

September 9, 2011
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 11:07 a.m. on Friday, September 9, 2011. In attendance were Trustee Simon, Trustee Moose, Trustee Pavão, and Trustee Holloway. Trustee Minnema was absent. Trustee Simon presided. Also present from the District were General Manager Tim Kerr, Relief Manager Gary Prall, Superintendent Richard Marck, Field Supervisor Ron Sundberg, Office Manager Michelle Wilder, and District Legal Counsel David Aladjem. No members of the public were present.

GM Kerr requested that the Board consider including an additional item on the agenda regarding Sutter's Landing Park. On a motion by Trustee Holloway seconded by Trustee Moose, the Board unanimously approved adding Item 5A) City of Sacramento Sutter's Landing Park to the agenda.

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 Approval of Consent Agenda Items: Items 2b) Resolution 2011-04: Delegation of Authority to Act in an Emergency and 2c) Bookkeeper's Statement of Operations (FY 10-11 ending June 30, 2011) were removed from the consent agenda. On a motion by Trustee Pavão seconded by Trustee Moose, the Board unanimously approved items 2a) Minutes of Regular Meeting on August 12, 2011 and 2d) Correspondence: None.

Item No. 2b Resolution 2011-04: Delegation of Authority to Act in an Emergency: Trustee Pavão requested clarification regarding the Relief General Manager. Following explanations by staff on a motion by Trustee Moose seconded by Trustee Pavão, the Board unanimously approved the Resolution.

Item No. 2c Bookkeeper's Statement Operations: Trustee Simon requested clarification regarding revenue and teeter payments. GM Kerr explained that the FY 10-11 assessment teeter payment is traditionally received near the end of the year and will be included in the Statement of Operations upon receipt. Trustee Pavão requested clarification regarding the Bookkeeping Services budget item. GM Kerr explained that the annotation of "not budgeted" next to Bookkeeping Services is an error and will be corrected on subsequent reports. Trustee Pavão also requested clarification regarding Special Projects Expenses. GM Kerr noted that the District's focus this year was shifted to the repair of RM 60.1 and did not allow time for special projects as previously planned. Trustee Moose requested clarification regarding the Compensation Insurance budget item. Office Manager Wilder noted that the District received an unanticipated refund from ACWA-JPIA which off-set the costs in the Compensation Insurance budget item. On a motion by Trustee Moose seconded by Trustee Pavão, the Board unanimously approved the Bookkeeper's Statement of Operations.

Item No. 3 Approval of Accounts Payable August 2011, General Fund Expenses, and Expenditures: Trustee Simon requested clarification regarding payments to California Surveying Drafting Supply, Central 4 Wheel Drive, Employee Relations, Inc., US Bank (Sports Authority), and US Bank (Sears.com). Trustee Pavão requested clarification regarding the payment to Volvo Rents. Trustee Simon expressed preference regarding the format of the Expenditures (Cash Flow) report. She would like staff to include a column showing current

budget. GM Kerr noted that a cash flow report shows when funds are obligated regardless of when an expense is incurred. The District's annual budget is accrual based which shows when an expense is incurred regardless of when that bill is paid. There are purchases made during the previous fiscal year for which the bills are not received or paid until the subsequent fiscal year. This also applies to income. Therefore, it is not accurate to compare a cash basis report to an accrual based budget. On a motion by Trustee Moose seconded by Trustee Holloway, the Board unanimously approved payments on Schedule of Accounts Payable (August 2011) of \$42,289.61 and General Fund Expenses of \$69,722.07 (total aggregate sum of \$112,011.68).

Item No. 4 Approval of Report of Investment Transactions July 2011 (City Pool A, LAIF, Chase) and Treasurer's Certification: Trustee Simon requested the August interest rates for the Chase accounts. Office Manager Wilder noted that the Chase Money Market account interest rate was 0.50% and the Chase Retiree Health Benefit Reserve account interest rate was 0.27%. The Board expressed concern for the low rate of return on these investment accounts and directed staff to research other investment options. On a motion by Trustee Moose seconded by Trustee Holloway, the Board unanimously approved the Report of Investment Transactions and Treasurer's Certification.

Item No. 5 ACWA Committee Appointment Nominations for the 2012-2013 Term: No nominations were made and no action was taken on this item.

Item No. 5a City of Sacramento Sutter's Landing Park: The City of Sacramento is applying for a grant to continue development of Sutter's Landing Park. The improvements include extending a portion of the Two River's Bike Trail, adding signs depicting the history of the area, a restroom, and trailhead beautification. GM Kerr noted that he received a request from Mick Klasson for a letter of support from the District regarding the proposed features at Sutter's Landing Park. GM Kerr expressed preference for the bike trail to be at the toe of the levee. He would also like periodic updates regarding the progress of the project. The Board reviewed the key features of the request and noted that they approved the concept as long as it complied with the District's Recreational Trails Policy. On a motion by Trustee Holloway seconded by Trustee Moose, the Board unanimously approved directing the General Manager to send a letter of support to the City which also cites these points.

Item No. 6 Update on Erosion Repair at RM 60.1: GM Kerr noted that the final permit needed for the project was the US Army Corps of Engineers 404 Permit. The final permit was received on August 16 and required a 15 day notice prior to the start of construction. District staff immediately sent notice to all required agencies announcing commencement on September 2, 2011. The crew built an access ramp and began work on the rock bench foundation needed to repair the levee. The necessary in-stream woody material has been identified and acquired. The repair project has commenced and continues daily. GM Kerr noted that the District rented a second tracked dump truck and is now able to move the necessary material into place twice as fast. Trustee Pavão expressed concern at both buying and renting a tracked dump truck. GM Kerr noted that when the District initially began looking to acquire a tracked dump truck the cost of a rental was as much as purchasing. After the District purchased the tracked dump truck District staff discovered one available for rent at a reasonable price and GM Kerr decided to rent a second one to ensure the project continue quickly and efficiently. The report was received and filed by the Board. No action was taken on this item.

Item No. 7 Staff Reports:

a) General Manager Tim Kerr reported on the following:

- General Manager's August Meeting Summary: August 22 Flood Board meeting was discussed;
- Sac Metro Chamber Mission to New Orleans: The timing of the trip conflicts with the American River RM 60.1 Repair project and GM Kerr is unable to attend;
- Levee Certification: No change in status at this time;
- Hydrologic Conditions: Folsom Reservoir is at 83% of capacity with an outflow of 4,000 cfs. Sacramento River at I Street gauge is at 6.75 feet.
- The next Board meeting is October 14, 2011.

b) Legal Counsel David Aladjem reported on the following:

- Folsom Dam Operations: District Counsel Aladjem discussed prediction based vs. chart based releases.

c) Superintendent Richard Marck showed photos and discussed the following:

- Crew activities including progress on the RM 60.1 erosion repair project.

c) Office Manager Michelle Wilder reported on the following:

- Website Statistics: The District website had 201 visits during the month of August.

Item No. 10 Questions and Comments by Trustees: Trustee Simon requested a synopsis of President Obama's speech regarding job creation and what the resulting perks for employers may be. District Counsel Aladjem noted that the President's proposal will need to be reviewed by both Houses of Congress and is likely to change before becoming law.

Item No. 11 Adjourn: There being no further business requiring action by the Board, the meeting was adjourned by Trustee Simon at 1:00 p.m.

Attest:

Secretary

President