

MINUTES OF TOWN HALL MEETING
FOR RECLAMATION DISTRICT 1614
HELD THURSDAY, JUNE 16, 2016

A Town Hall Meeting for Reclamation District 1614 was held on Thursday, June 16, 2016 at The Amblers Club at 2000 Amblers Lane, Stockton, CA 95204 at the hour of 6:30 p.m.

TRUSTEES PRESENT WERE:

WILLIAM DUNNING
BEN KOCH
ROBERT WISE

OTHERS PRESENT WERE:

DANIEL J. SCHROEDER
CHRISTOPHER H. NEUDECK
ORLANDO LOBOSCO
JEAN L. KNIGHT, Acting Secretary

PUBLIC PRESENT,

Members of the public including
RICHARD GACER, resident
ROBERT BELLIN, resident
MAX GALLEGOS, resident

The meeting was brought to order by Board President William Dunning at 6:30 p.m.

Resident Richard Gacer asked about when public comments could occur. Mr. Neudeck responded that they could be anytime throughout the meeting. If the item questioned is not on the agenda, that, too, could be discussed at any time. Mr. Neudeck also said that after adjournment, if people want to have further discussions, Trustees and staff will be available. He noted that the purpose of meeting was to meet at a non-traditional time homeowners may find it easier to attend and in a location closer to where the homeowners live.

Mr. Neudeck began with item 1 on the agenda and went through each item with discussion, as requested, following. A Power Point Presentation of these individual agenda items was presented by Mr. Neudeck. Below is a brief summary of each item discussed.

1. Organizational Chart. Mr. Neudeck went through the Organizational Chart and then identified the Trustees, including the Board Chair, President Dunning, and Trustees Ben Koch and Robert Wise, Legal Counsel Daniel Schroeder and Superintendent Orlando "Lonnie" Lobosco. He noted that Mr. Lobosco handles

the work dealing with the pumps and levees of the District. District Secretary Rhonda Olmo was not present.

2. Historical Formation Information. Mr. Neudeck noted that the District was originally formed as Reclamation District 561 and recorded with this name on February 8, 1894. On November 4, 1914, Reclamation District 1614 was formed by recordation and Reclamation District 561 was abandoned. Additional acreage of 263 acres was recorded on October 15, 1915 with a total acreage of the District being 1,598 acres. Two Historical Formation Maps, giving details of these Districts were included in the Power Point Presentation.
3. Assessment Information. Mr. Neudeck reported that currently there are two assessments for RD1614 and an assessment through SJAFCA. Details of these assessments are included in the document titled "Assessment Information by Land Use Classification."
 - General Operations and Maintenance Assessment averages \$69.81 for residential. There is no sunset period (does not expire) on this assessment.
 - Wisconsin Pump Station Capital Improvement Assessment, the average annual assessment for a single-family residential property is \$25.

Both the Wisconsin and the SJAFCA assessments run for 20 years.

4. Assessment District Boundaries for General O&M and Wisconsin Pump Station
A Map providing this information was displayed and discussed.
5. Typical Duties and Responsibilities. Mr. Neudeck reported as follows:
 - Geeneral administrative duties:
 - Secretary maintains records and payments for Secretarial and Superintendent salaries, District audits, insurance, office supplies, and various vendor payments.
 - Consultants include the attorney, engineer and Accounting firm.
 - Levees
 - Riprap – riprapping of the levees is an ongoing job and is progressing nicely.
 - Weed Control – a continual job
 - Rodent Control. There was further discussion regarding beavers that are very aggressive and create holes in the levees. Constant vigilance with watching for and trapping with businesses licensed to do so.

- Drainage.
 - Electricity
 - Sump Cleaning & Weed Control
 - Plant Operation & Maintenance
 - Capital Improvements
 - Grant Management

There are 11 pumping plants – 5 on the Calaveras River area and 6 on Smith Canal area. These are maintained by the levee Superintendent with assistance from the District engineers as needed.

6. Wisconsin Pump Station Project Details. This pump station is working under capacity. Most of the pumps have been converted from old Ag pumps. This station should be pumping 3 times the amount it currently is. The District staff is still researching grant possibilities and grants that have been applied for were identified by Mr. Neudeck. So far, the District has not been successful in obtaining any of these grants. Concerns about this pump station were discussed by some the public present and responded to by Mr. Neudeck and Mr. Schroeder. One homeowner said he would gladly pay more of an assessment to rebuild this pump station. However, staff feels they still have time within the current assessment timeline. Staff and consultants are constantly watching the pump's performance. The District is currently in a flood plain and finishing off the floodgate and the Wisconsin pump station is needed to help remove the District from the flood plain and eliminate flood insurance.

Mr. Gacer also suggested forming a committee of two trustees and two residents together to research funding. It was stated that obtaining grants is very competitive. Mr. Schroeder noted that the District has been looking for other types of funding. They are also working with the State to see if the District can get direct funding from the State. Also being considered is borrowing from a commercial lender, but the District would have to be able to pay the loan back and noted that there is not enough money coming in from the assessment to re-pay a loan. The District would need to go back to the residents and do another assessment. There was discussion on the District finances and how much the District does have. Mr. Gacer mentioned he thought the District has 1.2 Million Dollars. Mr. Schroeder noted that the current budget for expenses is \$793,110. There is a reserve of around \$700,000 of funds that are not budgeted but Mr. Neudeck said that one beaver den damage to a levee could easily cost the District \$75,000. So, even though it looks like the District would have enough money to potentially fund the Wisconsin Pump station, \$700,000 is not a great nest egg. Mr. Neudeck also mentioned high water years and the possibility of how problems could increase expenses very quickly.

Mr. Neudeck also went over the slides that included emergency plans that included the use of a generator, use of portable pumps and a temporary shoring plan should problems

escalate with the Wisconsin Pump Station. The Project Schedule also showed a construction completion date of 2018.

7. SJAFCA Smith Canal Gate Project Schedule. Mr. Gacer mentioned that SJAFCA, with respect to the gate structure, is currently being sued by some residents of the District. Mr. Neudeck responded that this can be true for many big projects but it does not mean the project will not go through. Mr. Neudeck also went over the slide that details the project schedule for the Gate, with construction starting mid-August 2017 and completion date of December 2018.

8. Emergency Operations Plan. The Emergency Operations Plan and a map included was shown in the Power Point Presentation. Mr. Neudeck reported that the State paid 100% of the cost to develop these plans and maps. The purpose of this plan and map was to develop a baseline in the event of a flood.

9. Website. www.rd1614.com – Mr. Neudeck showed the photo of the website and said the site now includes the District's emergency plan. He noted that training is required of the Board members, as well as staff and training is required and needed for the District to receive funding if the District should seek assistance with emergency operations.

Regarding the structure of RD1614, the District is comprised of Smith Canal on the south and the Calaveras River on the north. Smith Canal is part of the District whereas the Calaveras River is a Project Levee run by the San Joaquin County Flood Control and Water Conservation District. Mr. Lobosco takes care of the 11 individual pumps but only the levee on the Smith Canal side.

Max Gallegos, former District Superintendent, described the District in 2003, when only property taxes were received as income. The District has, since then, held several Proposition 218 assessment hearings wherein the District prevailed and there in, has been receiving assessment income along with the property tax monies. The first Proposition 218 assessment election was in 2006 and the second in 2013.

Mr. Schroeder spoke briefly on the topic of grants. He said that grants are free money. The District is working on maximizing its opportunity to obtain grant monies. However, it also needs to have a backup plan which it has. There have been times that the District has had to rely on backup power by way of generators and has been successful in not having any flooding. A number of the pumping plants are now equipped to give telemetry-based data responses. If things come up, it gives report. Two pump stations had power and plant outages. Not a drop of water went in the street. The District was prepared. Five of the eleven pump stations have the telemetry alarms and the plan is that the remaining six will be done within the next year.

Members of the public noted that there is a real communication gap between the residents in the District and the Board. It was suggested that having more meetings out in the area where the people live would be helpful.

Mr. Gacer handed a Petition to President Dunning. He noted that people in the country club area do not come downtown. It was a petition signed about 40 residents that requested a time and location for local meetings.

After the above discussion, Mr. Neudeck asked the Trustees and staff to give a little additional information about themselves. Mr. Neudeck was asked specifically about his background. He noted that his engineering firm had 60 years in levee work and he had over 30 himself. He noted that the law firm of Neumiller & Beardslee also represented many reclamation districts. Each Trustee then went into their own history and how their experiences and knowledge tied in with what they are doing on the District's Board.

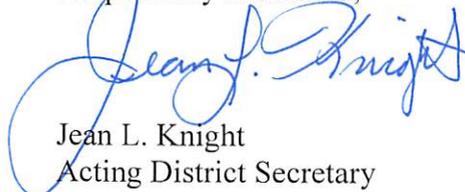
After the individual talks, more discussion on setting meetings in the District area was discussed. This will be looked at more thoroughly.

Also mentioned was that there would be an election coming up later this year as two of the Trustee positions are nearing the end of their 4 year term. The information will be forthcoming from the Registrar of Voters – likely within the next few months.

10. Adjourn – As stated above, the District staff and Trustees noted that they would be around after the meeting adjourned for additional questions. The meeting adjourned at 8:00 p.m.

Secretary: The agenda for this meeting was posted at The Amblers Club at 2000 Amblers Lane, Stockton, CA 95204 at least 72 hours preceding the meeting.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jean L. Knight". The signature is stylized and cursive, with a large loop at the end.

Jean L. Knight
Acting District Secretary