

BRANNAN-ANDRUS LEVEE MAINTENANCE DISTRICT

Minutes of Thursday, August 14, 2014

The stated meeting of the Brannan-Andrus Levee Maintenance District's Board of Directors was called to order by presiding officer, Vice President Denis Van De Maele, 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, Gay Giles, Frank Silva Jr. and Denis Van De Maele
Staff: Victoria Hale, Bookkeeper; Gilbert Labrie, Engineer; and Debbie Phulps, Secretary. Andy Giannini, Superintendent, arrived prior to the Staff Reports section.
Guests: Dave Spensley. Jim Scott arrived prior to the Business section.

2. Agenda Setting. MSC (Silva / Deak) MSC adopting the meeting Agenda. [MSC = Motion-Second-Carried unanimously unless otherwise noted]

3. Financial - Victoria Hale. Balance Sheet and Unpaid Bills Detail were distributed and reviewed. Director Giles received a copy of the bank statement.

3.1 Balance Sheet Summary as of meeting date:

Total Checking / Savings	\$ 671,793.44
Total Accounts Receivable	\$ 15,657.54
Total Other Current Assets	\$ 6,641.50
Total Fixed Assets	\$ 649,320.46
Total Assets	<u>\$ 1,343,412.94</u>
Total Current Liabilities	\$ 435,380.60
Equity	<u>\$ 908,032.34</u>
Total Liabilities and Equity	<u>\$ 1,343,412.94</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.

AT&T Wireless	244.36	Oilwell Materials	171.78
California Waste Mngmt.	93.50	Payroll - PERS	4,106.69
CCVFC Membership	4,521.00	Payroll - Liabilities	2,160.79
Deak, Joe	100.49	Quickbooks Payroll	2.90
Delta Bookkeeping	1,912.30	Ramos Oil	2,106.84
Frontier Communications	147.57	Reclamation Dist. 2067	360.00
Gardiner, Larry	100.49	River News Herald	86.00
Giannini, Andy	2,079.59	River Rats	75.00
Gilbert Labrie, AIA	34,912.46	Silva, Frank	100.49
Giles, Gay	100.49	Stewart Industrial	18.96
Gornto Ditching	24,097.60	Van De Maele, H. Denis	100.49
John Deere Financial	5,561.10	VISA	<u>709.93</u>
Klipfel, Russel	2,114.18	Total	\$ 85,985.00

Vicki reported as to having contacted John Deere. A response has not yet been received. **MSC** (Giles / Silva) authorizing payment of claims excluding John Deere through the execution of warrants in the following denominations: (1) \$50,000 and (1) \$25,000.

[Vicki retired from the meeting.]

4. Invitation to Guests to Address the Board. Jim Scott followed up on his prior appearance before the Board, requesting copies of the parcel exhibit from the prior meeting. He was provided with a copy, as well the originals of the photo exhibits he provided at that time. The Secretary will follow-up with permit documents on the storage shed for his execution.

5. Business

5.1 Encroachments: Ox Bow Marina Mutual Water Company Supply Project Test Borings. Request authorization to conduct a total of four test borings adjacent to the Georgiana Slough levee reach between the Ox Bow Marina entrance drive and the City of Isleton Sewer treatment ponds. Three borings will be located at least 12 feet away from the toe of the gravel levee berm constructed by the USACE in 1997, which is along a proposed alignment of a new water line connecting Ox Bow to the City of Isleton public water system. The fourth boring will be located in the vicinity of the Ox Bow entrance ramp, just off the levee crown road but within the oversized levee section comprising the Ox Bow entrance plug which is not within the District boundary.

Boring depths will range between 10 and 15 feet below grade. Backfill will be bentonite mix as adopted for the AWR exploratory boring effort under the beneficial re-use study data gathering effort in participation with Sherman and Twitchell Islands. The proposed borings are within the District's Area of Jurisdiction but have been located in response to conversations with the District Engineer to avoid potential impact to the levee section enhanced by the USACE in 1997.

District Engineer recommends the Board endorse the Applicant's Flood Board application for the boring scheme, and authorize the District Engineer to issue a Letter of Permission to the Project Engineer, Stantec, for the proposed borings. **MSC** (Silva/Giles) accepting the recommendation of the District Engineer.

6. Staff Reports

6.1 Secretary - Debbie Phulps. **MSC** (Giles/ Silva) approving the July 17, 2014 meeting minutes.

6.2 Superintendent - Andy Giannini. The Superintendent has responded to the County violation notice involving the District Yard and its hazardous materials plan. The levee section in the vicinity of Delta Bay appears to be sinking again. Mowing effort is continuing. Russel is working the Sacramento near Chavier's with the boom mower, after which mowing from the crown will occur in coordination with Caltrans. Discussion ensued regarding the mowing impediment by trees too close to the toe.

6.3 Counsel - Scott Shapiro. No report received.

6.4 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 issued Program Guidelines and a PSP (Project Solicitation Proposal) for Delta Levees Special Flood Control (Multi-benefit) Projects on June 13, 2014, with initial concept proposals due on July 17, 2014. The project Guidelines emphasize water supply reliability, channel margin habitat enhancement, and improvement to levee system integrity with a total of \$75 million to be available for projects that will be selected through a two part process. The concept proposals will be accepted and subsequently scored and prioritized to create a short list.

As previously discussed, this office has been planning to propose the erosion repair/habitat enhancement project involving the Sacramento River levee between Cache Slough and Isleton, that is in the District's 5-Year Plan, which is currently being prepared for USACE and Flood Protection Board permitting submittal. Consequently, a project proposal for 1.75 miles of erosion protection, at an estimated cost of \$5.7 million, was submitted for consideration by the July 17 deadline. Because a habitat enhancement bench component is incorporated into the design and the project location is on the Sacramento River, which is specifically targeted in the PSP Guidelines, it was felt that the project would be eligible. On July 18, the District received formal notification from DWR that the project this office submitted was eligible. On August 1 DWR formally announced that 5 concept Proposal projects had been selected and were invited to submit a Full Application for funding consideration. BALMD's Erosion Control/Habitat Enhancement Project is one of the five. The submittal deadline for this second phase of the selection process is September 16, 2014.

Because of the short time line for preparation of the more detailed Full Application package, this office is proceeding to respond to the requirements of the Program Guidelines and prepare a complete submittal package. There are a number of important components to that submittal, including a detail of all the tasks involved to get to construction, along with the estimated costs and the time lines associated therewith, and concluding with the construction process elements and a more detailed construction cost estimate. Because a phased version of this project was

incorporated into the District's Five Year Plan, this office has spent time refining the project design and getting prepared to submit the project for a USACE and CVFPB permit. As previously reported, a biologist was retained by this office to prepare a Biological Assessment (BA) of the entire levee reach, since experience has shown that an initial environmental review and analysis effort will facilitate the environmental permitting phase of that process and would prove invaluable in the preparation of a detailed project proposal for consideration under the PSP program. It is intended that the permitting process for this erosion project will proceed whether the project is ultimately selected for funding or not. As previously noted, the administrative effort associated with the Subventions Special Projects element of the levee program, the administrative hoops and associated engineering costs are higher because of DWR micro-management. Under the PSP Program Guidelines, minimum State funding would be 75% and funding advances are provided under the Special Projects Program format.

As previously reported and discussed, there is almost one-half mile of vegetative growth, primarily untrimmed trees on the Sacramento River levee, that contributed to a District rating of unacceptable in the DWR Fall 2013 project levee inspection report. The main problem areas are two locations, on the water-side bend downstream of Vieira's Resort and on the land side fronting the Rupert and Correia properties. Consequently, a District abatement notification letter was sent to the property owners affected, about an eminent District effort to address the vegetation encroachment issue, if not abated before a July 28 deadline. There was only one phone response received, from a Mr. Edward Campbell, indicating a willingness to trim up the vegetation himself. He lives near Manuel Rebero. It was recommended by this office at the August meeting that the Board consider going to bid on a trimming and thinning project focusing on the unacceptable areas noted above along with any other marginal locations that could be addressed in advance of becoming unacceptable to the State Inspector. It is recommended that this process move forward with a advertised bid opening in September at the beginning of the regularly scheduled District meeting.

As previously discussed, a separate District encroachment abatement form letter addressing unauthorized levee encroachments, was mailed to select property owners, in Isleton, to advised them of the problem with unauthorized structures in the 15-foot levee-toe setback area and an impending District effort to proceed with removal after July 28. An option to make other arrangements with the District was offered. Of the 11 parcels owners notified because of visible encroachment deficiencies, only four phone responses were received by this office. One of those individuals came to the District's July meeting. This is a difficult situation to address because some of the encroaching structures existed before the Project Levee oversight came into being, while others were constructed without any guidance or review by the City of Isleton or the District in order to consider the relationship to the levee toe. Obviously the Reclamation Board was never consulted. In fact, as previously noted, an overlay of the State's LIDAR topographic survey on a Google Earth image of the Old Town Isleton area in question indicates that the rear property line of many of the lots coincides with the toe of the levee. Fortunately one responsive property owner has cleared out part of the worst situation near H Street. As suggested at the July meeting this office has begun the process of obtaining legal advice as to the proper steps to take from this point forward, which may include getting the Flood Protection Board involved.

As previously reported another important encroachment issue that DWR Flood Safety wants to address is penetrations. 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 crossings, the permit status, and identification of any problems that the District needs to address. A total of 239 crossings were investigated and 52 were determined to need District attention. Of that total only 6 crossings were considered more urgent, which included the three concrete box culverts that served as conveyor tunnels for the cannery operation that once existed in Isleton. These have been surveyed by this office, in order to prepare documents to develop a closure design and obtain State approval to proceed. There has been no resolution to this issue to date.

In July this office reported on a quote obtained from CSI to conduct a subsurface conductivity investigation of the Sacramento River levee, similar to the investigation that was undertaken on the remaining levees, to better determine the location and extent of the penetrations that were identified in the DWR study. It was felt that such an investigation would facilitate any future effort the State may direct regarding the items identified as requiring the District's attention. The cost

of the subsurface conductance study and report would be \$21,000. Board approval is being sought to enable such an investigation to be undertaken. On a cash flow basis, it is unlikely the Board would see an invoice from CSI before October.

- 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. However, nothing new has been communicated to affected LMA's that were previously declared ineligible since this new development was reported to the Board in April. However, URS under contract with the USACE, is conducting a screening of BALMD/RD 556 levees but more from a geotechnical and geological point of view. A pre-screening is now scheduled for September 3 with CVFPB staff and LMA representatives.
- C. BALMD 2013-14 Subventions Projects. The two levee crown projects that were bid on May 22; the PL 84-99 crown raising on the Mokelumne levee between the Lighthouse Resort and Pirates Lair Resort, and levee cross section enhancement on Sevenmile Slough between the dams, were essentially completed before the beginning of the 2014-15 Fiscal Year.

At this time there are a few items remaining to be completed by Robert Burns Construction on the Mokelumne crown raising project. The involve some AC curbing near Pirates Lair, grading the AB shoulder along the entire stretch, and finishing the stripping. Mark Burns estimates that everything should be complete by August 26 and has indicated that the delay has been partially due to subcontractor availability.

- D. BALMD 2014-15 Subventions Budget. The Levee Subventions Budget for 2014-15 that was approved by the Board and submitted for BALMD totals \$2,002,069 for Subventions Qualifying expenditures. That amount represents a reduction from the 2013-14 approved level of \$2,506,000. The main construction project that is budgeted for this fiscal year is the seepage management and French drain project for Georgiana Slough, designated the Gardiner/Still project. That project is currently bogged down in the Flood Protection Board's permitting process review nightmare. The District Subventions budget also anticipates moving forward 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.

For the District's Fall 2014 construction efforts, it is recommended that the District go out to bid for tree trimming and vegetation thinning or removal along the Sacramento River and select locations on Georgiana Slough along with a separate bid advertisement for three barge loads of rip-rap to be placed along Georgiana Slough (2 barges), downstream of the Ox Bow, and on the Sacramento River levee. The Sacramento River project description should include clean up of the arundo sites between Cache and the Isleton Bridge.

MSC (Deak/Silva) to proceed to bid for 6000 tons of rock to be delivered and placed by barge. 4000 tons to be placed on the Georgiana between B&W and Oxbow, and 2000 tons to be placed between the RD556 Cross Levee and the confluence with Cache Slough. Potential bid opening of September 11, 2014.

MSC (Deak/Giles) to proceed to bid for vegetation management (tree trimming) at sites to be determined by the District Engineer. Potential bid opening of September 11, 2014.

To recap the current Levee Maintenance Program budgeting strategy, the Governor's Budget contains a line item with \$12 million allocated to the Levee Subventions reimbursement program. With the maximum 75/25 State match allowed under the program, that budgeted amount could support over \$16 million of levee work for the approximately 60+ local districts in the Delta. For 2014-15 the Levee Subventions budget submittals total \$46.6 million for 68 districts, while final claims for 2012-13 only totaled \$11.6 million for 60 districts. Obviously very conservative budgeting projections.

- E. BALMD DR 200601- CDAA Obligation. On June 20, 2014 the office of the District Engineer received a letter from CalOES accounting division advising that the District had been overpaid for the 2006 disaster. The overpayment, calculated by CalOES to be \$150,561, resulted from a de-obligation by FEMA of the initial DR's written by OES and subsequent re-obligation by FEMA of the early emergency response expenditures occurring while the disaster declaration was in effect. As a result of the FEMA de-obligation OES picked up 75% of the total District disaster cost, plus

10% for administration. Subsequently, FEMA paid OES 75% of the early repair expenditure that was re-obligated and OES sent the District a check for that amount, including an administrative allowance. This resulted in an overpayment that the Board was apprised of by this office in November of 2007. At that time there was still an appeal pending with FEMA for the balance of the repair work that was done after the disaster was declared officially over. Consequently, the Board was advised that the final amount of the overpayment could be subject to an adjustment. At the time, this office estimated that the District might need to return \$120,561. The final appeal was denied but the District was never contacted until recently about the final closeout of this disaster and the results of the final accounting review. Subsequently, this office has been working with CalOES regarding this matter to verify the correct amount of the overpayment, while verifying with the District Treasurer that no check was issued to Grant Payments for any amount. At this juncture this office has sent CalOES its calculation of the amount of overpayment to be \$122,210 and is waiting for the CalOES audit preparer to verify the methodology and revise the Re-payment Invoice. It is not anticipated that the turnaround will be very quick as CalOES is buried under all the claims related to the fires that have been raging in the State. It is not anticipate that the District will have to issue a check until October or November.

7. Director Reports. None.

8. Litigation Reports. None. Closed Session was not necessary.

9. Announcements. Those present were invited to join the Board at Rogelio's following the Closed Session and Recess.

10. Closed Session followed by Recess and Change of Venue. Guests and Staff were dismissed as the Board retired to Closed Session to conduct a personnel performance review. Following the Closed Session the Board entered a Recess and changed venue to Rogelio's.

11. Meeting Reconvened. The meeting was reconvened by Vice President Van De Maele with the following persons in attendance: Denis Van De Maele, Gay Giles, Joe Deak, Gilbert Labrie, Debbie Phulps and Dave Spensley.

12. Report back from Closed Session. Director Giles reported as to a favorable review for Russel Klipfel and the Board's unanimous decision to increase his rate of compensation by \$1.00 per hour effective September 1, 2014. There was no report from L.A.N.D.

13. Miscellaneous and Adjournment. Discussions continued regarding the encroachment abatement effort within the Isleton city limits. With no further business to come before the Board, the meeting was adjourned at 1:30 p.m.

Respectfully submitted,

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

Date Approved: September 18, 2014
MSC: Giles / Silva