any vegetation or other flow obstructions are identified, the LMA should request that the obstructions be removed by the canal owners as soon as possible. Similarly, if scour or erosion is identified along the canal, the LMA should request that the damage be repaired by the canal owners as soon as possible. If the necessary actions are not performed by the canal owner, the LMA should work with the CVFPB to have the issue addressed as an enforcement action. **Other specific repair actions for LD1 to be added.**

9.14. Habitat Mitigation

Information from the Star Bend Levee Setback O&M manual, as well as other specific actions for LD1 to be added.

9.15. Routine Geotechnical Explorations

Routine geotechnical explorations, potholing, evaluations, and/or assessments may be required for routine repairs. The LMA is responsible for retaining a qualified geotechnical engineer to perform these services as needed.

9.16. Record Keeping

A permanent record should be maintained of all levee inspection and maintenance activities. Records should include dated inspection reports, conditions observed (including a description of the specific locations), and maintenance actions taken. Data collected should include relief well water levels and flows, and piezometer levels, together with river stages. All records must be kept by the LMA.

General Manager's Meeting Summary – February 2018

2/9: American River Flood Control District Board of Trustees meeting. The Board met in regular session. The agenda item included the CEQA Notice of Exemption for Routine Maintenance.

2/15: ARFCD Management meeting. Office Manager Chapman, Superintendent Kawamura, and I met to discuss projects and activities for 2018. Priorities for the year include development of the La Riviera Staging Area, CCAD2 billing, pipe inspections, Glenbrook Levee Re-slope, GPS photo documentation, and headquarters building improvements.

2/20: Lower American River Bank Protection Working Group. I attended this working group to continue discussions on the potential for bank and levee erosion along the Lower American River. The group worked on identifying various resources within the Parkway.

**American River Flood Control District
Televising District Board of Trustees Meetings**

Considerations

1. Set up costs include:
 - a. Audio Visual Equipment and Installation
 - b. Training
 - c. Server Hosting
 - d. Possible Contract with Community Access Channel for their services
 - e. In-house ADA accommodation for hearing impaired

2. Some districts televise Board meetings – those who do have frequent policy decisions and matters dealing with policy implementation. ARFCD is primarily an O&M agency and is not routinely developing policy.

3. The District currently complies with all Brown Act requirement and retains District Board meeting minutes in perpetuity.

4. District Board meeting minutes are available on the District website.