

RECLAMATION DISTRICT NO. 1614

AGENDA FOR REGULAR BOARD OF TRUSTEES MEETING 2:00 P.M. FEBRUARY 5, 2018 509 WEST WEBER, 5TH FLOOR STOCKTON, CALIFORNIA

AGENDA

1. Call to Order/Roll Call.
2. Public Comment. The public may comment on any matter within the District's jurisdiction that is not on the agenda. Matters on the agenda may be commented on by the public when the matter is taken up. All comments are limited to 5 minutes for general public comment and per agenda item in accordance with Resolution 2014-06.
3. Approval of Minutes of the regular and special meetings of January 8, 2018.
4. Presentation of Financial Status Report. Discussion and possible action.
 - a. Adopt Resolution 2018-01 Establishing a Reimbursement Policy For Trustee Expenses.
5. Review and direction of Green Mountain Engineering's Unsolicited Proposal Re: Expert Peer Review For Wisconsin Pump Station
6. Presentation of Engineer's Report. Discussion and possible action:
 - a. Permit Applications.
 - b. Approve contract to install motion Detector for storage van at Franklin Pump Station
 - c. Discussion regarding Operations and Maintenance Manual.
7. Presentation of Superintendent's Report; request for direction.
 - a. Purchase Inspection Craft for Waterside Levee Inspections.
8. Adopt Resolution 2018-02 Authorizing E-mailing of Documents Responsive to a Public Records Request.
9. Report on Meetings Attended.
10. District Calendar.
11. Items for future meetings.
 - a. Trustee Compensation Policy (March Meeting).
12. Correspondence.

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code §54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact Rhonda Olmo at 209/948-8200 during regular business hours, at least forty-eight hours prior to the time of the meeting.

Materials related to an item on this Agenda submitted to the Trustees after distribution of the agenda packet are available for public inspection in the office of the District Secretary at Neumiller & Beardslee, 509 W. Weber Avenue, 5th Floor, Stockton, California during normal business hours. The agenda is also available on the Reclamation District website at: <http://www.rd1614.com/>

13. Motion to Approve of Bills.

14. Adjournment.

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code §54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact Rhonda Olmo at 209/948-8200 during regular business hours, at least forty-eight hours prior to the time of the meeting.

Materials related to an item on this Agenda submitted to the Trustees after distribution of the agenda packet are available for public inspection in the office of the District Secretary at Neumiller & Beardslee, 509 W. Weber Avenue, 5th Floor, Stockton, California during normal business hours. The agenda is also available on the Reclamation District website at: <http://www.rd1614.com/>

**AGENDA PACKET
RECLAMATION DISTRICT 1614
FEBRUARY 5, 2018**

<u>ITEM</u>	<u>COMMENTARY</u>
1.	Self-explanatory.
2.	Self-explanatory.
3.	Please see attached.
4.	Please see attached
5.	Please see attached
6.	Self-explanatory.
7.	Self-explanatory.
8.	Please see attached.
9.	Self-explanatory.
10.	Please see attached.
11.	Self-explanatory.
12.	Please see attached.
13.	Self-explanatory.
14.	Self-explanatory.

ITEM 3

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES
FOR RECLAMATION DISTRICT 1614
HELD MONDAY, JANUARY 8, 2018

The January Regular Meeting of the Board of Trustees of Reclamation District 1614 was held on Monday, January 8, 2018, at the law office of Neumiller & Beardslee, 509 W. Weber Avenue, 5th Floor, Stockton, California, at the hour of 2:00 p.m.

TRUSTEES PRESENT WERE:

KEVIN KAUFFMAN
WILLIAM DUNNING
BEN KOCH

OTHERS PRESENT WERE:

DANIEL J. SCHROEDER
CHRISTOPHER H. NEUDECK
RHONDA L. OLMO
ORLANDO LOBOSCO

ABSENT:

ANDREW J. PINASCO

A list of individuals in attendance is outlined in the meeting sign-in sheet, which is attached to these minutes.

Item 1. Call to Order/Roll Call. President Kauffman called the meeting to order at 2:00 p.m.

Because the District Engineer needed to leave the meeting early, President Kauffman stated that his Engineers Report would be the first item addressed at today's meeting.

Item 5. Presentation of Engineer's is Report. Discussion and possible action:

- a. Discussion regarding Operations and Maintenance Manual. – Held over.
- b. Authorize District Engineer to Begin Alternative Design for Wisconsin Pump Station Replacement. – See below
- c. Award Contract for Plymouth Road Pump Station Manual Transfer Switch Project.
- See below
- d. Award Contract for Franklin Road Pump Station Manual Transfer Switch Project.
– See below

Excerpts from the Engineer's Report:

I. Delta Levee Subventions Program SB 34

A. Review procedure for record search with the Native American (NA) Heritage Commission/California Historical Resource Information Systems (CHRIS).

1. The California Historical Resources Information System (CHRIS) consists of the California Office of Historical Preservation (OHP), nine Information Centers (ICs), and the State Historical Resources Commission (SHRC). The OHP administers and coordinates the CHRIS and presents proposed CHRIS policies to the SHRC, which approves

these policies in public meetings. The CHRIS Inventory includes the State Historic Resources Inventory maintained by the OHP as defined in California Public Resources Code § 5020.1(p) and the larger number of resource records and research reports managed under contract by the nine ICs.

Mr. Neudeck said this relates to the categorical exemption (status of work). He said he has been approaching his routine maintenance operation work with the categorical exemption for the last several decades. You have to provide any tribe Notice of any environmental documents if they have identified themselves as wanting them. Recently there was a bill passed that the Native American Societies have required notice to them on all CEQA compliance matters. Rather than them having to look on the Clearinghouse, and things of that nature, they get an affirmative notification. Mr. Neudeck said this has not produced much. However, if there is any element of risk, it is probably in this Native American element in the sense that if you were to claim categorical exemption and not have done this research, that he has now done on behalf of this district, it probably would not have been done entirely correct. This is because he recently came across a matter near Sacramento, whereby the State of California was doing quite a bit of work in the region, and the Native Americans were out there monitoring it. Mr. Neudeck said they drove by his site and did some investigation. Unbeknownst to him, the location of where his contractor was parking his equipment was immediately adjacent to one of their sites (not sure if it was a burial site). Mr. Neudeck said he had two tribes come after him, and after approximately 6 weeks of banter between, he hired an archeologist who has good experience handling these issues. Mr. Neudeck worked closely with legal counsel. The archeologist suggested he start the process of going through the California Historical Resource Information System (CHRIS) to do the research to demonstrate that he had followed protocol to see if there are any identified sites that he should be in avoidance of. Mr. Neudeck discussed another situation that happened further north of Sacramento in the Sutter Butte area. He concluded by stating he has done the research required, and it is in his files. If there is anything the district would likely do that would impact a site he would advise to consult and/or avoid. Mr. Neudeck will provide a map of areas identified.

II. PLYMOUTH PUMP STATION NO. 3 & FRANKLIN PUMP STATION NO. 4

A. Review the informal proposals for the installation of a Manual Transfer Switch that will enable prompt switch over in the event of the need for emergency standby power. Seek authority to award project to install Manual transfer Switch in the Plymouth Pump Station No. 3 along with authority to seek proposal from low bidder and authorize the installation of the same in the Franklin Pump Station No. 4. (*Exhibit A: KSN Inc. File Memo dated January 2, 2018 reviewing the proposals. Included in Engineer' Report.*)

Mr. Neudeck said that preparing and installing the manual transfer switches gives the ability during a power outage to come in and remove the connection with PG&E and hardwire in a generator in the event of a power outage. He said when he first looked at this, he anticipated this work was going to be in excess of \$25K, which requires him to go out with plans and specifications and bid. He has decided to do an informal process first to see where he stands. He referred to Exhibit A where he did an audit with contractors he has worked with in the past (Cooper Controls and Bockmon & Woody). The other contractor he has not typically used in this region (Industrial Power Solutions). Industrial Power Solutions quote was a lot lower. After speaking with Industrial Power Solutions, Mr. Neudeck recommends that the board authorize Mr. Lobosco to do the work at Pump Station No. 3 using them. He does not recommend going

through the formal process again, but instead to ask for a formal proposal now for Pump Station No 4. If the proposal is less than \$10K to proceed accordingly. Mr. Neudeck said both projects would be under \$25K. Mr. Gulli said he had someone he could recommend to do the work less than what Industrial Power Solutions quotes. President Kauffman told him he always appreciates the names of contractors but needs to move forward with this today and that there will plenty of work in the future. After no further discussion/comments,

It was moved, seconded (B. Koch/W. Dunning) and unanimously carried by the Board of Trustees of Reclamation District 1614 the approval for Pump Station No. 3 and approve a contract if the proposal is less than \$10K for Pump Station No. 4.

III. WISCONSIN PUMP STATION

A. Review the development of design concepts and cost estimates for design alternatives to the overall design package for the replacement of the Wisconsin Pump Station.

Mr. Neudeck reported on this item. The development of design concepts and cost estimates for design alternatives were presented at the last meeting. They were presented in the event the district was not successful in obtaining the 50% grant or the replacement of the Wisconsin Pumping Plant. Today, he is seeking authorization to proceed. Mr. Neudeck said in the meantime he has had to opportunity to speak with his staff again to banter back in forth what is being contemplated, and the concept behind what the structure is, what is down there, how they are going to go about the two alternatives previously discussed. Both alternatives are going to require some work on the waterside. He said there is some erosion on the opposing bank. He is going to bring those back to a design platform where they land on a concrete sill. There will be a little more cost. The cost will be the same on both alternatives. Regardless of what is done, once he hits the levee in order to get a permit this needs to be done. His goal with the initial work is to do a schematic design, give some design cross sections, design concepts, and some updated cost estimates. At that point, if in favor of the board, then he will pursue this to further design. Clarification still needs to be done on the structure. Mr. Neudeck said if authorized to proceed that the permitting element would be much more limited, and that it would be the permitting on the waterside. The environmental impact has been done already. He just needs to work with the Central Valley Flood Protection Board. Mr. Gulli submitted an unsolicited proposal, which proposes to provide Expert Peer Review for the retrofit of the Wisconsin Pump Station and preparation of a conditional letter of map revision. He said his proposal was to provide Peer Review of Mr. Neudeck's work. He stated he would be happy to help Mr. Neudeck. Mr. Gulli's advice to the board is to get the conditional letter of map revision and not wait for SJAFCA to do it for the district. President Kauffman stated Mr. Neudeck said the agreement that is between the two reclamation districts and SJAFCA is that SJAFCA will handle this. President Kauffman's suggestion is that the district could ask SJAFCA if indeed they are going to handle. Mr. Schroeder recommended President Kauffman have Mr. Neudeck make that inquiry. Mr. Gulli said the question needs to be if the district is going to give a letter of map revision then what is going to be done to the pump station in order to satisfy the requirements of FEMA? Discussion was held. The proposal submitted by Mr. Gulli will be on next month's agenda.

It was moved, seconded (W. Dunning/B. Koch) and unanimously carried by the Board of Trustees of Reclamation District 1614 to approve the alternative design concept with a cost estimate not to exceed \$10K.

III. SAN JOAQUIN COUNTY FLOOD MANAGEMENT (TAC) MEETINGS

- A. Review status of San Joaquin County Flood Management Technical Advisory Committee (TAC) Meetings. Meetings now only scheduled on the 3rd Wednesday of the month. – No Report.

Item 2. Public Comment. *The public may comment on any matter within the District's jurisdiction that is not on the agenda. Matters on the agenda may be commented on by the public when the matter is taken up. All comments are limited to 5 minutes for general public comment and per agenda item in accordance with Resolution 2014-06.*

Mr. Richard Gacer said the agenda states the operational manual would be discussed today. Mr. Schroeder said due to Mr. Neudeck leaving early the item would be held over until the next meeting.

Mr. Gulli submitted a letter dated January 8, 2018 regarding Public Comments, Approval of Minutes, Discussion regarding Operations and Maintenance, and Authorize District Engineer to begin alternative design for Wisconsin Pump Station. Mr. Gulli thanked the board for understanding his position relative to the Smith Canal Gate. He made comments about the newspaper article in the Stockton Record last Sunday regarding the Smith Canal, and the conditional letter of map revisions that was filed for the Gate.

Mr. Bellin had some questions about the helicopter traffic along the Calaveras River levee. He wanted to know if it had anything to do with FEMA mapping. Mr. Gulli said the DWR is surveying the whole delta. Mr. Bellin also said he comes to these meeting to support Mr. Gulli and the public and does not agree with Mr. Neudeck's ideas and recommendations with the whole system of the gate.

Item 3. Approval of Minutes of the meetings of September 20, 2017 and December 11, 2017.

It was moved, seconded (W. Dunning/B. Koch) and unanimously carried by the Board of Trustees of Reclamation District 1614 that the Minutes of the September 20, 2017 and December 11, 2017 be approved as read.

Item 4. Presentation of Financial Status Report. District Secretary, Rhonda Olmo, handed out the Financial Report. She mentioned the District is at 50% for the Fiscal Year. Mrs. Olmo went through the report with the Board and noted the assessments received from the County. After further review of the itemized bills,

It was moved, seconded (B. Koch/W. Dunning) and unanimously carried by the Board of Trustees of Reclamation District 1614 that the December, 2017 Financial Report be approved as presented.

Item 6. Presentation of Superintendent's Report; request for direction. Mr. Lobosco handed out his Superintendent Report. He stated his routine checks found no adverse conditions. He said he checked the amperage readings on all the pumps and found all to be within motor ratings.

Mr. Lobosco mentioned he hired a new temporary employee at \$17/hr. This new temporary employee came highly recommended from a neighboring district and he is performing very well.

Mr. Lobosco said the storage container at Franklin was broken into (nothing was missing). The person that broke in was arrested. Mr. Lobosco will now lock the doors from the inside.

a. Purchase Inspection Craft for Waterside Levee Inspections.

This will be held on over to the February, 2018 Meeting.

Item 7. Procedure for Responding to Public Records Requests.

Mr. Schroeder reported on this item. He said from time to time members of the public will ask for records of any public agency, whether it being the Federal Government, City, County, or the Reclamation Districts. The California Legislature enacted the Public Records Act that sets forth the procedure to follow when a Public Records Act Request is received. They are:

1. Receive the request (orally or in writing). The clock starts running the date the request is received.
2. Once you get the Request, you need to make sure you understand it.
3. Once you have clarified what is being asked, you need to gather the records.
4. Once the records are received, they are reviewed in order to determine if any of the exemptions for production under the Public Records Act applies. If it is exempt, it may be a mandatory exemption that prohibits its disclosure.
5. Once items 1 – 4 are complete, a written response must be provided no later than 10 days after the request is received. The written response has to identify whether there are/aren't any records responsive to the request, and indicate if any of the records are exempt. If there is an exemption that applies, the response needs to identify who is making that decision and what the exemption is, and whether it is for the entire document or not.
6. The written response is sent to the requestor. The written response must also identify if there are records and when they will be available for inspection and/or copying.

Mr. Schroeder said some municipalities have created policies and these policies do not change the law. He does not feel the district needs to put together these policies, as in essence the requirements are being done.

Mr. Schroeder said the Public Records Act does not deal with conveying or sending copies electronically. It only talks about making electronic copies available. He feels it will be easier on the public who make the request, as well as staff, to be able to send documents if they have them

available electronically. After discussion, it was decided that this policy would be implemented now and Mr. Schroeder will bring back a Resolution allowing e-mailing requested documents for board approval. After questions were addressed and discussion,

It was moved, seconded (W. Dunning/B. Koch) and unanimously carried by the Board of Trustees of Reclamation District 1614 that transmission of documents electronically be allowed for Public Records Request.

Item 8. Report on Meetings Attended. None

Item 9. District Calendar. The next district meeting will be on February 5, 2018

Item 10. Items for Future Meetings.

- a. Mr. Gulli's proposal.
- b. Trustee Compensation Policy
- c. Purchase Inspection Craft for Waterside Levee Inspections.
- d. Review of Operational Manual.
- e. Ethics and Sexual Harassment Training.

Item 10. Correspondence.

1. November 17, 2017 correspondence from California Special Districts Association re Resources for Your Newly Elected or Appointed Board Members.

Mr. Schroeder said if any Trustee wishes to attend any of their seminars that authorization is needed first.

Item 11. Motion to Approve Bills.

It was moved, seconded (W. Dunning/B. Koch), and unanimously carried by the Board of Trustees for Reclamation District 1614 that the Trustees authorize/approve the Bills to be Paid for December, 2017.

Item 12. Adjournment. The meeting was adjourned at 3:21 p.m.

Secretary: The agenda for this meeting was posted at 509 W. Weber Avenue, Stockton California at least 72 hours preceding the meeting.

Respectfully submitted,



Rhonda L. Olmo
District Secretary

RECLAMATION DISTRICT NO. 1614

Meeting Sign-In Sheet

Monday, January 8, 2018

SIGNING OF THIS SHEET IS VOLUNTARY AND IS NOT REQUIRED TO ATTEND THIS MEETING.
THIS SIGN IN SHEET WILL BE ATTACHED TO THE MINUTES OF THE BOARD MEETING

	First Name	Last Name
1	Richard	Green
2	Paul	Green
3		
4		
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Reclamation District 1614

December 2017 Bills

NAME	INVOICE #	AMOUNT	TOTAL \$	WARRANT #	CHECK #	SUBVENTION FUND
Kevin Kauffman		\$100.00		5560		
			\$100.00			
William Dunning		\$50.00		5561		
			\$50.00			
Ben Koch		\$50.00		5562		
			\$50.00			
Rhonda L. Olmo		\$920.00		5563		
			\$920.00			
Neumiller & Beardslee	289566	\$944.54		5564		
			\$944.54			
Kjeldsen, Sinnock, & Neudeck	22064	\$1,587.50		5565		
	22065	\$1,685.14				
	22066	\$560.00				
	22067	\$360.00				
	22068	\$652.50				
	22069	\$377.28				
	22070	\$4,368.50				
	22071	\$200.00				
	22072	\$4,063.16				
	22073	\$195.00				
			\$14,049.08			
Croce & Company	2009855	\$327.25		5566		
			\$327.25			
Delk Pest Control	10799	\$220.00		5567		
			\$220.00			

Reclamation District 1614
December 2017 Bills

Orlando Lobosco - December Payroll		\$1,437.87		2471	
			\$1,437.87		
State of California Payroll Taxes		\$24.24			online
3rd quarter tax payment		\$97.77		2471	
			\$122.01		
Federal Government Payroll Taxes		\$421.60			online
3rd quarter tax payment		\$646.85		2472	
			\$1,068.45		
Sprint		\$90.37			online
			\$90.37		
Comcast		\$112.55			online
			\$112.55		
Visa		\$297.17			online
			\$297.17		
State Fund		\$1,196.94			
			\$1,196.94		
PG&E		\$552.29			online
			\$552.29		

WARRANT TOTAL: \$16,660.87
CHECKING TOTAL: \$4,877.65
TOTAL BILLS PAID \$21,538.52

MINUTES OF SPECIAL MEETING OF BOARD OF TRUSTEES
FOR RECLAMATION DISTRICT 1614
HELD MONDAY, JANUARY 8, 2018

The Special Meeting of the Board of Trustees of Reclamation District 1614 was held on Monday, January 8, 2018, at the law office of Neumiller & Beardslee, 509 W. Weber Avenue, 5th Floor, Stockton, California, at the hour of 2:34 p.m.

TRUSTEES PRESENT WERE:

KEVIN KAUFFMAN
WILLIAM DUNNING
BEN KOCH

OTHERS PRESENT WERE:

DANIEL J. SCHROEDER
RHONDA L. OLMO
ORLANDO LOBOSCO

ABSENT:

CHRISTOPHER H. NEUDECK
ANDREW J. PINASCO

A list of individuals in attendance is outlined in the meeting sign-in sheet, which is attached to these minutes. – No signatures

Item 1. Call to Order/Roll Call. President Kauffman called the meeting to order at 3:24 p.m.

Item 2. Public Comment. *The public may comment on any matter within the District's jurisdiction that is not on the agenda. Matters on the agenda may be commented on by the public when the matter is taken up. All comments are limited to 5 minutes for general public comment and per agenda item in accordance with Resolution 2014-06.* – None.

Item 3. Approval of 2016-2017 Audit Report and Financial Transaction Report.

Mr. Dan Schroeder reported on this item. He said the audit report was received from Croce, Sanguinetti and Vander Veen after the agenda packet was distributed and agenda was posted for the January regular meeting. A response is needed by the end of January to the auditor along with the signed financial statement.

Mr. Schroeder said the auditor's report is basically a look at the prior fiscal year (2016/2017), in order to determine whether the district has complied with the auditing requirements and tracking of funds. He said RD1614 is an easy district to audit, as it has limited jurisdiction and funds. For an audit report one important thing to be concerned about is "is the audit report unqualified?" That means you get an A score, there are no problems of concern. The district has received an unqualified/clean audit. Mr. Schroeder wanted to remind the board that they are on a cash basis, so when they see the amount of funds that are identified as present on June 30, 2017, to remember that the money is being spent starting July 1, 2017. After discussion and no questions presented,

It was moved, seconded (B. Koch/W. Dunning), and unanimously carried by the Board of Trustees for Reclamation District 1614 that the Trustees accept the audit and authorize the President to sign the Financial Transaction Report.

Item 4. Adjournment. The meeting was adjourned at 3:31 p.m.

Secretary: The agenda for this meeting was posted at 509 W. Weber Avenue, Stockton California at least 72 hours preceding the meeting.

Respectfully submitted,



Rhonda L. Olmo
District Secretary

ITEM 4

**RECLAMATION DISTRICT NO. 1614
RESOLUTION 2018-01**

**RESOLUTION ESTABLISHING POLICY FOR REIMBURSEMENT
OF TRUSTEE EXPENSES**

WHEREAS, Water Code section 50605 authorizes the Reclamation District No. 1614 (the "District") to reimburse each member of the District Board of Trustees (the "Board") for expenses necessarily incurred in the performance of his/her duties as a Trustee; and

WHEREAS, pursuant to Government Code section 53232.2, the District's Board desires to adopt a written policy ("Policy") establishing a policy outlining the types of occurrences that qualify a Trustee of the District's Board to receive reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses; and

WHEREAS, the District desires to use the Internal Revenue Service rates for reimbursement of travel, meals, lodging, and other actual and necessary expenses as established in Publication 463, or any successor publication; and

WHEREAS, any expenses that do not fall within the District's Policy shall be subject to approved by the Board before the expense is incurred.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The District's Board hereby adopts the Reimbursement of Expenses Necessarily Incurred in the Performance of Trustee Duties Policy attached hereto Exhibit A.

PASSED AND ADOPTED by the Board of Trustees of Reclamation District No. 1614, at a regular meeting thereof, held on February 5, 2018, by the following vote:

AYES:	_____
NOES:	_____
ABSENT:	_____
ABSTENTION:	_____

RECLAMATION DISTRICT 1614
A Political Subdivision of the
State of California

By: _____
PRESIDENT

ATTEST:

SECRETARY

CERTIFICATION

I, _____, Secretary of Reclamation District 1614, do hereby certify that the foregoing is a full, true and correct copy of a resolution of Reclamation District 1614 duly passed and adopted at a regular meeting of the Board of Trustees thereof held on the 5th day of February, 2018.

Dated: _____, 201_

SECRETARY, Reclamation District 1614

EXHIBIT A

REIMBURSEMENT OF EXPENSES NECESSARILY INCURRED IN THE PERFORMANCE OF TRUSTEE DUTIES

The Board of Trustees of Reclamation District 1614 (“District”) believe that it is important that elected and appointed officials remain informed and trained in issues affecting the affairs of the District and that attendance at institutes, hearings, meetings, conferences, or other gatherings is of value to the District and its citizens. The benefits include:

- a. The opportunity to discuss the community’s concerns with state and federal officials;
- b. Participation in regional, state and national organizations whose activities affect the District;
- c. Attending educational seminars improve officials’ skill and information levels; and
- d. Promoting public service and morale by recognizing such service.

In order to promote these endeavors, to protect public resources and foster public trust in the use of those resources, as well as comply with state law requirements regarding reimbursement of expenses, the District hereby sets forth the travel and expense reimbursement policies for the District.

A. AUTHORIZED EXPENSES

1. All anticipated conferences, conventions and professional meetings shall be budgeted for in the current operating budget. As the trip is being paid for with public funds, it shall be the responsibility of the official undertaking the trip to make every effort to attend the entire conference and/or as many sessions as possible.

2. District funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized District business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this Policy are met:

- a. Communicating with representatives of local, regional, state and national government on District adopted policy positions;
- b. Attending educational seminars designed to improve officials’ skill and information levels;
- c. Participating in local, regional, state and national organizations whose activities affect the District’s interests;
- d. Recognizing service to the District (for example, thanking a longtime employee with a retirement give or celebration of nominal value and cost);
- e. Attending District events;
- f. Meetings of the District for which a meeting stipend is authorized under California law.

EXHIBIT A

3. All other expenditures require prior approval by the District and must be consistent with State law.

B. EXPENSES NOT ELIGIBLE FOR REIMBURSEMENT

Examples of personal expenses that the District will not reimburse include, but are not limited to:

1. The personal portion of any trip;
2. Political or charitable contributions or events;
3. Family expenses, including partner's expenses, when accompanying official on agency-related business, as well as children or pet-related expenses;
4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Alcohol/personal bar expenses;
6. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
7. Personal losses incurred while on District business.

Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

C. TRANSPORTATION

When attending conferences or meetings that are of such distance that it is more economical to take commercial air transportation, if an official proposes to drive his/her car in those cases, the commercial air fare value will be paid and not automobile mileage. Government and group rates must be used when available.

1. **Airfare.** Airfares that are reasonable and economical shall be eligible for purposes of reimbursement.
2. **Automobile.** Automobile mileage is reimbursed at Internal Revenue Service ("IRS") rates in effect at the time of travel. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable.
3. **Car Rental.** Rental rates that are reasonable and economical shall be eligible for purposes of reimbursement.

EXHIBIT A

4. **Taxis/Shuttles.** Taxis or shuttle fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

D. LODGING

Lodging expenses will be reimbursed or paid for when travel on official District business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. Travelers must request government rates, when available. If the group rate or the government rate is not available, reimbursement at the IRS rate in effect at the time of travel shall apply (IRS Publication 463, or any successor publication).

E. MEALS

A local expense reimbursement policy identifying a “per diem” of reasonable rates for meals is not adopted. Receipts for expenses for meals shall be required. Actual expenses shall be reimbursed subject to the maximum per diem for the meal as set by the IRS rate in effect at the time of travel. (See Cal. Gov’t Code § 53232.2(c).) The District will not pay for alcohol/ personal bar expenses.

F. MISCELLANEOUS

Officials will be reimbursed for actual telephone, fax, and parking expenses incurred on District business. Telephone bills should identify which calls were made on District business.

G. CASH ADVANCE POLICY

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the District’s behalf. Such request for an advance should be submitted to the District ten (10) working days prior to the need for the advance with the following information:

1. The purpose of the expenditure(s);
2. The necessity of such expenditure;
3. The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
4. The dates of the expenditure(s).

Any unused advance must be returned to the District within five (5) working days of the official’s return, along with an expense report and receipts documenting how the advance was

EXHIBIT A

used. In the event the District is uncertain as to whether a request complies with this Policy, such individual must seek approval from the Board of Trustees.

H. EXPENSE REPORT CONTENT AND SUBMISSION DEADLINES

All cash advance expenditures, and expense reimbursement requests must be submitted on an expense report form provided by the District. This form shall include the following advisory:

“All expenses reported on this form must comply with the District’s policies relating to expenses and use of public resources. The information submitted on this form is a public record. Penalties for misusing public resources and violating the District’s policies include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability.”

Expense reports must document that the expense in question met the requirements of this Policy. Officials must submit their expense reports within thirty (30) calendar days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation. Inability to provide such documentation in a timely fashion may result in the expense being borne by the official, and not be eligible for reimbursement by District.

In the event the official does not attend the trip and non-refundable expenses have been incurred for registration, lodging and/or travel, the non-attending official shall submit a written explanation of the reasons for non-attendance to the District. The District shall determine if the public funds advanced must be reimbursed to the District. Any decision of the District may be appealed to the Board of Trustees.

All expenses are subject to verification that they comply with this Policy.

I. REPORTS TO BOARD

At the next regular Board of Trustees meeting, each official shall briefly report on meetings attended at District expense. If multiple officials attended, a joint report may be made.

J. COMPLIANCE WITH LAWS; VIOLATION

District officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act and other applicable laws. Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to the District, 3) the agency’s reporting the expenses as income to the elected official to state and federal tax authorities, 4) civil penalties of up to \$1,000.00 per day and three times the value of the resources used, and 5) prosecution for misuse of public resources.

EXHIBIT A

ITEM 5



- Surveying
- Civil Engineering
- Permitting
- Estimating
- Construction Consulting

Mail: 1314 Paloma Avenue
Stockton, CA 95209
Office: 6653 Embarcadero Ste.F
Stockton, CA 95219
Phone: 209-478-6525
Fax: 209-478-6540

**The Trustees of Reclamation District 1614
509 West Weber, 5th Floor
Stockton CA 95201
209 948-4910**

1/8/18

Re: Engineering Proposal for Expert Peer Review (EPR) for the retrofit of the Wisconsin Pump Station and Preparation of Conditional Letter Map Revision and subsequent LOMR.

Gentlemen,

Pursuant to your agenda item 5b, Green Mountain Engineering proposes to provide Expert Peer Review on a time and materials basis. This service will provide a second set of experienced eyes and will result in significant savings of time and money as well as assurance for the Reclamation District that the project is successful.

Background.

The pump station is deficient in capacity and requires additional pumping to safely discharge the 100-year storm into the Calaveras River.

The replacement is partially funded by a special assessment paid for by the landowners within the drainage basin of the WPS.

In my professional opinion, the pump station is responsible for the Special Flood Hazard defined on the 2009 FEMA flood map. In any event a legitimate CLOMR should be prepared during the design of the WPS upgrade. This is prudent practice to assure that FEMA will approve the required LOMR.

As stated by the Districts Engineer at the 9/20/17 town hall meeting, FEMA does consider Drainage Basins overflowing into other drainage areas in the event of pumps ceasing to operate. This fact is critical for your upgrade, in that the WPS should be sized to pump off the at least ½ of the Yosemite Pump Station (YPS) Drainage basin. My opinion is that it should be all of the basin. Consideration should also be given to pump a potential levee breach as affordable.

See enclosed (EX 1) which is a public document obtained from the San Joaquin Area Flood Control Agencies files. A brief background on the document.

- a. It was provided to public officials on 8/17/15 in response to an inquiry from FEMA regarding the “Conditional Letter of Map Revision Concurrence letter issued for the Smith Canal Gate.
- b. The inquiry from FEMA in simple accurate terms was something to the effect *“what happens when the gate is closed in a 100-year storm event and the city pumps discharge into the canals, the elevation will approach the 100-year stage elevation and the levees subject to the same hydraulic forces as the 1000-year stage in the San Joaquin River”*
- c. At this time SJAFCA had closed the public comment period for the Environmental Impact report and three months later SJAFCA approved the environmental Report on 11/19/15. At the Public hearing, extensive concerns were raised with this FEMA letter. SJAFCA reported that the FEMA issue was minor and they felt they could address the issue in 2 or 3 months for about \$100,000 to \$200,000
- d. By my estimates SJAFCA has expended more than the original cost to prepare the defective CLOMR to attempt to repair it. Likely over \$500,000.
- e. The CLOMR has not been approved as of this time. They are likely reviewing yours’s and RD 828’ Ops and Maintenance Plan.
- f. that was issued the Back-flooding issue caused by a closed Smith Canal Gate was used to determine that the FEMA concerns about backwater flooding from questionably shows the impact of the YPS ceases to operate and simultaneous breaches on the north and south levees along the Smith Canal.

The map/Calculation in the document and the significance with the Wisconsin Pump Station Upgrade.

The map is an illustration of the residual flooding based on the following:

- a. The Gate is closed at a low tide storing 388 acre-ft. of water.
- b. Both levees breach and each receives ½ of the low tide “stored” (in the Smith Canal).
- c. The YPS ceases to operate and 264 acre-ft. of water will overflow the station.
- d. The Smith Tract pump stations that discharge into Smith Canal cease to operate and contribute 84-acre ft.
- e. The Wisconsin continues to operate.
- f. ½ of the YPS flows to Smith and the other ½ to Weber.
- g. Red is 5 to 10 ft. depth and blue 0 to 2 ft. depth.

My concern is that Yosemite lake 264 ac-ft. and the 84 acre-ft. of “other basins” be considered for in the WPS upgrade.

Full Accreditation of the Levees

There has been significant information generated since the time FEMA revised the map in 2009 in support of the certification of the levees to meet the requirements of CFR 65.10. Specifically:

- a. DWR Urban Levee Evaluation for the Smith Canal Levees.
- b. **The recently completed Operations and Maintenance Plan.**
- c. Existing drainage analysis relative to interior drainage.
- d. Dominick Gulli research into the issue.

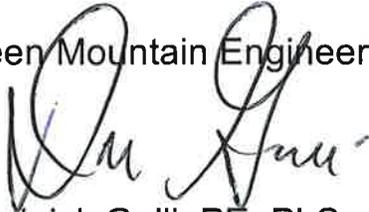
The CLOMR should be initiated immediately and at least set a placeholder to get the process initiated. The design should be initiated with some input from FEMA. Your Goal should be that when PGE finally gets the power connected to the new pumps, FEMA has a LOMR ready to initiate. This will expedite the removal of the area from the flood plain.

KSN and GME have a strong working relationship from years of working together first when Dominick worked for Dutra Construction from (1992-2002) and Second when KSN provided Construction Management services for GME’s Reclamation Districts on the (8) East Bay Municipal Utility District mega projects on Palm, Orwood, Woodward, Lower/Upper Jones and Lower Roberts and third when the Upper Jones Tract Levee blew out.

For this project it is estimated that \$24,000 of review will be required for you to get to a point to initiate a viable plan for the moving forward with the design. Enclosed are my current rate sheets.

If you have any questions, please contact via e-mail.
greenmountaindom@hotmail.com or cell 209 649 4555.

Green Mountain Engineering.



Dominick Gulli, PE, PLS

Attachments:

GME 2018 Rate Sheet.





Phone: 209-478-6525
 Fax: 209-478-6540
 Email: greenmountaindom@hotmail.com

Rate Sheet effective 1/1/2018 to 12/31/2018	
Description of Service	Hourly Rate
Principal Engineer	\$207.00
Project Engineer	\$161.00
Field Technician	\$137.00
AutoCAD Draftperson	\$122.00
Administrational Support	\$87.00
Clerical Support	\$81.00
Total Station Survey	\$278.00
GPS Survey	\$291.00
GPS Survey (prevailing wages)	\$303.00
Professional Witness	\$450.00
Hydrographic Survey Boat and equipment. Daily	\$6,000.00
Survey truck.	\$19.00
4 wheel quadrunner	\$17.00
Work skiff/ jetski	\$17.00
Travel/misc. Expenses Billed @ cost plus	5%-15%
Outside services,consultants, reimbursable @ cost plus	5%-15%
Provide PE/PLS Stamp and approve	\$2,170
Rates are Portal to Portal; Consultants and outside services to be pre-approved by Client.	

05148

Watershed	Total Runoff (ac-ft)	Street Detention (ac-ft)	Net Runoff (ac-ft)	Net Runoff (cu yds)
-----------	----------------------------	--------------------------------	--------------------------	---------------------------

ACRE
FC.

Smith Tract

Buena Vista North	24.4	12.0	12.4	20,005
Lake Drive	0.8	0.4	0.4	645
Franklin	83.1	42.0	41.1	66,308
Plymouth	15.0	0.0	15.0	24,200
Gardena	9.7	0.0	9.7	15,649
Moreing	6.1	0.0	6.1	9,841
Yosemite Lake (half)	228.6	96.5	132.1	213,121
Subtotal:	368	151	217	349,771
Water in Canal (at Elev 8.0):			194	312,987
			411	662,757

$216 - 132 = 84 C$

132 $\frac{1}{2}$ (b)
216
194 $\frac{1}{2}$ (a)
411 ✓

Weber Tract

Yosemite Lake (half)	228.6	(96.5)	132.1	213,121
Buena Vista South	116.3	23.5	92.8	149,717
Ryde Avenue	41.6	0.0	41.6	67,115
Kingsley Avenue	4.3	1.8	2.5	4,033
Pinetree Drive	1.9	0.8	1.1	1,775
Occidental Avenue	1.4	0.6	0.8	1,291
Pixie Woods	5.1	2.1	3.0	4,840
Subtotal:	399	125	274	441,892
Water in Canal (at Elev 8.0):			194	312,987
			468	754,879

132 $\frac{1}{2}$ b.

$274 - 132 = 142$

274
194 $\frac{1}{2}$ (a)
467 ✓

$20,005 \text{ cys} \cdot \frac{27 \text{ Ft}^3}{\text{cy}} \cdot \frac{1 \text{ Acre}}{43560 \text{ Ft}^2} = (.00062) \frac{\text{Acre-Ft}}{\text{cy}}$

$a = 322$
 $b = 264$
 $c = 84$

$b+c = 348 \text{ Acre-Ft.}$

**Dominick Gulli
1314 Paloma Ave
Stockton CA 95209**

**RD 1614
Public Meeting 1/08/18
Public Comments**

2. Public Comments:

I submit my public comments and request that they published with the minutes of and titled “

Thank you for starting to understanding my position relative to the Smith Canal Gate. People who know me point out the supportive quote in the paper by the President of the Board. It is assuring to know that my work is appreciated as it sure doesn't pay the bills.

3. Approval of minutes:

9/20/17: Your amendment to the previous draft minutes to add simply “Dominick Gulli submitted comments” is not very transparent and resembles SJAFCA actions to hide information from the public. It is not satisfactory to me, a Licensed Engineer in the State of California with unparalleled experience in flood control for San Joaquin County and the Delta. This is especially concerning, as a known controversy exists as to the Special Flood Hazard Area, CENTERED on this exact issue. It is requested that the statement be revised to “Dominick Gulli submitted written comments relative to the Flood Control issue caused by the Wisconsin Pump Station” attached herewith to the minutes.

The minutes are also not accurate in that neither Tom Patti or Tony Wong stayed for the entire meeting. They specially did not hear Dominick Gulli's presentation about the flood impact of the Wisconsin Pump Station. The minutes are therefore misleading and potentially damaging in that it reflects they heard the presentation on a serious flood control issue presented by Gulli. This could be problematic if, God forbid, the area was to flood, as described in the presentation, the elected officials may be held accountable for not correcting a stated problem.

There were many “others present “at that meeting. Either list them all or none at all and be accurate.

The written comments I submitted should be included in the minutes.

This is especially true since you include nearly all correspondence received by the agency in the minutes. Reference today's minutes that include 1)

12/11/17 Minutes

Dominick Gulli's comments in submitted writing should be included in the minutes as is other information included in item agenda in Item 11. Correspondence.

For consistency, you should consider listing the documents as in the past.

Suggest adding into the header the date of the meeting on all pages. This is very helpful for future use of the minutes.

Page 6 First Paragraph Second to last sentence "consider becoming an urban district" should be replaced with "consider the drainage area associated with the Yosemite Pump Station"

5a. Discussion regarding ops and maint.

Does the plan meet the requirements of CFR 65.10?

If not, what is deficient? If yes, what is deficient for the levees in regards to CFR 65.10 other than interior drainage.

5b. Authorize District Engineer to Begin Alternative design for Wisconsin Pump Station.

Enclosed is a proposal for Expert Peer Review for the Wisconsin Pump Station.

Thank You

A handwritten signature in black ink, appearing to read "D. Gulli", written in a cursive style.

Dominick Gulli.

Dominick Gulli
1314 Paloma Avenue
Stockton CA 95209

1/17/18

209 478 6525 (Work) 209 649 4555 (Mobile)
Email: greenmountaindom@hotmail.com

**To: Responsible Public Agencies and interested parties on the
Attached Mailing List:**

**Re: Lawsuit filed in San Joaquin County Superior Court Case # STK-CV-
UWM-2017-13586 Petitioner, Dominick Gulli vs. Respondents, San
Joaquin Area Flood Control Agency (SJAFCA). Failure to file a
subsequent EIR pursuant to CCR 15161. (a) and filing an amendment in
violation of CCR 15164**

PROJECT: The Smith Canal Gate, Stockton CA

San Joaquin Area Flood Control Agency is proposing to construct a Dam in the San Joaquin River from Dads Point to the Stockton Country Club. The Dam will be approximately 800 ft long and 12 ft above the water constructed of a Dual steel sheetpile wall with engineered fill. There will be a 50 ft opening with a Gate that will close when the San Joaquin River approaches flood stage. The intent is to keep the water level below the flood stage in the Smith Canal. The Dads point recreational peninsula will be converted into a Project levee to also keep the high water out of the Smith Canal. SJAFCA issued an addendum to the project that added the following items to the project; dredging, rip rap slope protection, additional sheet piles, a flood wall at Dads point, navigation piles to protect the Dam, and added culverts through the Dam. The addendum eliminated Moreing Rd water quality culverts and the control house building for the Gate. Since the approval of the EIR SJAFCA has failed to obtain a CLOMR from FEMA. SJAFCA has been informed of the possibility of flood impacts to the Delta (and the required permits for same). SJAFCA has also been informed of the deficiency of the interior drainage, and the ability of Dads point to act as a levee.

The Writ of Mandate (lawsuit) can be viewed at the San Joaquin Court Website by typing in the above case number (document 6699407)

The California Environmental Quality Act (CEQA) Section 21167.6.5 (b) thru (e) requires Respondents to provide a list of "responsible agencies" and the Petitioners shall notify said parties of the lawsuit. As follows:

21167.6.5.

(b) The public agency shall provide the petitioner or plaintiff, not later than 10 business days following service of the petition or complaint on the public agency, with a list of responsible agencies and a public agency having jurisdiction over a natural resource affected by the project.

(c) The petitioner or plaintiff shall provide the responsible agencies, and a public agency having jurisdiction over a natural resource affected by the project, with notice of the action or proceeding within 15 days of receipt of the list described in subdivision (b).

(d) Failure to name potential persons, other than those real parties in interest described in subdivision (a), is not grounds for dismissal pursuant to Section 389 of the Code of Civil Procedure.

(e) This section is not intended to affect an existing right of a party to intervene in the action.

My local small business has been extensively involved with watchdogging this project and submitted a proposal to reinforce the levees along the Smith Canal or to construct a smaller gate within the Canal itself. These alternatives are less expensive and much less degrading to the environment as well as providing substantial additional levee benefits toward the State Mandated Senate Bill 5 (Urban Level of Protection (ULOP) or the Urban Levee Design Criteria (ULDC), commonly referred to as "200 year protection".

If you have any question please contact me via the above email.

Dominick Gulli, Professional Engineer and Land Surveyor

List of Agencies Provided by SJAFCA

CA Dept. of Conservation
801 K Street, MS 24-01
Sacramento, CA 95814

California Dept. of Fish and Wildlife
DFG Headquarters
1416 9th Street
Sacramento, CA 95814

Jim Starr: jim.starr@wildlife.ca.gov
Mark Phillip mark.philipp@wildlife.ca.gov

State Dept. of Parks and Recreation
P.O. Box 942896
Sacramento, CA 94296

CA Dept. of Boating & Waterways
2000 Evergreen St. Suite 100
Sacramento, CA 95815

California State Lands Commission
100 Howe Ave Suite 100 South
Sacramento, CA 95825-8202
Attn. Cy R.Oggins Chief Environmental; Planning
Afifa Awan, DEPM CSLC afifa.awan@slc.ca.gov
Eric Gillies, DEPM CSLC
Pamela Griggs, Legal CSLC Pamela.Griggs@slc.ca.gov
Eric Millistein Legal CSLC
Jonathon Sampson, LMD, CSLC
Nicholas.lavoie@slc.ca.gov

Central Valley Flood Protection Board
Len Marino and James Herota @ james.herota@water.ca.gov
P. O. Box 942836
Sacramento, CA 94236

California Air Resources Control Board
1001 "I" Street
Sacramento, CA 95814

P.O. Box 2815
Sacramento, CA 95812

State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Central Valley Regional Water Quality Control Board (Region 5)
Sacramento Office
11020 Sun Center Drive, Suite 200 christine.joab@waterboards.ca.gov
Rancho Cordova, CA 95670-6114

Department of Water Resources

DWR
PO BOX 942836
Sacramento CA 94236
Attn: Gary Bardini and David Mraz

DWR
Urban Flood Risk Reduction Program
3464 El Camino Ave, Suite 200,
Sacramento CA, 95821
Attn: Michael Sabbaghian Mahyar.Sabbaghian@water.ca.gov

CA Native American Heritage Commission
1550 Harbor BLVD suit 100
West Sacramento, CA
95691 (916) 373-3710
Email: nahc@nahc.ca.gov

San Joaquin County

Board of Supervisors
Clerk of the Board of Supervisors Office
Mimi Duzenski Email: mduzenski@sjgov.org
44 North San Joaquin Street
Sixth Floor Suite 627
Stockton, CA 95202

Department of Parks and Recreation
11793 N. Micke Grove Rd.
Lodi, CA 95240

Office of the County Counsel
Mark Myles, County Counsel
44 North San Joaquin Street
Sixth Floor Suite 679
Stockton, CA 95202

San Joaquin County Local Agency Formation Commission
509 West Weber Ave # 420
Stockton CA 95203
Ames E Glaser, Executive Officer jglaser@sjgov.org

Flood Control and Water Conservation District
1810 East Hazelton Avenue
Stockton, CA 95205
Attn: Kris Balaji Director of Public Works
Flood Management.
Water Resources Brandon W. Nakagawa, P.E. bnakagawa@sjgov.org

San Joaquin Valley Air Pollution Control District

Attn: Sharla Yang
NORTHERN REGION
4800 Enterprise Way
Modesto, CA 95356

City of Stockton

425 N. El Dorado Street, 2nd Floor
Stockton, CA 95202

Mayor Michael Tubbs
City Attorney John Luebberke
City Clerk Bonnie Paige
City Manager Kurt Wilson
Public Works Gordon MacKay

City of Stockton
Community Development Department
Attn: Mike Niblock Director
345 N Eldorado Street
Stockton CA 95202

Reclamation District's # 1614 (Smith Tract) and # 828 (Weber Tract)
c/o Neumiller & Beardslee
P.O. Box 20
Stockton, CA 95201-3020
etrujillo@neumiller.com

Other Agencies with Jurisdiction

FEMA
Attention: Brian Kopper @ Brian.Koper@fema.dhs.gov.
US Department of Homeland Security
Washington DC 20472

FEMA
US Department of Homeland Security
1111 Broadway Suite 1200
Oakland CA 94607-4052

United States Army Corps of Engineers
Sacramento District USACE
1325 J Street
Sacramento, CA 95814
Email: cespk-regulatory-info@usace.army.mil spk-pao@usace.army.mil U.S.
Tanis.J.Toland@usace.army.mil
James.S.Elsberry@usace.army.mil

US Fish and Wildlife Service
Chief, Division of Endangered Species
2800 Cottage Way, Suite W2606
Sacramento, California 95825

National Marine Fisheries Service (NOAA)
West Coast Region
650 Capitol Mall Suite 5-100 and Suite 8-300
Sacramento CA 95814

US Coast Guard Eleventh District
Waterways Management Branch
Bridges Section Chief
BLDG 50-2 Coast Guard Island
Alameda CA 94501—5100

San Joaquin County Mosquito and Vector Control District
Environmental Review Section
7759 South Airport Way
Stockton CA 95206

Department of General Services - Office of Legal Services
707 Third Street, 7th Floor, Suite 7-330, MS-102
West Sacramento, CA 95605
Email: DGSOLSContact@dgs.ca.gov

California Special Districts Association

11121 I Street Suite 200
Sacramento CA 95814

Fair Political Practices Commission
428 J ST,
Sacramento, CA 95814
PH: 866 275-3772

Governors Office of Planning and Research
State Clearing House
1400 Tenth ST, ROOM 121,
Sacramento, CA 95814

Stewards of The Delta:

Delta Protection Commission
Erik Vink ,Executive Director erik.vink@delta .ca.gov
2101 Stone Blvd, Suite 210
West Sacramento, CA 95691

Delta Stewardship Council
Attention Tim Chao @ YouChen.Choa@deltacouncil.ca.gov
Attention Daniel Huang @ Daniel.Huang@deltacouncil.ca.gov
980 9th ST, Suite 1600
Sacramento, CA 95814
(916) 445-5511

The Delta Conservancy
1450 Halyard Dr Suite 6
West Sacramento CA 95691
Email: Brandon.chapin@deltaconservancy.ca.gov
Bbeckye.stanton@deltaconservancy.ca.gov

The Port of Stockton
Attn. Richard Aschieris, Jason Cashman and Jeff Wingfield.
2201 West Washington St
Stockton CA 95203
PO Box 2089 Stockton CA 95201
Email: jwingfield@stocktonport.com

Central Delta Water Agency
235 Weber Ave

Stockton CA 95201
ngmplcs@pacbell.net dantejr@pacbell.net

California Sport Fishing Protection Alliance
Bill Jennings, Executive Director
3536 Rainier Avenue Stockton, CA 95204

E-mail: deltakeep@aol.com
Tel: 209-464-5067
Fax: 209-464-1028

Restore the Delta
42 N. Sutter Street Suite 506
Stockton CA 95202
Barbara Barrigan-Parilla, Executive Director @ Barbara@restorethedelta.org

Office of Delta Water master
Michael George Deltawatermaster@waterboards.ca.gov
State Water Resources Control Board
PO Box 100
Sacramento CA 95812-0100

Other Affected or Interested Parties:

Stockton Golf and Country Club
Attention Rich Howarth, General Manager
rhowarth@stocktongolfcc.com

Metropolitan Water District
700 N Alameda St Los Angeles CA 90012
Stephen Arakawa sarakawa@mwdh2o.com

Maxwell M. Freeman
2300 Virginia LN
Stockton CA 95204

Richard Gacer
2932 Plymouth Rd
Stockton CA 95204

W. Gregory Mullally
P.O Box 4455,
Stockton CA 95204- 0455

Bob and Janet Kavanaugh

9 Atherton Island
Stockton, CA 95204
Email: r.kavanaugh@att.net

David C. Hui
3048 W. Monterey Ave
Stockton CA, 95204

John and Elaine Bradbury
jbtax@gmail.com
jnbradbury45@gmail.com
2034 Bristol Ave
Stockton, CA 95204

Don Coelho
1211 W. Walnut St
Stockton, CA 95203
doncoelho@gmail.com

Louie Diaz
1437 Pelem CT
Stockton CA 95203
louiediaz442@yahoo.com

John Neal
2312 Idaho Ave
Stockton, CA 95203
jjneal@sbcglobal.net

Sharon E. Nordstrom
2857 W. Alpine Ave
Stockton CA, 95204
nordstroms@prodigy.com

Art and Florencia Sanchez-Smith
Florencia.Sanchez@Mckesson.com

BSK Associates
Erik Ringelberg @ eringelberg@bskassociates.com
3140 Gold Camp Drive Suite 160
Rancho Cordova CA 95670

ITEM 8

**RECLAMATION DISTRICT 1614
RESOLUTION 2018-02**

**RESOLUTION AUTHORIZING E-MAILING OF DOCUMENTS RESPONSIVE TO A
PUBLIC RECORDS REQUEST**

WHEREAS, the California Public Records Act, set forth in Government Code Section 6250 et. seq., does not require a public agency to send responsive documents it has in electronic format to a requesting party via e-mail; and

WHEREAS, the Board of Trustees ("Board") of Reclamation District 1614 ("District") desires to establish a policy authorizing its staff to e-mail documents responsive to a Public Records Request that it already stores in an electronic format as set forth in this resolution to avoid additional time and costs associated with mailing of responsive documents;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The District's Board hereby establishes a policy allowing District staff to send via e-mail or similar electronic communication method any responsive documents it already maintains in an electronic format to the person making a Public Records Act request as long as the person making the requests consents to receiving the records via e-mail.

PASSED AND ADOPTED by the Board of Trustees of Reclamation District 1614, at a regular meeting thereof, held on February 5, 2018, by the following vote:

AYES: _____
NOES: _____
ABSENT: _____
ABSTENTION: _____

RECLAMATION DISTRICT 1614
A Political Subdivision of the
State of California

By: _____
PRESIDENT

ATTEST:

SECRETARY

CERTIFICATION

I, _____, Secretary of Reclamation District 1614, do hereby certify that the foregoing is a full, true and correct copy of a resolution of Reclamation District

1614 duly passed and adopted at a regular meeting of the Board of Trustees thereof held on the 5th day of February, 2018.

Dated: _____, 201_

SECRETARY, Reclamation District 1614

ITEM 10

RD 1614: MASTER CALENDAR

JANUARY

FEBRUARY

- Send out Form 700s, remind Trustees of April 1 filing date
- Update Document Retention Policy

MARCH

- Evaluation Review of Employees

APRIL

- April 1: Form 700s due
- Biannual Town Hall Meeting

MAY

- Draft Budget

JUNE

- June 15: Provide notice/make available to the public, documentation/materials regarding determination of Appropriations (15 days prior to meeting at which Appropriations will be adopted) (*Government Code §7910*).
- Approve Audit Contract for expiring fiscal year
- Adopted Annual Budget.
- Reminder that Liability Insurance Expires Annually the end of July.

JULY

- Adopt Resolution for setting Appropriations and submit to County Assessor's Office.
- Adopt Resolution Establishing Annual Assessments.

AUGUST

- August 1: Deadline to certify assessments for tax-roll and deliver to County (duration of current assessment: no expiration).
- Send handbills for collection of assessments for public entity-owned properties
- In election years, opening of period for secretary to receive petitions for nomination of Trustees (75 days from date of election.) (*Cal. Wat. Code §50731.5*)
- Employee Embezzlement Policy Expires this Month.
- Renewal of Insurance

SEPTEMBER

- In election years, last legal deadline to post notice that petitions for nomination of Trustees may be received (7 days prior to close of closure.) (*Cal. Wat. Code §50731.5*).
- In election years, closing of acceptance of petitions for nomination of Trustees (54 days from date of election.) (*Cal. Wat. Code §50731.5*).
- Review Status of Encroachment Permit request from Randy Pierson for fence at corner of Del Rio Ave and Kirk Ave.

OCTOBER

- Publish Notice of Election, even numbered years (once per week, 4 times, commencing at least 1 month prior to election).
- Biannual Town Hall Meeting.

NOVEMBER

- Election: to be held first Tuesday after first Monday of each even-numbered year.

DECEMBER

- New Trustee(s) take office, outgoing Trustee(s) term(s) end on first Friday of each even-numbered year.
- Follow up on Smith Canal Proposition 218 Reimbursement for costs advanced to SJAFCA.

Term of Current Board Members:

Name	Term Commenced	Term Ends
Ben Koch	First Friday 11/2016	First Friday of 11/2020
Kevin Kauffman	First Friday 11/2016	First Friday of 11/2020
William Dunning	First Friday 11/2014	First Friday of 11/2018

No Expiration on Assessment

Emergency Operations Plan Review – September 2019.

Reclamation District Meetings

- **First Monday of each month, at 2:00 P.M.**
at the offices of
Neumiller &Beardslee
509 W. Weber Avenue, Suite 500
Stockton, California 95203

ITEM 12

CROCE & COMPANY

Accountancy Corporation

Payroll Letter

December 28, 2017

Happy New Year 2018

Please note that this letter provides you with general information. Not all planning tips and advice will apply to your specific situation. The laws herein have numerous limitations and exceptions that cannot be summarized briefly in a letter. Please contact our office for guidance and information tailored to your tax situation.

Croce & Company
3247 W. March Lane, Suite 200
Stockton, CA 95219

Hasler

FIRST-CLASS MAIL

12/28/2017

US POSTAGE \$000.46⁰⁰



ZIP 95219
011E11674609

Reclamation District No. 1614 (Smith Tract)
Post Office Box 4807
Stockton, CA 95204

5520480807 8008



Dear Client:

With the new year approaching, we reflect back over 2017 and want to take this opportunity to thank you for your continued support with our firm. As we move forward to 2018, we want to update you on pertinent changes in regards to payroll related regulations.

Withholding Limitations and Rates for the Year 2018

	<u>Employee</u>	<u>Employer</u>
Social Security		
Rate	6.2% [.0620]	6.2% [.0620]
Maximum wage	\$ 128,700.00	\$ 128,700.00
Maximum withholding	7,979.40	7,979.40
Medicare		
Rate	1.45% [.0145] *	1.45% [.0145]
Maximum wage	NO MAXIMUM	NO MAXIMUM
Maximum withholding	NO MAXIMUM	NO MAXIMUM
F.U.T.A.	N/A	
Rate	N/A	.6% [.006] **
Maximum wage	N/A	\$ 7,000.00
Maximum withholding	N/A	42.00
S.D.I.		
Rate	1.0% [.010]	N/A
Maximum wage	\$ 114,967.00	N/A
Maximum withholding	1,149.67	N/A
U.I. and ETT		
Rate	N/A	VARIOUS
Maximum wage	N/A	\$ 7,000.00
Maximum withholding	N/A	VARIOUS

* Employers are responsible for withholding an additional 0.9% Medicare tax from an employee's wages and compensation paid in excess of \$200,000 in a calendar year.

Unlike the regular Medicare tax, there is NO employer match for the additional tax withholding.

The Additional Medicare Tax on wages paid to an individual in excess of \$200,000 in a calendar year, should be withheld without regard to the individual's filing status or wages paid by another employer. An individual may owe more than the amount withheld by the employer, depending on the individual's filing status, wages, compensation, and self-employment income. In that case, the individual should make estimated tax payments and/or request additional income tax withholding using Form W-4, Employee's Withholding Allowance Certificate.

** In 2011, California employers became subject to a credit reduction (additional tax). For 2017, California employers were subject to a 2.1% credit reduction. The credit reduction for California employers will continue to increase each year the State fails to repay their Federal loans. The liability is calculated on Form 940 Schedule A and should be prepared when filing Form 940 - Employer's Annual Federal Unemployment (FUTA) Tax Return for the year ended December 31, 2017. The result is a maximum FUTA tax of \$147.00 per employee for 2017.

Software Update Reminder

If you are using software to calculate your payroll checks, please be sure to update your payroll tax tables prior to preparing any 2018 payroll checks. If your software offers an automatic update, please remember you will still need to manually update your State of California unemployment rates as these rates are unique to each employer and generally change each year.

Federal Electronic Tax Deposit Requirement

The deposits of employment taxes, corporate taxes and other taxes are required to be paid using the Electronic Federal Tax Payment System (EFTPS). For certain taxes, you may be able to send a tax payment with the return when filed if you meet the criteria set for the tax return.

Enrollment is available online at <https://www.eftps.gov>. Click on the enrollment tab to begin the process. If you require assistance with enrollment, call 1-800-555-4477. The system is easy to use, fast and accurate. Tax payments can be made online or by calling 1-800-555-3453. There is no charge to use this service.

Payroll Tax Deposit Requirements for 2018

There are two payroll tax deposit schedules - monthly or semiweekly - for determining when you deposit federal employment and withholding taxes (other than FUTA taxes). The IRS should notify you each November whether you are a monthly or semiweekly depositor for the coming calendar year.

Your deposit schedule for a calendar year is determined from the total taxes paid in a four-quarter look back period - July 1 through June 30 of the prior year. If you reported \$50,000 or less of employment taxes for the look back period, you are a monthly depositor; if you reported more than \$50,000, you are a semiweekly depositor. The deposit rules and exceptions are discussed in the following sections.

Monthly Deposit Schedule Rule

Under the monthly deposit rule, employment and other taxes withheld on wage payments made during a calendar month must be deposited by the 15th day of the following month. If the 15th is a Saturday or Sunday, or legal holiday, the last timely date would be the next "business day".

New employers - During the first calendar year of your business, your tax liability for each quarter in the look back period is considered to be zero. Therefore, you are a monthly depositor the first year of your business (however, see the \$100,000 One-Day Rule exception on the next page).

Semiweekly Deposit Schedule Rule

Under the semiweekly deposit rule, employment and other taxes withheld on wage payments made on Wednesday, Thursday and/or Friday must be deposited by the following Wednesday. Employment and other taxes withheld on wage payments made on Saturday, Sunday, Monday and/or Tuesday must be deposited by the following Friday.

Payroll Pay Days

Wednesday, Thursday and/or Friday

Saturday, Sunday, Monday and/or Tuesday

Deposit by

Following Wednesday

Following Friday

Note: If you have more than one pay date during a semiweekly period and the pay dates fall in different calendar quarters, you will need to make separate deposits for the separate liabilities.

Those employers subject to the semiweekly deposit rules must complete 941 Schedule B each quarter and submit with the Form 941.

Deposits on Business Days Only

If a deposit is required on a day that is not a normal business day, meaning any calendar day that is not a Saturday, Sunday or legal holiday, the deposit is considered to have been made timely if it is made by the close of the next regular business day. Additionally, because EFTPS is available 24 hours a day, seven days a week, the IRS has provided clarification on the definition of a "legal holiday". For tax deposit purposes, the term "legal holiday" refers only to those holidays recognized in the District of Columbia. Therefore, a statewide holiday will no longer be considered a legal holiday unless it coincides with a legal holiday in the District of Columbia.

The following days are currently legal holidays in the District of Columbia: New Year's Day, Martin Luther King, Jr. Day, Washington's Birthday, District of Columbia Emancipation Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day and the day of the inauguration of the President, in every fourth year.

For example, if a deposit is required on a Friday and Friday is not a business day, the deposit will be considered timely if it is made by the following Monday.

A special rule is provided for semiweekly depositors, which allows these depositors at least 3 banking days to make a deposit.

For example, if a semiweekly depositor has employment taxes accumulated for payments made on Friday and the following Monday is not a business day, deposits made by the following Thursday are considered timely (allowing 3 banking days to make the deposit).

\$100,000 Next Day Deposit Rule

When any single payroll has a federal tax liability amount that exceeds \$100,000 on any one day during a deposit period, it must be deposited by the next banking day regardless of whether an employer is a monthly or semiweekly schedule depositor. If you are a monthly depositor and accumulate a \$100,000 tax liability you become a semiweekly depositor and you must remain on a semiweekly schedule for the remainder of the year and the following year. For monthly depositors, the deposit period is a calendar month.

The deposit periods for semiweekly depositors are Wednesday through Friday and Saturday through Tuesday. For purposes of the \$100,000 rule, do not continue accumulating employment tax liability after the end of a deposit period; rather begin to accumulate anew on the next day.

For example, if a semiweekly depositor has accumulated a liability of \$95,000 on a Tuesday (of a Saturday-through-Tuesday deposit period) and accumulated a \$10,000 liability on Wednesday, the \$100,000 one-day rule does not apply.

The deposit requirements will be considered to be satisfied if at least 98% of the accumulated tax is deposited in a timely manner or if any deposit shortfall does not exceed \$100. No penalties will be assessed if the shortfall is deposited by the shortfall due date. Shortfall due dates for monthly depositors is the due date of the quarterly return. Semiweekly depositors or one-day rule depositors shortfall due date is the first Wednesday or Friday, whichever is earlier, falling on or after the 15th day of the month following the shortfall.

FUTA Tax Deposit Rules

Employers are required to make a quarterly deposit for unemployment taxes if the accumulated tax exceeds \$500.00. If the balance due on Form 940 is less than \$500.00, it may be paid with the return. If the balance is \$500.00 or greater, the taxes must be deposited by the end of the month following the end of the quarter (via the EFTPS payment system) in order to avoid penalties.

Filing Form 944 – Employer’s Annual Federal Tax Return

Employers whose annual tax liability is anticipated to be \$1,000.00 or less in the coming year will receive notification from the IRS that they are a Form 944 filer. They will be required to file Form 944 annually instead of Form 941 quarterly. If you believe you qualify to file Form 944 and have not received notification of your eligibility by Mid-February, please call the IRS at 1-800-829-4933 and select option 2.

If you contact the IRS by April 2nd, they may be able to change your filing requirements for the 2018 calendar year. To request to file Form 941 instead of Form 944, you must either call the IRS by April 2, 2018 or send a written request postmarked on or before March 15, 2018.

Correcting Previously Filed Federal Employment Taxes

Since 2009, the “X” form process for correcting errors on federal employment tax returns was implemented. The “X” forms are available for download from the IRS website. To correct errors on federal forms, use the corresponding “X” form to correct employment tax errors as soon as they are discovered and within the period of limitations. For example, use the 941-X, Adjusted Employer’s Quarterly Federal Tax Return or Claim for Refund, to correct errors on a previously filed Forms 941.

Filing of Forms W-2 and W-3

Whether you file using paper forms or if you e-file, you must file Copy A of Forms W-2 with Form W-3 by January 31, 2018. The Social Security Administration has only one location for filing paper Forms W-2 and W-3 by mail to:

Social Security Administration
Direct Operations Center
Wilkes-Barre, PA 18769-0001

IMPORTANT: The IRS may assess penalties ranging between \$50.00 to \$260.00 per W-2 Wage and Tax Statement containing discrepancies as to the names and social security numbers of their employees, among other things. Employers should request a copy of the employees’ social security card to ensure the name listed on the W-2 form is exactly the same as that listed on the social security identification card. **Intentional Disregard** to comply with Form W-2 filing requirements can result in a penalty of \$530.00 per Form W-2 with no maximum. If a **fraudulent Form W-2** is willfully filed for payments claimed to have been paid to another person, that person may be able to sue for damages of \$5,000 or more.

REMEMBER: If you are required to file 250 or more Forms W-2, you must file them electronically unless the IRS has granted you a waiver. You may be charged a penalty if you fail to file electronically when required. As a reminder, magnetic media tapes, cartridges or 3 ½ diskettes are no longer being accepted.

State of California Filing Requirements

Beginning July 1, 2014, the Paid Family Leave (PFL) program will include time off to care for a seriously ill grandparent, grandchild, sibling, or parent-in-law.

California wages are required to be reported and filed on both Form DE-9 Quarterly Contribution Return and Report of Wages and Form DE-9C Quarterly Contribution Return and Report of Wages each quarter.

The DE-9 reconciles wages reported and taxes paid each quarter. Overpayments are refunded automatically by EDD. Any tax payment due for all State Disability Insurance/Personal Income Taxes must be submitted via Electronic Funds Transfer (EFT), see E-file and E-pay mandate below.

The DE 9C reports individual employee wages for each quarter.

All Employers will make deposits using Electronic Funds Transfer (see below for more information on this method). The quarterly reporting changes will not affect deposit requirements or return due dates.

Employer contributions of Unemployment Insurance (UI) and Employment Training Tax (ETT) are due quarterly. Monies withheld from employees’ wages for State Disability Insurance (SDI) and California Personal Income Tax (PIT) **may need to be deposited** more often if you withhold over \$350 in PIT, see the California Deposit Requirements at the EDD website listed below. The deposit frequency is based on each employer’s federal deposit schedule/requirement and the amount of accumulated PIT withheld.

Note: A penalty of 15 percent plus interest will be charged in late payroll tax payments.

For more information and special situations concerning deposit rules, frequencies and reporting requirements refer to the *California Employers Guide* (DE44), visit EDD’s website at www.edd.ca.gov/payroll_taxes/file_and_pay.htm, or call (888) 745-3886.

State of California Electronic Funds Transfer

New state law mandates electronic submission of tax returns, wage reports, and payroll tax deposits for all employers.

Beginning January 1, 2017, employers with 10 or more employees were required to electronically submit employment tax returns, wage reports, and payroll tax deposits to the Employment Development Department (EDD). All remaining employers will be subject to this requirement beginning January 1, 2018. For more information, visit www.edd.ca.gov E-file and E-pay Mandate for Employers.

All employers are required to use EFT, effective January 1, 2018, and if you pay by other means (e.g. check, cash, credit card, etc.), there will be an automatic penalty of 15% imposed.

Additional penalties will incur for noncompliance of this mandate. To avoid penalties below, enroll in [e-Services for Business](#).

Penalties for Not Electronically Filing or Paying		
Type	Forms	Penalty
Tax Returns	DE 9 – <i>Quarterly Contribution Return and Report of Wages</i> DE 3HW – <i>Employer of Household Worker(s) Annual Payroll Tax Return</i> DE 3D – <i>Quarterly Contribution Return</i>	\$50 per return
Wage Reports	DE 9C – <i>Quarterly Contribution Return and Report of Wages (Continuation)</i> DE 3BHW – <i>Employer of Household Worker(s) Quarterly Report of Wages and Withholdings</i>	\$20 per wage item
Payments	DE 88 – <i>Payroll Tax Deposit</i>	15% of amount due

The just pay it option is no longer available. To pay electronically you must sign up for e-services for Businesses at www.edd.ca.gov.

For more information or technical assistance in making the transition to e-Services for Business, visit the e-Services for Business website to contact the EDD Taxpayer Assistance Center at 888-745-3886, Monday through Friday, 8 a.m. to 5 p.m. (Pacific Time).

Timeliness of Electronic Funds Transfers (EFT)

Timeliness of your EFT payment is determined by the settlement date (the date funds are credited to the State's bank account).

Next banking day deposits – must settle in the State's bank account on or before the third banking day following the payroll date.
Semiweekly, monthly, and quarterly deposits – must settle in the State's bank account on or before the next banking day following due date.

New Hire Reporting Requirements

All employers are required by law to report new hires to the New Employee Registry (NER) at EDD using Form DE-34 within 20 days of employment, including rehires.

A new employee is an employee who has not been employed by you or was previously employed by you, but has been separated from such prior employment for at least 60 consecutive days.

Household (Domestic) Employment Tax Reporting

Employers of domestic workers (i.e. housekeepers, maids, babysitters, gardeners, etc.) must report and pay their employment tax obligations annually with their federal tax return, Form 1040 on Schedule H, Household Employment Taxes. For 2017, individuals employing domestic workers that paid wages of \$2,000 or more in a calendar year are subject to the employment tax obligation and are required to increase their quarterly estimated tax payments or increase withholding from their own wages to cover these employment taxes.

Employers are required to include an employer identification number (EIN) on all forms filed for household employees. Household employers should disregard instructions stating otherwise. To receive an EIN, file Form SS-4 with the Internal Revenue Service or apply online at www.irs.gov and search "Apply for new EIN".

Options for Registering for a California Employer Account

Visit EDD's New Household Employer page for information on registering, filing reports, and making deposits at http://www.edd.ca.gov/payroll_taxes/household_employer.htm

Contact the EDD Tele-Reg at 916-654-8706 to register by phone. When registering via Tele-Reg, you will receive your EDD employer account number over the phone. Do not send a paper form to the EDD.

Complete and mail a paper registration form. Registration PDF forms are available online at the EDD website at http://www.edd.ca.gov/pdf_pub_ctr/de1hw.pdf.

Mail or fax the completed registration form to:

Employment Development Department
Account Services Group, MIC 28
P.O. Box 826880
Sacramento, CA 94280-0001
Fax: 916-654-9211

Foreign Agricultural Workers

As of 2011, employers are required to report compensation of \$600 or more on Form W-2 for pay to H-2A visa agricultural workers. If the H-2A visa agricultural worker furnishes a valid taxpayer identification number, report payments in box 1 of Form W-2, DO NOT check box 13 ("statutory employee") as H-2A agricultural workers are not "statutory employees". On Form W-2, no amount should be reported in boxes 3 or 5. Also, no amount should be reported on line 2 or line 4 on FORM 943.

If the H-2A agricultural worker fails to furnish his or her Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) to the employer, and the aggregate annual payments made to the H-2A agricultural worker are \$600 or more, the employer must begin backup withholding on the payment(s) at the rate of 28% and continue withholding until the H-2A agricultural worker furnishes his or her SSN or ITIN.

The employer will report the compensation subject to backup withholding and the tax withheld on Form 1099-MISC and Form 945, Annual Return of Withheld Federal Income Tax, instead of on Form W-2 and Form 943. (See the Instructions for Form 1099-MISC and the Instructions for Form 945).

An employer who fails to comply with backup withholding when required will be held liable for the amount of the backup withholding tax which it should have withheld from the H-2A agricultural workers' compensation.

Hourly Wage Requirements

The current minimum wage for the State of California is \$10.50 per hour. This will increase to \$11.00 effective January 1, 2018, and will increase each year until the year 2022 at which time the State of California minimum will be \$15.00 per hour. Any employee in the State of California must be paid at the California minimum wage amount. (Please be aware that some cities within California have higher minimum wages than the state.) Only those operations out of state can use the federal hourly wage rate and employers should first verify whether the other states also have a minimum wage established which could supersede the federal hourly wage rate.

Retirement Plan Contribution Limits

Deferral Type	2017	2018
Traditional and Safe Harbor 401(K)	\$18,000	\$18,500
Traditional and Safe Harbor 401(K) Catch-up for participants age 50 and over	\$ 6,000	\$ 6,000
Simple 401(k) Plans	\$12,500	\$12,500
Simple 401(k) Plans Catch-up for participants age 50 and over	\$ 3,000	\$ 3,000
Individual Retirement Plan (IRA)	\$ 5,500	\$ 5,500
Catch-up	\$ 1,000	\$ 1,000

Contributions an employer can make into an employee's SEP-IRA cannot exceed the lesser of:

- 25% of the employee's compensation or \$54,000 for 2017
- 25% of the employee's compensation or \$55,000 for 2018

Expense Allowances & Reimbursements for 2017/2018

Direct dollar for dollar employee business expense reimbursement payments are not includable on Form W-2 if there was an "accountable" plan in place. Automobile mileage reimbursement is includable on Form W-2 as gross income only if such reimbursement exceeds IRS standard mileage rates as stated below.

Aside from the increased standard mileage rate listed below, there were no changes in the basic rules for 2017 or 2018.

All fringe benefits and allowances, other than de minimis fringe benefits and health insurance premiums, are subject to payroll taxes and includable on the Form W-2.

If you have questions regarding fringe benefits, we will be happy to answer your questions on an individual basis.

Standard Mileage Rates

The IRS 2016, 2017 and 2018 standard mileage rates for business use are as follows:

- 2017 = 53.5 cents per mile
- 2018 = 54.5 cents per mile

Employer Provided Health Coverage

In 2011, federal legislation passed the Affordable Care Act, which requires employers to disclose the cost of coverage under an employer sponsored group health plan for each employee on their annual Form W-2, Box 12, Code DD. In general, the amount reported should include both the portion paid by employer and employee.

- Employers with fewer than 250 employees have been exempted until further guidance is issued.
- For employers with 250 or more employees, reporting is mandatory.

The reporting is for informational purposes only to show employees the value of their health care benefits, so they can be more informed consumers. The amount reported will not affect tax liability.

Please take the necessary steps to update your payroll systems accordingly to ensure you have the information available prior to year end reporting.

Major tax changes for individual taxpayers are effective for the 2017 tax year under the Affordable Care Act. These include the individual mandate to have minimum essential health coverage; and the tax credit for health insurance premiums for coverage obtained on a Marketplace Exchange. These two tax items are determined on a monthly basis separately for each taxpayer, spouse, and dependent claimed on a tax return for the tax year.

As a result, the IRS has developed information reporting broken down by month and individual to support tax return preparation. This reporting is mandatory for the 2017 tax year.

Reporting by Employers on Form 1094-C and Form 1095-C

Generally, your health insurance providers will prepare these forms for you.

If you have any questions related to these tax forms or your responsibilities under the Affordable Care Act, please call our office. We will be happy to assist you.

The recent passage of the comprehensive tax reform bill effectively repeals the Affordable Care Act's requirement that most individuals obtain ACA-compliant health coverage however it does not take effect until 2019. Currently, it does not alter the ACA's mandate that employers with 50 or more full-time employees offer their employees ACA-compliant health coverage. This is a very recent development and we will be following it closely and will have more information as it becomes available. Please call our office if you have any questions.

Shareholder Health Insurance

S-Corporation employers who employ individuals that hold more than 2% ownership in the company must include the value of accident or health benefits provided to them by the company in the employee's wages subject to federal and state income tax. However, you can exclude the value of these benefits from the employee's wages subject to Social Security, Medicare, FUTA and State Unemployment Taxes.

Health Savings Accounts (HSA)

Employer contributions to the HSA of a qualified individual are exempt from federal income tax withholding, Social Security tax, Medicare tax, and FUTA, but subject to state income tax, state disability tax and state unemployment tax.

Employers must report all contributions (including an employee's contribution through Cafeteria Plan) in Box 12 of Form W-2 with code W.

For calendar year 2017, the annual contribution limit is \$3,400 for self-only coverage and \$6,750 for an individual with family coverage.

For calendar year 2018, the annual contribution limit is \$3,450 for self-only coverage and \$6,900 for an individual with family coverage. For calendar years 2017 and 2018 for those age 55 or older there is a \$1,000 catch up contribution allowed.

Taxable Value of Meals & Lodging for 2018

If you provide meals and/or lodging to your employees as part of their salary, the meals and/or lodging are subject to all payroll taxes. Meals are subject to state and federal income tax withholding unless you furnish the meals for your own convenience on your premises. Lodging is subject to federal and state income tax withholding unless the lodging is a requirement of employment.

The State of California taxable value of meals and lodging provided to non-maritime employees on a regular basis is:

<u>Meals</u>	<u>Value</u>
Breakfast	\$ 2.40
Lunch	3.55
Dinner	<u>5.65</u>
3 meals per day	\$ 11.60
A meal not identified as either breakfast, lunch, or dinner	4.15

Lodging Values

Value is set at 66-2/3 percent (0.6667) of the ordinary rental value to the public, but not in excess of \$1,456.00 per month or less than \$47.25 per week.

Note: The above values do not apply where higher values of meals and lodging are stipulated in a union agreement or contract of hire, or are required for compliance with minimum wage laws. If you have any questions regarding the taxability of meals and lodging, please contact our office.

Personal Use of Employer Vehicle

We will be happy to assist you with any calculation for W-2 inclusion on an individual basis.

Independent Contractor Reporting Requirements

This law requires business and government entities to report specified information to the Employment Development Department (EDD) on independent contractors. Any business or government entity that is required to file a federal Form 1099-MISC for services will be required to report information to EDD. The information will be used to establish, modify, or enforce child support obligations, and must be reported by law within 20 days of the earlier of either:

Entering into a contract which equals or exceeds \$600.
When the aggregate payments to an Independent Contractor equal or exceed \$600.

This requirement must be met each year. Therefore, regardless of how long you have done business with an individual, you must, once they meet the criteria above, report the required information to the EDD within 20 days using Form DE-542 Report of Independent Contractor(s).

This reporting requirement applies only to individuals working as independent contractors. It does not apply if the service provider is a corporation, partnership, or limited liability company.

Filing 1099 Forms

The rules and regulations for filing Forms 1099, for both federal and state purposes, for the 2017 calendar year have not changed. **Note: Do not use Form 1099-MISC to report employee business expense reimbursements. Report payments made to employees under a non-accountable plan as wages on Form W-2.**

However, since January 1, 2011 credit card transactions are being tracked by third party merchant services and reported annually to both merchants and the IRS. If you accept credit card payments, you will continue to receive Form 1099-K for the payments received during calendar year 2017. In addition, if you use credit cards to make payments to your vendors, you will not be required to issue a separate 1099-MISC, since your merchant services provider will issue Form 1099-K instead.

Every trade, business or not-for-profit organization must issue Form 1099 if there were payments of:

- At least \$600 in rents, non-employee compensation (services – including parts and materials) prizes and awards, and other payments reportable as income.
- Use Form 1098, rather than 1099 for mortgage interest received of \$600 or more.

Generally, payments to corporations are not reportable. However, you must report payments to corporations for the following:

1. Medical and health care payments (Form 1099-Misc, box 6).
 2. Federal income tax or foreign tax withheld (Form 1099-MISC, box 4).
 3. Barter Exchange transactions (Form 1099-B).
 4. Substitute payments in lieu of dividends and tax-exempt interest (Form 1099-Misc, box 8).
 5. Acquisition or abandonment of secured property (Form 1099-A).
 6. Cancellation of debt (Form 1099-C)
 7. Attorney fee payments (Form 1099-MISC, box 7) and gross proceeds paid to attorneys (Form 1099-Misc, box 14).
 8. Federal Executive Agency payments for services (Form 1099-Misc, box 7)
 9. Fish (all fish and other forms of aquatic life) purchases for cash (Form 1099-Misc, box 7).
- c) Corporate dividends or royalties paid in lieu of dividends of \$10 or more.
- d) Interest income of \$10 or more.
- e) Interest or original issue discount paid or accrued to a regular interest holder of a REMIC (Form 1099-Int. or 1099-Div).
- f) Director's fees paid to a director employee are reported on Form W-2 and are subject to all payroll taxes, including payments made after retirement. Director fees paid to non-employee directors are reportable on Form 1099-MISC, box 7, if \$600 or more annually.

Forms 1099 must also be filed if any federal income tax has been withheld under the backup withholding rules regardless of the amount of the payment. (For more information, refer to 2017 Instructions for Form 1099).

To avoid Internal Revenue Service notices regarding employer identification numbers and social security number inconsistencies, always use the social security number for a named individual and a taxpayer identification number for a business name even if the business is individually owned. **Never use a business name (i.e., Joe's Meat Market) with a social security number.**

All 1099 Forms are required to be distributed to the payees by January 31, 2018, and the electronic filing deadline for federal agencies has been extended by the IRS to January 31, 2018. Please check the instructions as to where to file the forms in the booklet you receive from the Internal Revenue Service. According to IRC Section 6721, the Internal Revenue Service may assess penalties for failing to file correct information returns.

Since January 1, 2011, the penalties have doubled from prior year amounts and now range between \$30 and \$100 per information return (maximum of \$75,000 to \$500,000 for small businesses). If you are found to have intentionally disregarded the 1099 filing requirements, the IRS may penalize you at least \$250 per information return with no maximum penalty.

REMEMBER: If you are required to file 250 or more Forms 1099, you must file them electronically unless the IRS has granted you a waiver. You may be charged a penalty if you fail to file electronically when required. Please verify format with the Internal Revenue Service.

Unsecured Property Tax Assessment Form 571

The valuation and lien date for Form 571, Business Property Statement, is January 1. The San Joaquin County Assessor's office has set **Monday, May 7, 2018**, as the last day to file without incurring a 10% penalty, unless you receive an "early filing requirement" notice from the assessor's office. These notices should be mailed to you by February 1, 2018. The "early filing" due date is April 1, 2018. Please note that the Business Property Statement due dates may vary by county.