

**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

Following a discussion regarding the previous Board Minutes, on 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 legislative AB-2449, revisions to the Brown Act, reducing the requirements for telephonic meetings.

Atty. Layne reported on AB-2201 that the bill is still in formation with legislators.

Atty. Layne reported an update on proposed bill AB-2108 that Senator Melissa Hurtado has

removed the bill from the legislative approval process.

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

SUPERINTENDENT'S REPORT

Superintendent McClellon stated that district maintenance personnel continue weed abatement spraying near gates, structures, and the center levee roads.

Superintendent McClellon stated the district maintenance personnel continue to use the two Polaris side-by-sides to complete weed abatement spraying near the right of way.

Superintendent McClellon stated that the district maintenance personnel continued squirrel baiting last month and will continue throughout the summer.

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

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

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

Superintendent McClellon reported that he contacted Fresno County Sherriff's Office, the California Highway Patrol, and local landowners in the area upstream of the bifurcation to discuss trespassing.

SECRETARY-MANAGER'S REPORT

S-M Hill formally thanked the Board of Directors for supporting his 36-year tenure as the District's Secretary Manager. S-M Hill recommended that Asst S-M Swartz officially become Secretary

Manager of the District. Following a discussion, a motion by Director Sansoni, and seconded by Director Park, the Board unanimously voted to appoint Asst S-M Swartz to S-M effective July 1, 2022.

S-M Hill stated that Roy Catania, Sean Howard, and Robert D. Kelley are currently up for re-appointment. Chairman Catina relinquished control of the meeting and handed the gavel to Vice Chairman Park. Following a discussion on re-appointments of directors, a motion by Director Howard and seconded by Director Park, the Board unanimously, except Roy Catania, who abstained, voted to reappoint Director Catania for another four years as a Director of the District.

Vice Chairman Park relinquished control of the meeting and handed the gavel back to Chairman Catania.

Following a discussion on re-appointments of directors, a motion by Director Vlot and seconded by Director Park, the Board unanimously, except Sean Howard, who sustained, voted to reappoint Director Howard for another four years as a Director of the District.

Following a discussion on reappointments of directors, a motion by Director Sansoni and seconded by Director Park, the Board unanimously, except Robert D. Kelley, who sustained, voted 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 Espana's Restaurant in Los Banos, CA, to officially recognize S-M Hill's retirement from the District.

Asst S-M Swartz presented on Verizon Connect GPS service for tracking and accountability technology for all District vehicles and a new District Vehicle Use Policy. Following a discussion on the Verizon Connect system and Vehicle Use Policy presented, a motion by Director Kelly and seconded by Director Shehadey, the Board unanimously voted to approve the Verizon Connect GPS service for all District vehicles and District Vehicle Use Policy.

S-M Hill stated that the District is still waiting on the response from Summers Engineering in response to the DWR modification request to the Mariposa structure.

Proposed Budget FY22-23

Asst S-M Swartz presented the proposed budget for the Fiscal Year 7/1/2022 – 6/30/2023 (FY22-23), the same as previously mailed.

EXPENSES								
Account Description	Fiscal Year 2020-21			Fiscal Year 2021-22			FY 2022-2023	
	Appropriated	Adjusted	Actual	Description	Approved	Actual as of 6/1/22	Proposed	Approved
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	

REVENUES								
Account Description	Fiscal Year 2020-21			Fiscal Year 2021-22			Fiscal Year 2022-23	
	Appropriated	Adjusted	Actual	Description	Approved	Actual as of 6/1/22	Appropriated	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			

Asst S-M Swartz stated the excel sheet provided showed the past three years of approved and actual expenses. Per the attachment, FY21-22 shows expenditures up to 6/1/22 since it will not be officially closed out per Merced Co. Auditor until September 1st even though the end of FY spending is

June 30th. FY22-23 presented proposed budget exceeds the total amount of benefit assessments received from parcels within our District boundaries. An additional \$204,313.44 from the District reserve added to the \$1,067,000 benefit assessments revenue would total \$1,271,313.40 as the presented proposed budget. \$979,846.72 was the cash balance at the end of the closeout of FY20-21 and was rolled over as an available cash balance into FY21-FY22 in the general operating account. The District will not know the exact balance of the rolled-over cash to FY22-23 until September 2022.

Asst S-M Swartz said the \$204,313.44 needed for this upcoming FY to balance could be covered with the rolled-over cash and not our reserve account.

Asst S-M Swartz stated there are no plans of completing a Prop 218 increase to the current assessments for FY 2022-23.

Asst S-M Swartz stated the capital assets line items display the purchase of two 4x4 Ford pickups, both are carryovers from last fiscal year and waiting for dealerships to deliver.

Asst S-M Swartz stated the District officially closed out the re-gravel grant project with DWR and Summers Engineering. The District was paid for in-kind service, which totaled \$25,988.90. Asst S-M Swartz also stated there will be an in-kind payment coming for the close-out of the electrical grant project, which is still ongoing with DWR. To further clarify, the District will get a credit for work completed and not owe any of the \$170,000 that has been set aside for the district portion for multiple years' budgets.

FY22-23 Proposed Salaries

Asst S-M Swartz provided attachment number two of the proposed salaries for all District employees. The salaries have been structured to go along with the board's direction of previous years in keeping wages 20% over the state minimum wage. The State of California's new minimum wage is \$15.50, effective 1/1/2023, making the District's minimum wage \$18.60 per hour. For all employees that are over the District's minimum wage, a 10.7% increase in their hourly rate was established, which is the

difference from \$14.00 to \$15.50 an hour.

Attachment #2

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

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 approve FY 2022-2023 Budget and Salaries proposal.

Wells Fargo Check Register

Asst S-M Swartz informed the board that there were no checks issued on the Levee District's account at Wells Fargo Bank since last month's meeting.

Land Subsidence

No new reports on land subsidence.

Resolutions

Asst. S-M Swartz presented information to the Board on the yearly action needed in adopting a statement of investment policy. Following a discussion on Resolution 701-22, on a motion by Director Howard and seconded by Director Park, the Board unanimously voted to adopt Resolution 701-22 of the District's statement of investment policy for FY2022-2023.

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 Policies of the District which have been adopted by the Board are hereby rescinded.

Asst. S-M Swartz presented information on the collection of the District's yearly benefit assessments. Following a discussion on Resolution 702-22, a motion by Director Howard and seconded by Director Park, the Board unanimously voted to adopt proposed Resolution 702-22 of the District's collection of benefit assessment for FY2022-2023.

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-M Swartz presented information on the District's yearly submission of the Gann appropriation limits documentation. Following a discussion on Resolution 702-22, on a motion by Director Howard and seconded by Director Park, the Board unanimously voted to approve the proposed Resolution 703-22 for the District's Gann appropriation limits.

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 XIIB 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 are 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 officially evaluated, by having an engineer present a formal report and what needs to be addressed for repair and raising the levees.

Asst. S-M 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 approved 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, Chairman Catania declared the meeting adjourned at 10:05 A.M.

Shane Swartz, Assistant Secretary-Manager