

January 16, 2009
Sacramento, California

The Board of Trustees of the American River Flood Control District met in regular session in its office at 165 Commerce Circle, Suite D, Sacramento, CA at 11:00 a.m. on Friday January 16, 2009. In attendance were Trustee Simon, Trustee Holloway, and Trustee Minnema. Trustee Moose and Trustee Redway were absent.. Trustee Simon presided. Also present from the District were General Manager Tim Kerr, Field Operations Manager Richard Marck, Field Supervisor Ronald Sundberg, Office Manager Michelle Wilder, and District Legal Counsel David Aladjem. Present from the public was Ingrid Shepline of Richardson and Co.

Item No. 1 Public comments on non-agenda items: There were no comments on non-agenda items from members of the public.

Item No. 2 Election of Officers of the Board of Trustees: On a motion by Trustee Holloway seconded by Trustee Minnema, the Board unanimously approved the following Officers of the Board of Trustees: President: Trustee Simon; Vice President: Trustee Holloway; Secretary: Trustee Minnema; Assistant Secretary: Office Manager Wilder; Treasurer: Trustee Moose; and Assistant Treasurer: General Manager Kerr.

Item No. 3 Election and Appointments of District Representatives to Associated Organizations: On a motion by Trustee Holloway seconded by Trustee Minnema, the Board unanimously approved the following appointments: SAFCA Board of Directors: Trustee Holloway and Trustee Moose; SAFCA Board of Directors-Alternates: Trustee Simon, Trustee Redway, and Trustee Minnema; JPIA Director: Trustee Redway; JPIA Alternate Director: GM Kerr; and California Central Valley Flood Control Association Director: GM Kerr.

Item No. 4: Make Personnel Assignments to Existing Standing/Ad-Hoc Committees: On a motion by Trustee Holloway seconded by Trustee Minnema, the Board unanimously approved the following District personnel assignments to Existing Standing/Ad-Hoc Committees: Policy Committee: Trustee Simon and Trustee Minnema; Personnel and Benefits Committee: Trustee Simon and Trustee Moose; Finance Committee: Trustee Holloway and Trustee Moose; and Legislative Committee: Trustee Holloway and Trustee Redway.

Item No. 5 Approval of Consent Agenda Items: On a motion by Trustee Holloway seconded by Trustee Minnema, the Board unanimously approved item 2a) Minutes of Regular Meeting November 2008 and 2c) Treasurer's Certification. Trustee Simon requested clarification of the cash accrual balance on the WaMu/Chase Checking account. Following explanations by staff, on a motion by Trustee Holloway seconded by Trustee Minnema, the Board unanimously approved item 2b) Report of Investment Transactions November 2008.

Item No. 6 Approval of Accounts Payable January 2009, General Fund Expenses, and Expenditures: President Simon requested clarification on payments to Penske, Mr. Gary Prall, and "December Service Fee". Following explanations by staff, on a motion by Trustee Holloway seconded by Trustee Minnema, the Board unanimously approved payments on Schedule of Accounts Payable (January 2009) of \$62,619.39, General Fund Expenses of \$58,118.04 (total aggregate sum of \$120,737.43). Expenditures to Date comparison with the budget were discussed.

Item No. 7 Resolution 2009-01: Exemption for the Program of Routine Maintenance for Calendar Year 2009: On a motion by Trustee Minnema seconded by Trustee Holloway, the Board unanimously made the necessary findings and adopted Resolution No. 2009-01 authorizing the filing of the Notice of Exemption for the District's 2009 Program of Routine Maintenance and directing the General Manager to post the notice as required by law.

Item No. 8 Resolution 2009-02: Collateral Agreement with Washington Mutual Bank: GM Kerr reported to the Board that the state of California requires bank institutions for public agencies to obtain collateral securities equal to at least 110% of all deposited monies. Included with this resolution is exhibit A "Waiver of FDIC Security". The District can elect to waive the standard FDIC security the bank provides. On a motion by Trustee Holloway seconded by Trustee Minnema, the Board unanimously approved Resolution 2009-02 Collateral Agreement with Washington Mutual Bank and rejected Exhibit A "Waiver of FDIC Security."

Item No. 9 Draft FY 2007-08 Audit: GM Kerr reported to the Board that the Finance Committee reviewed the draft audit and introduced Ms. Shepline from Richardson and Co. Ms. Shepline answered questions for the Board to help them further understand the audit. Staff was directed to implement recommendations from the audit and report back at a later date. On a motion by Trustee Minnema seconded by Trustee Holloway, the Board unanimously approved the Draft FY 2007-08 Audit.

Item No. 10 GASB 43 & 45 Prefunding of Retiree Health Benefits: GM Kerr reported that the Finance Committee reviewed options for reporting and prefunding the Other Post Employment Benefits (OPEB) liability for Retiree benefits. The District has the option of either reporting the entire liability of \$1.12 million or the 20-year amortization amount of \$99,969. Trustee Holloway requested clarification regarding advantages and disadvantages of amortizing the liability versus fully disclosing it. Ms. Shepline responded that it is more candid to fully disclose the entire liability also that you cannot amortize the amount more than 30 years. On a motion by Trustee Holloway seconded by Trustee Minnema, the Board unanimously approved reporting the \$1.12 million.

To fund the OPEB liability the District has the option of paying the amortized amount of \$99,969 annually over 20 years or the balance \$1.12 million at once. The choices for funding the monies include investing in an irrevocable trust with CalPERS, opening another account at City Pool or LAIF, using an investment service such as PARS, or opening another Money Market account at WaMu/Chase Bank. Trustee Holloway asked if we could have emergency access to the funds. GM Kerr responded that all options except for the irrevocable trust allow for emergency access to the monies and a Money Market account would allow for the greatest liquidity. On a motion by Trustee Holloway seconded by Trustee Simon, the Board unanimously approved fully funding the \$1.12 million balance with the surplus from FY 2007-08 and investing the monies in a Money market account at WaMu/Chase Bank.

Item No. 11 Draft Contract with Kleinfelder Associates for WRDA-96 Alternatives Review: District Counsel Aladjem reported to the Board that this is a standard contract and suggested a few modifications to request regarding payments, intellectual property, and liability. On a motion by Trustee Minnema seconded by Trustee Holloway, the Board unanimously approved the Draft Contract with Kleinfelder pending the requested changes.

Item No. 12 Draft MBK Engineers Erosion Inspection: GM Kerr reported to the Board that he requested further information to clarify the recommendations made in the report. Page 5 summarizes the sites recommended for further studies and the potential actions. Trustee Minnema requested clarification regarding condition of previous repairs. District Counsel Aladjem reported that page 6 section 9.8 includes a brief discussion on previous repairs. Trustee Simon requested that the report keep track of what we've done and how the repairs are holding up. The Board directed staff to request cost estimates for the studies cited in the recommendations. This item was for information purposes only and no action was taken.

Item No. 13 Flood Board Permit Application: Sacramento Suburban Water District: GM Kerr reported to the Board that the permit applicant should be indicated as Ludorff and Scalmanini Consulting Engineers who is a contractor for Sacramento Suburban Water District. The application is for a monitoring well on the same site of a previously permitted and abandoned well. GM Kerr also provided a list of conditions to be included with the permit. On a motion by Trustee Minnema seconded by Trustee Holloway, the Board unanimously approved the permit with conditions.

Item No. 14 Development of Vehicle Idling Policy: GM Kerr reported to the Board that the California Air Resources Board now requires medium and large off road diesel fleets to limit idling to 5 minutes and have a vehicle idling policy stating this in place by March 1, 2009. Small fleets must remain in compliance but are not required to have a policy in place. District staff is in process of developing a draft policy and will provide a copy to the Board for review at a subsequent meeting. This item was for information purposes only and no action was taken.

Item No. 15 Staff Reports:

a) General Manager Tim Kerr reported on the following:

- General Manager's December Meeting Summary.
- Diamond Estates Subdivision development plan: GM Kerr spoke with Mr. Busath at the City and was provided the name of Mr. Armijo as the planner assigned to the project. GM Kerr requested that we be part of the subdivision review committee and matrix meetings.
- Corps' proposed policy on vegetation on levees: SAFCA is currently drafting an alternative plan report.
- Hydrologic conditions: Folsom Lake is at 22% capacity with an outflow of 800 cfs.
- The next Board meeting is February 13, 2009.

b) Legal Counsel David Aladjem reported on the following:

- Update on Central Valley Flood Protection Board JPA Indemnity Policy: The Flood board is meeting today and plans to have a subcommittee address the indemnity issue. This will be an opportunity for the Board members to get into the details of the issue and make an informed decision.

c) Field Operations Manager Richard Marck reported on the following:

- Photos of crew activities
- West El Camino bridge: Bridge reopened last week.
- Sacramento RM 10.1 L foundation removal: Crew removed an old abandoned pump station foundation. A homeowner sent a note of thanks to the District.
- Surplus equipment disposal update: A few people have expressed interest, however, no bids have been received. It may be necessary to lower the price on the equipment.

d) Office Manager Michelle Wilder reported on the following:

- W-2's have been distributed.
- Form 700 is due by March 13, 2009.

Item No. 17 Correspondence: There was no correspondence.

Item No. 18 Questions and Comments by Trustees: There were no questions or comments by Trustees.

Item No. 19 Adjourn: There being no further business requiring action by the Board, the meeting was adjourned by President Simon at 12:52 p.m.

Attest:

Secretary

President