

BRANNAN-ANDRUS LEVEE MAINTENANCE DISTRICT

Minutes of Thursday, July 12, 2012

The stated meeting of the Brannan-Andrus Levee Maintenance District's Board of Directors was called to order by presiding officer, Larry Gardiner, President, at 10:00 a.m. on the above cited date at the District Office, 310 Second Street, Isleton, California.

1. Roll Call indicated a quorum with the following in attendance:

Directors: Larry Gardiner, Gay Giles, Manuel Rebero, Fran Silva and Denis Van De Maele
Staff: Andy Giannini, Superintendent; Victoria Hale, Bookkeeper; Gilbert Labrie, Engineer;
Debbie Phulps, Secretary
Guests: Dave Spensley, Kirk West, Bruce Gornto (@ 10:40)

2. Agenda Setting. (Silva / Rebero) [MSC = Motion-Second-Carried unanimously unless otherwise noted] adopting the agenda as amended to include status presentation and discussion regarding the Benefit Assessment Update.

3. Financial Report - Victoria Hale. Balance Sheet, Unpaid Bills Detail and AR Aging were presented. Bank statements were provided to Director Giles.

3.1 Balance Sheet Summary as of meeting date:

Total Checking / Savings	\$ 1,663,058.37
Total Accounts Receivable	\$ 25,365.07
Total Other Current Assets	\$ 88,972.10
Total Fixed Assets	\$ <u>525,489.22</u>
Total Assets	\$ <u>2,302,884.76</u>
Total Current Liabilities	\$ 42,825.87
Total Long Term Liabilities	\$ 39,431.68
Equity	\$ <u>2,220,627.21</u>
Total Liabilities and Equity	\$ <u>2,302,884.76</u>

3.2 The following claims were submitted for payment approval. Invoices were available and those presented by DCC Engineering and Delta Bookkeeping were reviewed.

Applied Water Resources	7,395.00	Payroll - PERS	1,840.04
AT&T	149.48	Payroll - Taxes	1,663.38
California Waste Management	543.75	Ramos Oil	376.76
Crop Production Services	769.43	Rebero, Manuel	102.69
DCC Engineering	22,019.72	Reclamation District 2067	330.00
Delta Bookkeeping	1,609.90	Silva, Frank	102.69
Frontier Communications	189.71	Soluri Meserve	3,200.00
Gardiner, Larry	102.69	Stewart Industrial	21.41
Giannini, Andy	2,192.04	Van De Maele, H. Denis	102.69
Giles, Gay	102.69	Total Claims	\$ <u>41,162.49</u>
Oilwell Materials	11.80		

MSC (Silva / Giles) authorizing payment of presented claims.

3.3 Vicki report that the transfer process with SCI is going well. SCI is waiting on the County at this point to receive the final listing of delinquencies and fees which will be posted as one-time charges into the County's tax billing system. She distributed draft correspondence from Counsel Schofield which will be transmitted to all owners of record advising them of the benefit assessment billing change.

4. Old Business

4.1 Mowing Program. President Gardiner prefaced by relaying events resulting in the withdrawal of Sun Harvest's equipment sales offer. After which, Larry instructed Andy to investigate mowing equipment and other acquisition avenues. Andy reported on having contacted Mid-Cal, Dolk and Municipal Maintenance

Equipment. He reported on a new technology, boom-type mower attachment by Alamo, which when combined with a new tractor similar to the Sun Harvest equipment, could be obtained for approximately \$151,000. A savings is achieved by working through a public agency purchasing agent. Discussion ensued regarding equipment and potential staffing costs.

Board members concurred that 1) they would like to see the District pursue acquisition of its own equipment, both for cost effectiveness and scheduling conveniences; and 2) the equipment should be staffed by a full-time employee under Andy's supervision. In addition to running the mowing equipment, the additional District employee could be utilized for other routine maintenance activities. Larry and Andy will move forward to obtain information for the Board's consideration.

4.2 Benefit Assessment Update Status. Gil reviewed the current analysis process undertaken to update the Benefit Assessment Roll. Worksheets were provided for the Board's review. It is anticipated that the draft Commissioner's Report may be available by the August meeting for the Board's review prior to being submitted to the Board of Supervisor's. Discussion ensued.

5. Invitation to Guests to Address Board. Bruce Gornto inquired about replacing Quitquit's deteriorated siphon pipe crossing the levee between August Correia's and The Oxbow access. He was advised that, in addition to a BALMD permit, the work would require, at a minimum, a Flood Board permit. Further, given that the levee is a project levee, the process with the Flood Board may be lengthy (i.e. a year). He was advised to investigate alternatives to meet immediate water needs, and to immediately commence the permitting process for permanent replacement. The BALMD Board can expedite its own process; but does not have any sway as to the timing of the Flood Board's process.

6. Staff Reports

6.1 Correspondence consisted of newsletters from Golden State Risk Management Authority and California Special Districts Association, and information regarding the CSDA Annual Conference. Sacramento County notification regarding the biennial review of the District Conflict of Interest of Code will be referred to Counsel.

6.2 Secretary - Debbie Phulps. **MSC** (Giles / Van De Maele) approving the minutes of June 14, 2012.

6.3 Superintendent - Andy Giannini. Andy reported as to current mowing and grazing activities, and follow-up on directive to investigate acquisition of mowing equipment.

6.4 Engineer - Gilbert Labrie. The District Engineer presented his report, recapped below. Discussion items in the course thereof are noted by the use of inset paragraphs.

- A. Levee Program Financing. Previously DCCE has reported on the levee program implications emanating from levee policy documents prepared by DWR for consideration by the Delta Stewardship Council (DSC), for inclusion in the Central Valley Flood Protection Plan. Those documents are the backbone of Chapter 7 of the Final Staff Draft Delta Plan being considered by the DSC today, which will guide future legislative funding decisions regarding Delta levees.

One of the significant draft documents is the *Framework for DWR Investments in Delta Integrated Flood Management (Framework)*. A companion document called the *Background Reference Memorandum (BRM)*, identifies the key considerations and statewide implications of the *Framework* proposal. DWR has been preparing responses to comments received from circulation of a second draft of the *BRM*, which sets the stage for the policy document, the *Framework*. The *BRM*, as drafted, sets the stage for prioritizing islands for any expenditures beyond routine maintenance and rehabilitation to the HMP levee standard. These documents will serve as the basis for DWR's management of the Levee Subventions program, who will then have to answer to the DSC and justify the decisions made for projects exceeding the HMP minimum goal. Any major levee improvement proposal to commence an effort to achieve the PL84-99 or Bulletin 192-82 standard, could be subjected to an excessive, time consuming and expensive, DSC approval process and determination of consistency with the Delta Plan.

Some key Delta representatives, including levee engineers, have strongly put forth the argument that establishing the HMP requirements as a minimum State standard is misrepresenting the level of flood protection being provided, and would lead to creating a system of haves and have-nots, if such is the basis for State financial support. The HMP was an interim goal to raise the bar for everyone, following a flood event, in order to get FEMA

assistance. It is not an engineering standard that was intended to reduce the risk of flooding. It has been a goal for all the islands, that could afford the cost, once the HMP was achieved in 1991. The main goal of the State at this point, is to keep FEMA in the game. Beyond that, there is the desire on the part of the current administration and the DSC to establish a system of priorities to guide future funding decisions.

A strategy meeting, organized by Supervisor Nottoli, was held in Sacramento on Tuesday, July 10, with key DSC staff, DWR staff, and local agency representatives to go over a DSC staff recommended revision to the Prioritization Policy outlined in the Final Draft Plan, for DSC consideration today, in order to try and address the HMP issue and the fate of the Subventions Program. The meeting was productive, in that the wording in the staff proposed revision was collectively edited to clarify how the prioritization strategy would work in the interim (until 2015) so that the Levee Subventions Program could continue to be carried out as it has been, without adding another layer of review. It remains to be seen if there will be four votes from the DSC to accept the proposed revision to Chapter 7, Item 12.

In terms of current Subventions funding, there has been no indication, from DWR, of any change in the budgeted amounts for FY 2012-13, now that the Governor's Budget has been approved by the Legislature.

- B. Vegetation Management - Project Levee Inspections. As previously reported, the USACE Periodic Inspection Report identified a total of 587 Unacceptable items along both Georgiana Slough and the Sacramento River levees. A total of 60 items have to be corrected before the next flood season, and DCCE intends to develop a project, or projects, to fix them and call for a re-inspection.

In terms of ultimately receiving an acceptable USACE rating, the big stumbling block DCCE has presented to the Board involves a linkage with RD 556 that the Corp recognized to establish a rating for the entire levee unit. In order to separate the two districts for rating purposes, the dry cross levee would have to be raised and certified by a geotechnical engineer to perform as a flood protection structure.

Since that option has not gained any traction with the Board, DCCE is moving forward to address the real critical levee deficiencies identified in the USACE periodic inspection report, noted above. This will mean dealing with encroachments into the levee section, erosion and bank caving, and slope stability issues identified in the USACE Report, as well as getting the District's vegetation maintenance program back on track.

As previously pointed out, it is interesting to note that the Fall 2011 LMA ratings recently released by DWR, Division of Flood Management, give BALMD an M (Minimally Acceptable) rating. The District missed an Acceptable rating because of some Sacramento River levee erosion sites identified in a USACE Erosion Survey Report. DCCE is moving to address that issue with a major project proposal that includes some on-site mitigation in order to facilitate permitting. In fact, an on-sight boat tour with Fish & Game, and DWR representatives is being conducted on Tuesday, July 17, to look at the problem first hand and consider DCCE's proposed solution. Additionally, DCCE was recently contacted by URS Corporation, engineers that are part of a DWR Flood System Repair Project (FSRP) to assist local maintaining agencies in repairing "damaged" flood control (Project) levees. DCCE is meeting with URS representatives this afternoon to go over the list of items being surveyed and to provide input into the process. The information DCCE has already developed regarding the Sacramento River erosion sites should be helpful, since many are not on the URS list.

As discussed in June, the District and other local RD's are facing a dilemma, with respect to vegetation maintenance, since Sun Harvest is now out of the mowing business. At this moment the District's Sacramento River levee is badly in need of the type of mowing effort historically contracted at this time of year. At the June meeting the Board discussed the option of purchasing some, or all, of the equipment that Sun Harvest had been using for this type of work. A decision to tender an offer for one of the mowers was ultimately withdrawn because of a price discrepancy. DCCE believes that this is a serious setback and poses a real problem that needs a timely solution so the District can continue to strive to comply with State and Federal vegetation management requirements on its levees.

- C. 2011-2012 Subventions Program Projects.

1. 7702.21 Sacramento River Levee Toe Ditch Removal. Construction on the toe ditch removal project at the Bettencourt property site is complete.
2. 7702.31 Arundo Follow-up Project. At the May meeting, the District opened bids on another small construction project involving completion of three arundo removal sites located on the land side of the Sacramento River levee. Robert Burns Construction, Inc. was the low bidder at \$86,045. This phase of the arundo project is addressing the land side levee slope eradication sites by removing the fabric cover and tie down system, scarifying the vegetated area to remove the more loose organic matter, and covering the area with an 18-inch layer of imported fill.

Construction began the last week of May and is now slated to be completed by the end of this week. However, an issue has arisen that could complicate the successful completion of this contract. A large quantity of additional material containing concrete rubble was deposited on one of the construction sites in early June, and the Contractor is denying any responsibility for spoiling the material on the site. Consequently, it has not been removed and the Contractor is refusing to accept any responsibility for its removal and disposal.

DCCE has discussed the matter with President Gardiner and Superintendent Giannini and found it hard to believe that the amount of material involved, and the way it is stacked, could show up without the Contractor being aware and verifying its authorization at the time. In fact, it appears that a loader, similar to equipment on the site for the project, had to have been utilized to stack the material that is now in question. DCCE contends that the Contractor is responsible for conditions at the project sites, and should have contacted the engineer or a District representative immediately to address the situation, or contacted the County Sheriff to stake out the site.

DCCE was originally given a schedule that anticipated completion of the project by the end of June, and which had activity scheduled every week in the area. That schedule was not met, the Contractor is now facing penalties for not meeting the contract completion date, and some mystery material has showed up on the site that the Contractor, presumably, expects the District to pick up the removal cost.

- D. Five-Year Plan. DCCE met the deadline for submittal of a final version of the District's Five-Year Plan, which initially was going to be a DWR prerequisite for participation in the Special Projects segment of the Levee Subventions Program. The District's final plan included a significant revision of the first draft in order to address the extended delay in Federal funding of the CALFED/USACE Levee Stability Project, involving the proposed stability berms on the Mokelumne and Sevenmile Slough.

The original Five-Year Levee Program Plan for BALMD, prepared by DCCE, envisioned this major project spread over four fiscal years because it was selected as a USACE/CALFED levee stability project and would be administered by the Corps, resulting in a lengthy and costly process. It was assumed that there would continue to be major funding assistance through the Delta Levee Subventions Program and Corps of Engineers Early Implementation Program. Those key assumptions have been over-ridden by the fiscal reality of the times. As a result DCCE revised the Five-Year Plan to eliminate any costs and funding assistance from the Corps. DCCE suggested to DWR that the District move forward to accomplish as much of the original project as possible utilizing local and State resources available through the Subventions Program and Special Projects. This approach is anticipated to result in a significantly shorter pre-project time frame, reduced administrative and environmental costs, and simplified engineering and design process. The final Five-Year Plan project schedule and budget was revised to reflect this major change.

- E. USACE/CALFED Levee Stability Project. As discussed above, Congress has not provided any additional funds to support the Levee Stability Program, as contemplated and authorized several years ago. This development resulted in DCCE developing a strategy to move forward with the project without Corps participation. As a result, DCCE met with DWR to verify the State's continued commitment of \$800,000 to the project on Brannan-Andrus. DCCE also suggested that the District move ahead with geotechnical engineering and project design with Subventions Maintenance Program funding assistance and utilize the \$800,000, originally

designated for design and engineering, for construction. DCE previously reported about the availability of the necessary fill material from an on-island source, specifically the Machado property, behind the KOA resort. There appears to be more than 100,000 cy of suitable material that will be available due to a desire to remove the sandy material that covered a portion of the site during the 1972 flood. DCCE has been meeting with the contractor involved in re-grading the Machado site and removing the sandy top layer, in an effort to establish a beneficial cost for the District and develop a contracting strategy that could fit within State guidelines.

- F. BALMD 2012-13 Subventions Budget Submittal. DCCE submitted the 2012-13 Fiscal Year Subventions Application and Budget by the June 31, 2012 deadline. As previously reported, the proposed budget is 18% higher than the anticipated expenditure level for 2011-12. The 2012-13 Subventions budget adopted by the Board totals \$1,633,500 and is consistent with the focus of the Five-Year Plan submitted to the State.

6.5 Counsel - Joe Schofield. No report.

7. Director's Reports

7.1 Gardiner - No report.

7.2 Giles - No report.

7.3 Rebero - No report.

7.4 Silva - No report.

7.5 Van De Maele - No report.

8. Adjournment: The meeting was adjourned by President Gardiner at 12:15 p.m. with those present invited to join the Board for lunch at Rogelio's in Isleton. Those accepting the invitation were Gay Giles, Gil Labrie, Debbie Phulps, Manual Rebero, Dave Spensley and Denis Van De Maele.

Respectfully submitted,

Debbie Phulps, District Secretary
DCC Engineering Co., Inc.

Date Approved: August 9, 2012
MSC: Giles / Rebero