

**MINUTES OF GENERAL MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER SAN JOAQUIN LEVEE DISTRICT
TUESDAY MORNING, JUNE 14, 2022**

Pursuant to the Call of the Chairman, a Regular Meeting of the Board of Directors of the Lower San Joaquin Levee District was held in the office of the San Luis Canal Company, at 11704 W. Henry Miller Avenue, Dos Palos, Merced County, California, on Tuesday, June 14, 2022, at the hour of 8:30 A.M.

CALL TO ORDER

Chairman Roy Catania presided over the meeting and called it to order, with the following Directors present in the board room: Sean Howard, George Park, Case Vlot, Robert D. Kelly, Aldo Sansoni, and Stephen Shehadey. The following staff was present in the board room: Legal Counsel Lauren Layne, Secretary-Manager Reggie Hill, Assistant Secretary-Manager Shane Swartz, and Superintendent Jody McClellon. The guests in attendance in the board room were Gustavo Carranza, Darrell Chism, and Sal Rodriguez. Chairman Catania declared that a quorum was present.

PLEDGE OF ALLEGIANCE

Director Howard led those in attendance in the pledge of allegiance.

BOARD MINUTES

A motion by Director Howard and seconded by Director Sansoni, the Minutes of the General Meeting of the Board, held on May 10, 2022, were unanimously approved as presented.

LEGAL COUNSEL'S REPORT

Legislation Updates: Attorney Layne reported on public agency legislation updates. Further discussed bills, continuing to move forward, in legislative are AB-2449 revisions to the Brown Act reducing the requirements for telephonic meetings. New requirements coming out in the next couple of months to ease requirements for telephonic meetings.

Atty. Layne reported further information on AB-2201 in the legislation of Ground Water

Extraction Permit, continuing to move forward, where the State imposes the county government and GSA's that they require permits for pulling groundwater extractions and monitoring.

Atty. Layne reported a discussion on the proposed bill AB-2108, which reported to amend water laws and water rights systems.

Atty. Layne reported Fresno County Board of Supervisors has appointed Steve Shehadey for the vacant Levee Board seat.

SUPERINTENDENT'S REPORT

Superintendent McClellon stated spraying near gates, and structures, and the center levee continues. Also, use the two Polaris side by side to complete spraying near the right of way. Squirrel baiting will continue throughout the summer.

Superintendent McClellon shared that the repair of the triangle bridge washout has been completed after receiving hard pan soil from a local farmer.

Superintendent McClellon reported that on May 11th three interviews took place for the open maintenance position and one candidate was selected. Rene Torress Jr was offered the position and his first day of employment was May 31st.

Superintendent McClellon reported mowing of the levee slopes has begun and will continue throughout the summer.

Superintendent McClellon reported that he made contact with Fresno County Sheriff's office and California Highway Patrol officer and other landowners in the area to try to plan a day when all can meet up on the levee to discuss the challenges of trespassing. The district has also purchased a couple of trail cameras to be installed on through the district to help reduce trespassing and property damage.

SECRETARY-MANAGER'S REPORT

S-M Hill formally thanked the board of directors for their support for over 36 years of him being

the Secretary Manager of the District. S-M Hill also recommends Asst S-M Swartz to officially become Secretary Manager of the District. Following a discussion on appointing Asst S-M Swartz to S-M on July 1, 2022, a motion by Director Sansoni, and seconded by Director Park, the Board unanimously voted to accept to appoint Asst S-M Swartz to S-M on July 1, 2022.

S-M Hill presented that Roy Catania, Sean Howard, and Robert D. Kelley are currently up for re-appointment. Following a discussion on re-appointments of directors a motion by Director Howard, and seconded by Director Park, the Board unanimously, with the exception of Roy Catania who sustained, voted to accept to reappoint Director Catania for another four years as a director of the district. Following a discussion on re-appointments of directors a motion by Director Vlot, and seconded by Director Park, the Board unanimously, with the exception of Sean Howard who sustained, voted to accept to reappoint Director Howard for another four years as a director of the district. Following a discussion on re-appointments of directors a motion by Director Sansoni, and seconded by Director Park, the Board unanimously, with the exception of Robert D. Kelley who sustained, voted to accept to reappoint Director Kelley for another four years as a director of the district.

Asst S-M Swartz presented that there would be a special meeting on June 28th at Espanas to officially recognize S-M Hills' retirement from the district, after serving more than 36 years!

Asst S-M Swartz presented on Verizon Connect GPS service for tracking and accountability technology for all employee's vehicles. Following a discussion on the Verizon Connect system a motion by Director Kelly, and seconded by Director Shehadey, the Board unanimously voted to accept the Verizon Connect GPS service for all the district vehicles.

S-M Hill stated that we are still waiting on the response from Summers Engineering in a response to DWR modification request to the mariposa structure. Further discussion on the plans and the process going forward.

Asst S-M Swartz presented the proposed budget for the Fiscal Year 7/1/2022 – 6/30/2023 (FY22-

23). Within the attachment are estimated expenditures that include an operating reserve fund supplement, creating a balanced budget. Specifically, the amount of the estimated expenses includes a payment of \$204,313.44 from the operating reserve account. The total amount available in the operating reserve is where the amount needed to be after the duration of the Prop 218 increases ended, which was in 2010. That target amount was estimated to be no less than \$650,000.00, which can be reflected in the report of operating account balances in the Merced County Auditor's office report. The operating reserve has exceeded the targeted amount to date, which is the roll-over funds in the operating accounts from one fiscal year to the next. \$979,846.72 was the total rollover cash from FY20-21 that started FY21-22, after all, bills were paid out from the previous FY. I will not know the exact amount of the rollover cash to FY22-23 until a later day in September. I project it will be close to the same as the previous year. With that being said the \$204,313.44 needed for this upcoming FY to balance will be covered with the rollover cash and not our reserve account. Total budget proposed budget amount for FY22-23 is \$1,271,313.44. The Levee District receives \$1,067,000.00 in property assessments a year and \$208,313.44 would be covered from the reserve totaling the \$1,271,313.44.00 budget.

Relative to the Prop 218 five-year assessment increase scenario, approved by the landowners in 2005, the estimate for expenses and revenues is close to the plan projections. There will be no landowner assessment increases for FY 2022-23.

The estimated revenue entails the landowner assessments, interests on accounts, grazing leases, and sand sales. Interest earned on the general operating fund in Merced County is kept in that account. Interest earned from Wells Fargo or other investment accounts is left in those accounts to accumulate. Revenue generated from the Bypass grazing leases and sand sales will be deposited in the Wells Fargo account.

The professional service's budget includes legal services from Baker, Manock & Jensen (Attorney Lauren Layne) and as-needed engineering services from Summers Engineering. The

professional services contract line item includes CH2M (Jacobs Engineering) for as-needed services, and one biennial audit requirement from Bryant Jolley, CPA.

The amounts for the general operational insurance (Insurance-other) are based on the premium paid in April 2023, through the Cal Mutual carrier.

The capital assets line items display the purchase of two 4x4 Ford pickups, which both are carryovers from last fiscal year and waiting for dealerships to deliver.

After further investigation recently and officially closing out the re-gravel grant project with DWR and Summers Engineering, we paid ourselves back our in-kind service which totaled \$25,988.90 which will be part of the rollover cash from the county for next FY. Also, there will be an in-kind payment coming in for the close-out of the electrical grant project, which is still ongoing with DWR. That means we will get a credit for work completed and not owe any of the \$170,000, that has been set for the district portion for years. It has been confirmed by DWR and Summers Engineering that monies are not needed and we would indeed be getting a larger amount back once “officially” closed out. This return of cash will go into our general operating fund since Summers Engineering calculated our time and work was not paid over the years of the FSRP project so we would take the lump sum payment at the end. I will advise the board of the amount once it is final from the State.

On page two of the attachment, you will see the previous year’s salaries on top and the proposed salaries on the bottom. As for the salaries, I have gone along with the board’s direction in keeping wages 20% over the state minimum. With that said and the new state law in place for 1/1/2023 sets the new minimum wage at \$15.50, making the levee district’s minimum wage \$18.60 an hour. For all employees that are over the levee district’s minimum wage, I raised their hourly rate by 10.7%, which is the difference from \$14.00 to \$15.50 an hour. Also, we have hired the 6th maintenance worker Rene Torres Jr, which this position has been vacant for multiple years.

FY 2022-2023 Budget & Salaries

Following a discussion on the 2022-2023 Proposed Budget and Salaries a motion by Director Vlot, and seconded by Director Kelly, the Board unanimously voted to accept the proposed FY 2022-2023 Budget. Signified in blue, the proposed FY 2022-2023 budget, has been fully approved by the board.

Account Description	EXPENSES						
	Fiscal Year 2020-21			Fiscal Year 2021-22		FY 2022-2023 Proposed	FY 2022-2023 Approved
	Appropriated	Adjusted	Actual	Description	Approved	Actual as of 6/1/22	
10000 Salaries & Employee Benefits						*30 days left in FY*	
10110 Salaries & wages - permanent employees	\$425,190.18	\$425,190.18	\$445,746.55		\$518,208.72	\$385,857.33	\$481,801.67
10111 Overtime - permanent employees	\$85,754.76	\$85,754.76	\$90,434.18		\$92,416.22	\$63,834.66	\$94,593.63
10150 Salaries & wages - temporary employees	\$4,600.00	\$600.00	\$481.70		\$4,600.00	\$0.00	\$4,600.00
10151 Overtime - temporary employees	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
10220 F. I. C. A.	\$31,963.79	\$31,963.79	\$32,737.59		\$38,143.95	\$27,453.04	\$37,458.53
10230 Medicare Tax	\$7,475.40	\$7,475.40	\$7,656.22		\$8,920.76	\$6,420.45	\$8,760.46
10300 Employee group insurance	\$117,053.53	\$137,053.53	\$150,781.73		\$167,317.20	\$136,802.76	\$150,000.00
10350 Unemployment Insurance	\$2,000.00	\$1,500.00	\$1,199.98		\$2,000.00	\$944.31	\$2,000.00
10360 Workmen's compensation insurance	\$15,577.16	\$15,577.16	\$13,858.00		\$18,774.00	\$27,007.03	\$20,000.00
Deferred Compensation Plan (retirement)	\$28,000.00	\$28,000.00			\$29,000.00	\$16,791.11	\$30,849.15
Ending Balance (Salaries & Employee Benefits)	\$717,614.82	\$733,114.82	\$742,895.95		\$879,380.85	\$665,110.69	\$830,063.44
20000 Services & Supplies							
20600 Communications	\$7,500.00	\$7,500.00	\$6,324.60		\$7,500.00	\$6,225.94	\$8,000.00
20900 Household expense - supplies	\$4,550.00	\$8,550.00	\$9,501.03		\$8,000.00	\$7,880.95	\$10,000.00
21000 Insurance - other	\$80,295.00	\$92,795.00	\$92,201.00		\$92,052.00	\$100,906.00	\$110,000.00
21200 Maintenance - equipment, other	\$30,000.00	\$30,000.00	\$31,224.43		\$30,000.00	\$29,124.15	\$35,000.00
21300 Maintenance - structures, improvements, grounds	\$25,000.00	\$25,000.00	\$25,375.10		\$25,000.00	\$26,167.88	\$27,000.00
21500 Memberships	\$550.00	\$550.00	\$318.00		\$550.00	\$100.00	\$450.00
21600 Miscellaneous expense	\$800.00	\$800.00	\$192.50		\$800.00	\$203.97	\$800.00
21700 Office expenses	\$16,000.00	\$16,000.00	\$17,249.11		\$16,000.00	\$15,698.34	\$16,000.00
21800 Professional services	\$28,500.00	\$28,500.00	\$22,496.64		\$28,500.00	\$22,573.53	\$25,000.00
21810 Professional services - Contractual Agreements	\$33,000.00	\$12,000.00	\$3,696.00		\$60,000.00	\$27,295.21	\$30,000.00
21900 Publications and legal notices	\$500.00	\$500.00	\$0.00		\$500.00	\$0.00	\$500.00
22000 Rents and leases - equipment	\$500.00	\$500.00	\$184.56		\$500.00	\$0.00	\$500.00
22100 Rents and leases - structures, improvements, grounds	\$500.00	\$500.00	\$1,400.00		\$500.00	\$0.00	\$1,000.00
22200 Small tools and instruments	\$500.00	\$800.00	\$1,141.54		\$500.00	\$1,327.54	\$6,000.00
22300 Special department expense, other	\$6,000.00	\$3,500.00	\$2,986.70		\$6,000.00	\$5,465.66	\$5,000.00
22500 Transportation and travel	\$48,500.00	\$42,100.00	\$44,660.07		\$48,500.00	\$63,605.56	\$70,000.00
22600 Utilities	\$5,500.00	\$6,500.00	\$6,410.08		\$5,700.00	\$5,561.90	\$6,000.00
Ending Balance (Services & Supplies)	\$288,195.00	\$276,095.00	\$265,361.36		\$330,602.00	\$312,136.63	\$351,250.00
83000 Fixed Assets							
87136 Structures, improvements, grounds (FSRP cost share)	\$170,500.00	\$170,500.00			\$170,500.00		
Structures, improvements, grounds	\$0.00	\$500.00					
83700 2021 3/4 ton 4x4 pickup	\$37,935.00	\$32,935.00	\$108,901.74	3/4 ton Truck	\$38,000.00		\$90,000.00 Two Trucks
Backhoe (used)	\$80,000.00	\$80,000.00		New Technology	\$4,000.00	\$2,956.39	
Desktop Computer, 2 printers	\$3,000.00	\$3,000.00		MIG Welder	\$3,300.00	\$3,235.05	
Furniture	\$0.00	\$1,100.00		Chop saw	\$700.00	\$634.23	
Ending Balance (Fixed Assets)	\$291,435.00	\$288,035.00	\$108,901.74		\$216,500.00	\$6,825.67	\$90,000.00
Budget Unit Balance	\$1,297,244.82	\$1,297,244.82	\$1,117,159.05		\$1,426,482.85	\$984,072.99	\$1,271,313.44

Account Description	REVENUES						
	Fiscal Year 2020-21			Fiscal Year 2021-22		Fiscal Year 2022-23 Appropriated	Fiscal Year 2022-23 Approved
	Appropriated	Adjusted		Description	Approved		
94200 Interest	\$4,000.00	\$6,873.78			\$4,000.00		\$4,000.00
96920 Other Services - Benefit Assessments	\$1,047,002.00	\$1,081,971.29			\$1,063,000.00		\$1,063,000.00
97990 Other Services	\$0.00	\$0.00			\$0.00		\$0.00
Ending Balance	\$1,051,002.00	\$1,088,845.07			\$1,067,000.00		\$1,067,000.00
Expenses minus Revenue	-\$208,399.75				-\$359,482.85		-\$204,313.44
Previous Year Roll Over Cash					\$979,846.72		

Employee	Job Classification	Net Hr. Rate	5.60% Def Comp	Total Hr. Rate
Swartz, Shane	Secretary-Mgr.	\$63.87	\$3.58	\$67.45
McClellon, Jody	Superintendent	\$44.28	\$2.48	\$46.76
Weaver, Ronnie	Maintenance	\$23.87	\$1.34	\$25.20
Perry, James	Maintenance	\$21.84	\$1.22	\$23.06
Hogan, Derrick	Maintenance	\$18.65	\$1.04	\$19.70
Turman, Lee	Maintenance	\$19.76	\$1.11	\$20.87
Fernandez, Arnulfo	Maintenance	\$18.65	\$1.04	\$19.70
Torres, Rene	Maintenance	\$18.60	\$0.00	\$18.60

Check Register: There were no checks issued on the Levee District's account at Wells Fargo Bank since last month's meeting.

No new reports on land subsidence.

Asst. S-H Swartz presented information on adopting a statement of investment policy. Following a discussion on the 701-22, on a motion by Director Howard and seconded by Director Park, the Board unanimously voted to accept the proposed adopting statement of investment policy 701-22.

RESOLUTION NO. 701-22

ADOPTING STATEMENT OF INVESTMENT POLICY

WHEREAS, the Board of Directors has heretofore established a general fund from which monies may be expended for general operating purposes; and

WHEREAS, the Board has, in addition, established various reserve funds, as necessary, from which monies may be expended for specific purposes, only; and

WHEREAS, in addition to the monies in the established reserve funds, the District has on hand, outside the general fund, from time to time monies which are surplus to the District's immediate operating needs; and

WHEREAS, it has been determined to be in the best interest of the District to invest such surplus inactive monies in a manner which ensures a maximum return consistent with safety on such investments while maintaining the integrity of such surplus and inactive funds; and

WHEREAS, the Secretary has rendered an annual Statement of Investment Policy to the Board pursuant to Section 53646(a) of the Government Code which the Board has considered, along with the Investment Policy which is attached hereto and incorporated herein by this reference as Exhibit A, to this resolution, at an open, public meeting.

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the Board of Directors of the Lower San Joaquin Levee District as follows:

The Investment Policy which is attached hereto and marked as Exhibit A to this resolution is hereby adopted as the District's Investment Policy. All prior Investment Policy's of the District which have been adopted by the Board are hereby rescinded.

Asst. S-H Swartz presented information on the collection of benefit assessments. Following a discussion on the 702-22, on a motion by Director Howard and seconded by Director Park, the Board unanimously voted to accept the proposed adopting collection of benefit assessment 702-22.

RESOLUTION NO. 702-22

WHEREAS, This Board is required, under the provisions of Section (b) (6) of the Lower San Joaquin Levee District Act (Chapter 1075 of the Statutes of 1955, as amended by Chapter 404 of the Statutes of 1983), if it elects to have its assessments collected by the County officials of the Counties of Merced, Madera, and Fresno with regard to the portions of the District located within those respective counties to have its assessments collected by the County official, declare its election by resolution and file a certified copy of the resolution with the Auditors of those counties on or before the first day of August;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Lower San Joaquin Levee District that it hereby elects to have its assessments collected by the County officials of the Counties of Merced, Madera, and Fresno.

Asst. S-H Swartz presented information on the Gann appropriation limits. Following a discussion on the 702-22, on a motion by Director Howard and seconded by Director Park, the Board unanimously voted to accept the proposed adoption of Gann appropriation limits 703-22.

RESOLUTION NO. 703-22

WHEREAS, Water Code Appendix 76-8 (b) authorizes the Board of the District, in lieu of any other assessment provided by law, to elect to require a Benefit Assessment be levied in a sufficient amount to collect funds required by the District for District operations during each fiscal year, and

WHEREAS, The District is subject to the Appropriation Limits detailed in Section 1.5 of Article XIIIB of the California Constitution, and such limits being determined by the State Department of Finance and distributed by the Merced County Auditor's office, the agency contracted to maintain the District's financial records; and

WHEREAS, This Board has been heretofore duly informed in writing by said State Department of Finance what the Appropriation Limits, determined in accordance with the factors and formulas by law, are for the District for the Fiscal Year 2021-22, and said limits area as follows;

<u>FISCAL YEAR</u>	<u>GANN APPROPRIATION LIMITS</u>
2021-2022	\$2,687,997.96

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Lower San Joaquin Levee District, after due deliberation, adopts the aforementioned appropriation limits; and

BE IT FURTHER RESOLVED, That the Board of Directors of the Lower San Joaquin Levee District certifies that the total amount of money necessary collected by the District's Benefit Assessment for all District purposes during the fiscal year listed, did not exceed the aforementioned appropriation limits.

Director Kelley directed staff to contact state funding outlets in getting an evaluation of all the

levees within the district, by having an engineer present a formal report and what needs to be done to repair and raise the levees.

Asst. S-H Swartz presented information to the board that the petty cash account of \$100.00 was not needed and would be properly closed out with Merced County Auditor.

PUBLIC COMMENT

No public comment.

CLAIMS FOR PAYMENT

Following a discussion on the claims presented, on a motion by Director Kelly and seconded by Director Vlot, the following presented claims were unanimously acknowledged and accepted for payment:

AETNA	\$6,496.04	MERCED CO ASSESSOR	\$75.00
AT&T	\$53.50	MORGAN WHITE ADMIN	\$4,767.73
BAKER MANOCK & JENSEN	\$2,102.79	NAPA	\$191.89
CA RURAL WATER ASSOC	\$229.00	OFFICE SUPPLY EXPRESS	\$1,187.36
CH2M HILL ENGINEERS	\$5,151.00	PG&E GATE CONTROL PROT	\$14.76
CINTAS CORP	\$56.49	PG&E MARIPOSA STRCUTURE	\$165.42
COPY SHIPPING SOLUTIONS	\$238.03	PG&E SHOP	\$247.51
COPOWER	\$695.71	PG&E OFFICE	\$25.91
DRUG TOXICOLOGY	\$80.00	SIMPLOT GROWERS	\$818.90
FRONTIER	\$63.04	SUMMERS ENGINEERING	\$1,936.74
GILTON SOLID WASTE	\$125.22	TEE-DEE-US AUTO	\$751.28
HMRD (RENT & BOARD RM)	\$1,268.00	TUCCI MACHINE SHOP	\$156.00
HMRD (PROPANE)	\$11.34	VAUSE PARTS SOURCE	\$664.89
HOLT OF CA	\$129.46	VERIZON WIRELESS	\$230.06
KELLOGG SUPPLY	\$515.67	WINDECKER, INC	\$5,789.69
MERCED CO DEPT OF AG	\$920.00	YONKERS & JOHNSON	\$2,286.15
MANUELS TIRES	\$1,439.05	ZEINTH INSURANCE	\$2,040.00
		TOTAL	\$40,923.63

ADJOURNMENT

There being no further business, the Chairman declared the meeting adjourned at 10:05 A.M.



Shane Swartz, Assistant Secretary-Manager