

BRANNAN-ANDRUS LEVEE MAINTENANCE DISTRICT

Minutes of Thursday, June 12, 2014

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: Joe Deak, Larry Gardiner, Gay Giles, Frank Silva Jr. and Denis Van De Maele
Staff: Victoria Hale, Bookkeeper; Gilbert Labrie, Engineer; and Debbie Phulps, Secretary.
Guests: Jim Scott (Isleton Main Street property owner)
Absent: Andy Giannini, Superintendent (tending to equipment repairs in Chico)

2. Agenda Setting. MSC (Silva / Van De Maele) [MSC = Motion-Second-Carried unanimously unless otherwise noted] adopting the agenda as amended to include consideration of an encroachment request for maintenance dredging in the cut at Viera's Resort.

3. Director Report - Deak. Director Deak presented his report in writing, with a request to be excused from the balance of the meeting due to his obligations preparing for the upcoming Cajun Festival on the Loop. Those present expressed their sympathy to Joe on the passing of his father on May 23. Joe reported on the festival plans. He also noted that he installed a temporary barbed wire fence, at the toe of the District's emergency approach ramp to Highway 12, to discourage the parking of cars under the bridge approach during the festival. He requested authorization to leave the fence in place after the festival to improve security for B&W's covered berths near the bridge. No opposition was voiced. It was suggested the Board grant an encroachment request to formalize the understanding concerning the wire fence.

[Director Deak retired from the meeting.]

4. Financial - Victoria Hale. Balance Sheet and Unpaid Bills Detail were distributed and reviewed. Bank statements were provided to Director Giles. In follow-up to last month's inquiry concerning the County's posting of interest, Vicki was advised that they will be accruing the interest in June with distribution in July.

4.1 Balance Sheet Summary as of meeting date:

Total Checking / Savings	\$ 729,129.15
Total Accounts Receivable	\$ 15,657.54
Total Other Current Assets	\$ 6,641.50
Total Fixed Assets	\$ 649,320.46
Total Assets	<u>\$ 1,400,748.65</u>
Total Current Liabilities	\$ 147,988.48
Equity	<u>\$ 1,252,760.17</u>
Total Liabilities and Equity	<u>\$ 1,400,748.65</u>

4.2 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	73,252.18	Oilwell Materials	28.03
California Waste Mngmt.	93.50	Payroll - PERS	4,111.77
Deak, Joe	200.97	Payroll - Liabilities	2,247.46
Delta Bookkeeping	1,611.76	Quickbooks Payroll	2.90
Frontier Communications	144.82	RAM Welding	990.00
Gardiner, Larry	200.97	Ramos Oil	2,329.20
Giannini, Andy	2,177.78	Reclamation 2067	390.00
Giannini, Andy (reimb)	400.00	River Rats	75.00
Gilbert Labrie, AIA	37,221.85	Silva, Frank	200.97
Giles, Gay	200.97	Stewart Industrial	298.06
Golden State Risk Mngmt	8,453.00	River News Herald	554.76
Gornto Ditching	3,960.00	Van De Maele, H. Denis	200.97
Klipfel, Russel	2,114.18	Total	<u>\$ 141,461.10</u>

MSC (Giles / Van De Maele) authorizing execution of warrants totalling \$140,000 in the following denominations: (2) \$50,000 and (1) \$40,000 for payment of the above claims; and authorizing execution of warrants to cover progress payment on Contracts 7702.28 and 7702.38 (less retention) presented before month end, and reviewed and approved by the District Engineer, in order to have those contracted items included in the current subvention claim year.

4.3 **MSC** (Giles / Silva) authorizing Resolution 2014-01 and 2014-02 related to the fixing of the Benefit Assessment rate for FY2014-15 at \$1.75 per \$100 of assessed valuation, and proceeding with Call 1.

RESOLUTION NO. 2014-01
Resolution Fixing 2014-15 Assessment Rate
For Brannan-Andrus Levee Maintenance District

WHEREAS, in 2008 the Board of Directors of Brannan-Andrus Levee Maintenance District (District) requested the Sacramento County Board of Supervisors appoint three Assessment Commissioners to view and fix upon the District an assessment valuation per acre for each parcel in proportion to the benefits derived from the continuing operation and maintenance of the District's levee maintenance works, and to prepare an operation and maintenance roll pursuant to Water Code Sections 51322, 51323, 51324, 51346 and 51347; and

WHEREAS, on February 24, 2009 the Sacramento County Board of Supervisors appointed Gilbert Labrie, Michael Hardesty and George Basye to serve as the District's Assessment Commissioners, to fix the assessment and prepare the roll; and

WHEREAS, the Assessment Commissioners prepared an Operation and Maintenance Assessment Roll (Assessment Roll) and a Valuation Assessment Commissioners' Report (Engineer's Report) in support thereof, which were then submitted in March 2013 to the Sacramento County Board of Supervisors; and

WHEREAS, the Sacramento County Board of Supervisors reviewed the Assessment Roll at a noticed public hearing on Tuesday, April 23, 2013 and made an order approving the assessment valuation and endorsing the order on the Assessment Roll; and

WHEREAS, the Board of Directors determined that, in order to meet District expenses and fund outstanding dept, it was necessary to fix an assessment rate of \$1.75 per \$100 of assessment valuation shown on the Assessment Roll with a \$25.00 minimum per-parcel charge; and

WHEREAS, the District conducted an assessment ballot proceeding pursuant to Proposition 218 (California Constitution, Art. XIID, §4) asking District landowners to vote on whether to approve the proposed rate of assessment and whether to authorize the Board of Directors to fix future years' assessments at a range from \$1.00 up to and including \$2.50 per \$100 of the total assessed benefit valuation; and

WHEREAS, a majority of votes cast by landowners during the assessment ballot proceeding were 248,725.30 in favor (88.54% of those responding) of the new rate of assessment and 248,359.08 in favor (86.05% of those responding) of authorizing the Board of Directors to fix future years' assessments at a rate from \$1.00 up to and including \$2.50 per \$100 of the total assessed benefit valuation, as tabulated at a public hearing held on April 15, 2014.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT the Board of Directors hereby fixes the 2014-15 assessment rate at \$1.75 on each \$100 of assessment valuation shown on the Assessment Roll with a \$25.00 minimum per-parcel charge.

PASSED AND ADOPTED by unanimous vote of a quorum of the Board of Directors on June 12, 2014.

[End of Resolution 2014-01]

RESOLUTION NO. 2014-02
A Resolution Ordering the Continuation of
The Levy of Assessments for
Brannan-Andrus Levee Maintenance District
Whereas,(Assessment No. 1) for Fiscal Year 2014-15

WHEREAS, heretofore by order of the Board of Supervisors of Sacramento County, California, duly passed and adopted on April 23, 2013, an Operation and Maintenance Assessment Roll (Roll) for Brannan-Andrus Levee Maintenance District was duly and regularly fixed and approved, pursuant to the provisions of

Section 51332.1 of the Water Code of the State of California, and which said Roll is now and at all times herein mentioned was in full force and effect; and

WHEREAS, in the opinion of the Board of Directors of said Brannan-Andrus Levee Maintenance District, it will be necessary to raise the assessment for fiscal year 2014-15 for maintenance, repair and operation of the levees, for the incidental expenses of said District, and for construction work supplemental thereto or in replacement thereof;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT:

1. The public interest, convenience and necessity require that the levy be made. This Board hereby orders the continuation of the levy and collection of the assessment, to be known as "Assessment No. 1" based upon the said 2013 Benefit Assessment Roll of Brannan-Andrus Levee Maintenance District, Sacramento, California, for fiscal year 2014-15 for the purposes herein above set forth; and
2. The assessment, for fiscal year 2014-15 has been calculated at the rate of One Hundred Seventy-Five cents (\$1.75) on each One Hundred Dollars (\$100.00) of assessed valuation as shown on said Roll, with minimum levy of \$25.00 per each parcel of land (Water Code Section 51335.5). The total sum to be raised shall be adjusted to conform to the formula applicable to the valuation of mineral rights as set forth in the Assessment Roll approved by the Sacramento County Board of Supervisors; and
3. Where the County Assessment Roll combines several District Tracts into a single assessment parcel, all of which are assessed to the same ownership, all of such District Tracts shall be treated as single parcel for the purpose of applying the minimum of \$25.00 referred to in paragraph 2 above; and
4. The Secretary of the District is hereby directed for and on behalf of this Board and said Brannan-Andrus Levee Maintenance District, to cause a Supplemental Assessment List to be completed with respect to such levy by setting forth therein and endorsing thereon the total assessment and rate to be paid with respect to each parcel of real property shown on said Roll, and to set forth therein all other matters and things required by law in connection therewith, pursuant to the provisions of Section 51337 of the Water Code, and the same shall be deemed a part of said original Benefit Assessment Roll to the same extent and for the same purposes as if said rate and assessment had actually been inserted in said Assessment Roll; and
5. Said Supplemental Assessment list when so completed shall be filed by said Secretary in the office of the County Treasurer of Sacramento County, California; and
6. The Secretary of the District shall give notice of the time and place of payment of said assessment in the manner provided by Section 51519 of the Water Code by publishing said notice two (2) times, once a week for two (2) consecutive weeks in "The River News Herald and Isleton Journal" a newspaper of general circulation within the District, devoted to the publishing of general news, published in Solano County, California, there being no newspaper of general circulation published within Brannan-Andrus Levee Maintenance District; and
7. A copy of this resolution and order certified by the Secretary of this District shall be filed with the County Treasurer of Sacramento County for insertion in Benefit Assessment Roll of said District; and
8. Immediately upon the adoption of this resolution, but in no event later than August 10 following such adoption, the Secretary of the District shall file a certified copy of this resolution with the Auditor of the County of Sacramento. Upon such filing, the County Auditor shall enter on the County assessment roll opposite each lot or parcel of land the amount of assessment thereupon as shown in the assessment. The assessments shall be collected at the same time and in the same manner as County taxes are collected and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments, After collection by the County, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to the Brannan-Andrus Levee Maintenance District; and
9. The moneys representing assessments collected by Sacramento County shall be deposited in the District Treasury to the credit of the assessment fund previously established under the distinctive designation of the Brannan-Andrus Levee Maintenance District. Moneys in the assessment fund shall be expended only for the purposes herein above set forth of the Brannan-Andrus Levee Maintenance District.

[End of Resolution 2014-02]

4.4 Subventions Program Budget and Participation for FY2014-15. Gil Labrie presented the proposed subvention program budget and discussion ensued.

Proposed Levee Subvention Program Budget for FY2014-15

Subventions Program Category

Annual Routine Maintenance

Superintendent	72,588
Exterminate Rodents and Repair Damage	5,000
Shape Levee Crown (7702.28)	100,000
Repair Patrol Roads	0
Repair Slipouts, Minor Erosion & Subsidence	15,000
Remove Berm Deposits	10,000
Control Seepage and Boils	25,000
Clean Ditches and Toe Drains	25,000
Control Vegetation	104,000
Restore Waterside Slope Protection	100,000
Plan for Flood Emergencies	10,000
Remove / Modify Encroachments	425,000
Levee Profiles and Cross Sections	30,000
Underwater Surveys	0
Engineering	280,481
Patrol Road Access	<u>5,000</u>
Sub-total Annual Routine Maintenance	1,207,069

Environmental: Fish and Wildlife Compliance

Dredge Disposal and Mit. Site Permitting	25,000
Mitigation and Enhancement	70,000
Stability Berm (7002.90), biological assessment	<u>50,000</u>
Sub-total Environmental	145,000

PL84-99 Works

San Joaquin Crown Raising Project	150,000
7702.38 Mokelumne Crown Raising	<u>100,000</u>
Sub-total PL84-99	250,000

Bulletin 192 Works

USACE Periodic Inspection Follow-Up	50,000
Stability Berm, geotechnical services (7002.90)	<u>50,000</u>
Sub-total Bulletin 192 Works	100,000

Total Subventions Program Budget	1,702,069
Estimated Administrative and Non-Qualifying Expenditures	<u>175,588</u>
Total Estimated Expenditures	1,877,657

MSC (Giles / Silva) adopting the proposed budget, authorizing Resolution 2014-03 for the District's participation, and authorizing President Gardiner or Vice President Van De Maele to execute the required program documents for the claim year.

RESOLUTION NO. 2014-03
A Resolution Authorizing District's Submittal of a
FY2014-15 Levee Subventions Program Application
And the Execution of Program Documents

WHEREAS, it is the desire of the Brannan-Andrus Levee Maintenance District to participate in the 2014-2015 Delta Levee Subventions Program; and

WHEREAS, program participation includes the preparation and submittal of an Application to Participate (with budget), execution of a Work Agreement, and subsequent preparation of a Claim for Reimbursement at year end, and

WHEREAS, the documents necessary for financial participation must be executed by an authorized member of the Board of Directors acting on behalf of Brannan-Andrus Levee Maintenance District;

NOW THEREFORE BE IT RESOLVED, that the Board hereby authorizes President, Larry L. Gardiner, or Vice President, Denis Van De Maele, to execute said documents on behalf of the District.

[End of Resolution 2014-03]

[Vicki retired from the meeting.]

5. Invitation to Guests to Address the Board. Mr. Scott addressed the Board in follow-up to the letter he received regarding unauthorized encroachments at his property. Following clarification as to which property (Main Street not W. Brannan Island), Mr. Scott was supportive of the efforts to clean up the backs of the Main Street properties. He will instruct his tenants to remove the miscellaneous, un-permitted structures and debris.

6. Business — Encroachments. The District Secretary received a phone call from Kevin at Viera's regarding permitting for their upcoming maintenance dredging of the dredger cut. Since this is a maintenance activity and the District permitted similar, if not the same, work in 2004, the District Engineer recommends issuing an amendment to the prior permit allowing this pending dredging event. **MSC** (Silva / Giles) authorizing issuance of an amendment to the previously issued permit.

7. Staff Reports

7.1 Secretary - Debbie Phulps. **MSC** (Silva / Giles) approving the minutes of 05/15/2014 and 05/22/2014 as distributed.

7.2 Superintendent - Andy Giannini. No report received.

7.3 Counsel - Scott Shapiro. No report received.

7.4 Engineer - Gil Labrie. The District Engineer (DE) presented his written report. Discussion points in the course thereof are noted by the use of inset paragraphs.

- A. Levee Subventions Program Issues Overview. As previously reported DWR has been working on Program Guidelines and a PSP (Project Solicitation Proposal) for Delta Levees Special Flood Control (Multi-benefit) Projects. The Draft Guidelines emphasize water supply reliability, channel margin habitat enhancement, and improvement to levee system integrity. To refresh the Board's memory, a total of \$75 million is to be made available for projects that will be selected through a two-part process. Initially, concept proposals will be accepted and subsequently scored and prioritized to create a short list. Short-listed project proponents will then be given the opportunity to prepare a full and detailed application for final consideration of selection for potential funding. The time line for the entire process is short because the funds are coming from proposition 1E which need to be under State contract for construction funding by July 2016 and expended before July 2018. According to DWR staff, the PSP should be released by July 1. Respondents will have less than a month to prepare and submit a concept proposal in the prescribed format.

As previously discussed with the Board, it has been the intent of this office to propose the erosion repair/habitat enhancement project for the Sacramento River levee between Cache Slough and Isleton that is in the District's 5-Year Plan and in early design stages, be submitted for consideration under this upcoming PSP. Based on earlier on-site feedback from some DWR and CDFW staff, the project appears to fit the Guidelines because of the habitat bench component incorporated into the design. As part of the normal permitting process for this type of in-water project, and to be able to proceed as originally planned, a biologist was contacted about preparing a biological assessment (BA) of the entire levee reach, in order to proceed with submittal of the project to the CVFPB and USACE. A proposal was received from Robertson-Bryan, with a budget of \$16,628, to provide a biological assessment with the level of detail required for the initial permit submittal. This initial environmental review and analysis effort will facilitate the permitting process and should aid the Section 7 consultation process. The 5-Year Plan contemplates constructing the project in phases over a number of years, depending on budget constraints, under the Subventions Program as an O&M project.

Because of its consistency with the District's Five-year Plan, the project satisfies one of the essential criteria for favorable consideration in the PSP review process. Of course it would be accomplished as a single large project if selected for funding as a Subventions Special Project through the PSP. Since there is a DWR desire to improve channel margin habitat along the Sacramento River, the proposal stands a

chance of getting selected in the first round. Having a design concept and environmental assessment underway would greatly assist the preparation of the more detailed proposal required to get selected in the second round of short listed projects. Under the Draft Guidelines, minimum State funding would be 75% and funding advances are provided under the Special Projects Program form at. It is important to note that this segment of the Levee Subventions Program is funded differently and subject to more DWR administrative micro management and scrutiny.

BALMD was advised in advance that the spring Project Levee inspections were being scheduled. However, they were apparently conducted without this office being represented. However, the fall inspection leads to the ratings in the State's levee inspection report so the spring visit by the State Inspector is not as important. As previously reported the results of the DWR Fall 2013 project levee inspection report resulted in an overall District rating of Unacceptable because almost one-half mile of vegetative growth, primarily untrimmed trees on the Sacramento River levee, were downgraded to Unacceptable. The problem areas are two locations: the water-side bend downstream of Vieiras Resort and the land side fronting the Ruport and Correia properties. A District abatement notification letter has been sent to the property owners affected, about an eminent District effort to address the vegetation encroachment issue, if not abated before a prescribed deadline. That deadline is July 28, unless this office is contacted by June 25. Depending upon the response to this mailing, a contract may have to be let for a trimming and thinning project involving the unacceptable areas noted above along with any other marginal locations that could be addressed in advance of becoming unacceptable to the State Inspector..

A separate District encroachment abatement form letter addressing a separate State and Federal inspection issue, was mailed to select property owners advising them of the problem with unauthorized structures in the 15-foot levee setback area, and an impending District effort to proceed with removal of unacceptable structural encroachments after July 28, unless other arrangements are made with the District before June 27. Eleven parcels have been identified with encroachment deficiencies warranting attention and have been officially put on notice. To date only two phone responses have been received by this office and one of those involved a change of ownership that the Sacramento County Assessor has failed to update in the records.

In terms of encroachment issues, it has been previously reported by this office that DWR has published a report containing an inventory of all utility crossings on District Project Levees. The result of that effort is a compilation of as much information as possible about the utility element, its permit status, and identification of any problems that the District needs to address. A total of 239 crossings within BALMD's jurisdiction were investigated. 52 were determined to need District attention, but only 6 crossings were considered more urgent. Four of the six are on the Sacramento River levee and include the three concrete box culverts that served as conveyor tunnels for the cannery operation that once existed at this location. These have been surveyed to prepare documents to develop a closure design and obtain State approval to proceed. However, the abatement procedure to follow is still awaiting Flood Board staff interaction with some LMA's to go over procedural requirements and acceptable strategies to address the urgent items in the inventory list.

- B. Periodic Inspection Report. Effective March 21, 2014 an interim USACE policy went into effect regarding the PL 84-99 Rehabilitation Program (RP) and determining eligibility status. According to Flood Protection Board staff, the new policy narrows the criteria of maintenance items used to determine eligibility to an 18-item subset. Additionally, the interim policy effectively separates overall system inspection ratings from eligibility in the RP. An Unacceptable overall system rating will not necessarily lead to an Inactive status in the RP, which is BALMD's current status. However, nothing new has been communicated to affected LMA's or sorted since this new development was reported to the District in April.
- C. BALMD 2013-14 Subventions Projects. The two projects that were awarded on May 22: Job 7702.39 - the PL 84-99 crown raising on the Mokelumne levee between the Lighthouse and Pirates Lair resorts, and Job 7702.28 - the levee cross section enhancement on Sevenmile Slough between the dams, are on course to be completed before the beginning of the 2014-15 Fiscal Year. The low bidder for the Mokelumne project was Robert Burns Construction, while Asta Construction Co, Inc. was the low bidder for the Sevenmile Slough crown widening project. A Notice to Proceed was issued for each project, once the proper bonds and insurance certificates were received. The Mokelumne project began on June 5. The Sevenmile Slough project is scheduled to begin on June 16.

Of course, the Mokelumne project immediately raised concerns from local business owners because of the Crawdad Festival scheduled for Father's Day weekend at its new location, B&W Resort. That change of venue did take this office by surprise; but a conversation with one of the affected resort owners, in

advance of construction, indicated the inconvenience would be manageable. The winning contractor was advised of this and the July 4th holiday weekend complications early on, and that has been recognized in the schedule. Additionally, prompted by calls from concerned business owner representatives, no construction activity will be taking place this coming Friday or the Thursday before the 4th. In fact, the re-paving should be completed before July 1. Some minor finish work could end up taking place after the weekend of the 4th. For this coming festival weekend, the contractor will be monitoring the situation and running a watering truck over the graded and compacted sections of AB in the areas being raised in front of the Lighthouse and Pirates Lair resorts. The connecting section of levee crown between these two sites that is being added to the project to address the existing cracking in the crown surfacing will not be ground until after this weekend. Two Change Orders have been approved for this project. One involving the re-grading and re-surfacing of the 1550 foot connection between the two crown raising sites as discussed with the Board at the bid opening, and a minor item to replace 250 feet of AC curbing at Pirates Lair because of the over topping of an existing curb by the crown raising effort. The two Change Orders will add approximately \$82,000 to the project cost.

Due to the favorable bid prices received for the Sevenmile project, a quote was sought from the Contractor to proceed with some levee crown widening sections originally withdrawn from the original scope due to concerns by this office about fiscal and timing constraints. It is this office's estimate that the anticipated Change Order would double the cost of the project and more than double the length of crown addressed.

- D. BALMD 2014-15 Subventions Budget. June 29 is the deadline for submittal of levee maintenance, repair and rehabilitation budget proposals to DWR for inclusion in the Delta Levee Subventions Program for the 2014-15 Fiscal Year. As previously reported, the Governor's proposed Budget contains a line item with \$12 million allocated to this reimbursement program, which could support over \$16 million of levee work for approximately 60+ local districts in the Delta. To put this funding level approach in perspective, with the same amount available in 2012-13, final district 60 district claims for reimbursement only totaled \$11.6 million for 60 claims. The original 2012-13 applications probably exceeded \$40 million.

The proposed budget for 2014-15 developed by this office totals \$1,702,069 for subventions qualifying expenditures. That amount represents a reduction from the FY2013-14 approved level of \$2,506,000. The reduction reflects some allocation adjustments based on newer information from State officials and project permitting administrative hurdles. The main project scheduled for this fall is the seepage management and French drain project on Georgiana Slough, designated the Gardiner/Still project. That project is slogging through a Flood Protection Board permitting nightmare. To make matters worse, this office has been advised by DWR staff that the USACE scrutiny taking place during their Section 408 review of Flood Board applications is going to get more restrictive. It is planned to move forward in earnest with geotechnical testing, design, and environmental assessment for the stability berm project planned for the Mokelumne River and Sevenmile Slough levees, as well as the permitting effort for the Sacramento River erosion repair and habitat enhancement project discussed above.

As in past years, the District Subventions Budget is just a framework for the upcoming year. The most important point is to have a large enough framework to work within, as the opportunity to get the eventual approved Work Agreement amended for a larger expenditure level is not an available option, administratively.

8. Director Reports — None.

9. Litigation Reports — None. Closed Session was not necessary.

10. Adjournment: The meeting was adjourned by President Gardiner at noon, with those present invited to join him for lunch at Rogelio's, Isleton. The invitation was accepted by Gilbert Labrie, Debbie Phulps, and Gay Giles.

Respectfully submitted,

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

Date Approved: July 17, 2014
MSC: Deak / Van De Maele