

RECLAMATION DISTRICT NO. 773
REGULAR MEETING AGENDA FOR
BOARD OF TRUSTEES
9:00 A.M. OCTOBER 5, 2021

AGENDA

1. Call to Order/Roll Call.
2. Public comment: Under Government Code section 54954.3, members of the public may address the Board on any issue in the District's jurisdiction. The public may address any item on the agenda at the time it is taken up.
3. Consider for approval minutes of the August 3, 2021, and August 24, 2021, Board meetings.
4. District Financial Report.
5. 2021 General Election. Discussion and Possible Action to Recommend Appointee to Board of Supervisors.
6. Engineers' Report; request for direction.
7. Paradise Cut. Adopt Resolution 2021-05 Conditionally Supporting the Paradise Cut Bypass Project Provided Dredging is Included and Supporting San Joaquin Area Flood Control Agency as Lead Agency for the Paradise Cut Bypass Project with an Advisory Committee Consisting of the District and Other Local Interests
8. Discussion and Possible Action to Fill Out and Submit Ballot for 2021 Annual Meeting of the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority
9. Correspondence and meeting attendance reports.
10. District Calendar.
11. Approval of bills to be paid.
12. 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 Daniel J. Schroeder at 209/948-8200 during regular business hours, at least twenty-four 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, 3121 West March Lane, Suite 100, Stockton, California during normal business hours.

AGENDA PACKET
RECLAMATION DISTRICT 773
October 5, 2021

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

ITEM 3

Minutes of Meeting of
Reclamation District 773
Held on August 3, 2021

The regular meeting of the Board of Trustees of Reclamation District 773 was held at 9:00 a.m. on August 3, 2021, at the District's office located at 3121 West March Lane, Suite 100.

Item No. 1: The meeting was called to order at 9:05 a.m. Present were President Joseph Bacchetti and Trustee Joe Enos. Trustee Mark Bacchetti attended via teleconference. Also present were Andy Pinasco, District Secretary, and Chris Neudeck, District Engineer.

Item No. 2: Public Comment. There was no public comment.

Item No. 3: Minutes. The minutes of the June 1, 2021, meeting were approved unanimously by the Trustees present on a motion by President Joseph Bacchetti seconded by Trustee Joe Enos.

Item No. 4: Mr. Pinasco provided a written financial report and reviewed it with the Trustees. The financial report was accepted by unanimous vote of the Trustees present on a motion by President Joseph Bacchetti, seconded by Trustee Joe Enos.

Item No. 5: Mr. Pinasco presented Resolution 2021-03 Ordering Board of Trustees Election by All-Mailed Ballot and reviewed it with the Trustees. Resolution 2021-03 was adopted by unanimous vote of the Trustees present on a motion by President Joseph Bacchetti, seconded by Trustee Joe Enos.

Item No. 6: Mr. Pinasco presented Resolution 2021-04 Appointing a District Secretary and Authorizing District Secretary as an Authorized Signer Approving Transactions for District Account and to Obtain Warrant Books and reviewed it with the Trustees, explaining that Resolution 2021-04 appoints Andy Pinasco as District Secretary. Resolution 2021-04 was adopted by unanimous vote of the Trustees present on a motion by President Joseph Bacchetti, seconded by Trustee Joe Enos.

Item No. 7: Engineers' Report; request for direction. Mr. Neudeck presented a written and oral report. He reported on the District's current assessment rates and provided a written report of the assessments for each individual property within the District. He next reported on the completed work that would be included in the District's subvention claim.

Item No. 8: Mr. Neudeck and Mr. Pinasco provided an oral and written report on the status of the Paradise Cut Expansion Project. The Trustees discussed the various impacts and expressed concern regarding the additional water in the District's levee system resulting from the proposed Project. Mr. Neudeck and Mr. Pinasco reported on a meeting that was held with the South Delta Water Agency, Reclamation District 524, and Project

Proponent American Rivers to discuss impacts on the District and who the local managing agency for the Project would be.

Item No. 9: There was no report on the correspondence in the agenda packet.

Item No. 10: Mr. Pinasco reviewed the District calendar with the Trustees pointing out that the next meeting was in October.

Item No. 11: Mr. Pinasco reported on the outstanding bills that had been received and the status of the District's accounts. On a motion by President Joseph Bacchetti, seconded by Trustee Joe Enos, the Trustees present unanimously approved payment of the attached bills identified on the attached bills paid report.

Item No. 12: The meeting was adjourned at 10:04 a.m. by unanimous vote of the Trustees present on a motion by President Joseph Bacchetti, seconded by Trustee Joe Enos.

Respectfully submitted,

Andy Pinasco, District Secretary

Minutes of Meeting of
Reclamation District 773
Held on August 24, 2021

The regular meeting of the Board of Trustees of Reclamation District 773 was held at 9:00 a.m. on August 24, 2021, at the District's office located at 3121 West March Lane, Suite 100.

Item No. 1: The meeting was called to order at 9:00 a.m. Present were President Joseph Bacchetti and Trustee Joe Enos. Trustee Mark Bacchetti attended via teleconference. Also present were Andy Pinasco, District Secretary, and Chris Neudeck, District Engineer.

Item No. 2: Public Comment. There was no public comment.

Item No. 3: Mr. Neudeck and Mr. Pinasco provided an oral and written report on the status of the Paradise Cut Expansion Project. The Trustees discussed the various impacts and expressed concern regarding the additional water in the District's levee system resulting from the proposed Project. Mr. Neudeck and Mr. Pinasco reported on a meeting that was held with the South Delta Water Agency, Reclamation District 524, and Project Proponent American Rivers to discuss impacts on the District and who the local managing agency for the Project would be. The Trustees present approved District staffs' recommendation to support SJAFCA as lead agency with an advisory committee consisting of the District and other stakeholders on a motion by President Joseph Bacchetti, seconded by Trustee Bacchetti.

Item No. 4: The meeting was adjourned at 9:18 a.m. by unanimous vote of the Trustees present on a motion by President Joseph Bacchetti, seconded by Trustee Bachetti.

Respectfully submitted,

Andy Pinasco, District Secretary

ITEM 4

RECLAMATION DISTRICT 773
FINANCIAL REPORT JULY 2021 MEETING
25% OF 2021/2022 FISCAL YEAR THROUGH OCTOBER 2021

INCOME	Annual Budget Amount	Received Period TD	Received YTD	% YTD
INTEREST	\$ 3,400.00	\$ -	\$ 366.00	10.76%
ASSESSMENTS (MAX. ALLOWANCE)	\$ 195,300.00	\$ -	\$ -	0.00%
SUBVENTION REIMBURSEMENT	\$ 150,000.00	\$ -	\$ 239,120.00	159.41%
DWR 5 YEAR PLAN REIMBURSEMENT	\$ 15,000.00	\$ -	\$ -	0.00%
DELTA GRANT II - EMERGENCY SUPPLIES	\$ 14,500.00	\$ -	\$ -	0.00%
Total Income	\$ 378,200.00	\$ -	\$ 239,486.00	63.32%
EXPENSES	Annual Budget Amount	Expended Period TD	Expended YTD	% YTD
GENERAL				
G1 County Assessment Administration	\$ 2,000.00	\$ 1,077.59	\$ 1,077.59	53.88%
G2 Miscellaneous Supplies	\$ 300.00	\$ -	\$ -	0.00%
G3 General Engineering	\$ 25,000.00	\$ 1,863.25	\$ 4,121.20	16.48%
G4 Legal and Accounting	\$ 25,000.00	\$ 3,044.27	\$ 5,795.77	23.18%
G5 Insurance	\$ 13,000.00	\$ 5,125.37	\$ 5,125.37	39.43%
G6 Contingency	\$ 4,000.00	\$ 2,959.25	\$ 2,959.25	73.98%
G7 Emergency Equipment & Supplies	\$ 22,000.00	\$ 1,492.10	\$ 9,557.02	43.44%
Account Funding Placeholder		\$ 22,642.18		
Total General Expenses	\$ 91,300.00	\$ 38,204.01	\$ 28,636.20	31.36%
LEEVE WORK				
L1 Vegetation Control and Management	\$ 95,000.00	\$ 12,000.00	\$ 14,356.00	15.11%
L2 Rodent Control	\$ 50,000.00	\$ 29,783.18	\$ 29,783.18	59.57%
L3 Construct All-Weather Road Surfacing	\$ 25,000.00	\$ -	\$ -	0.00%
L4 Waterside Erosion Repair	\$ 25,000.00	\$ -	\$ -	0.00%
L5 Back Slope Fill Flattening	\$ 225,000.00	\$ 3,618.50	\$ 3,618.50	1.61%
L6 General Levee Maintenance	\$ 25,000.00	\$ 286.25	\$ 1,004.25	4.02%
L7 DWR 5 Year Plan	\$ 15,000.00	\$ -	\$ -	0.00%
Total Levee Work	\$ 460,000.00	\$ 45,687.93	\$ 48,761.93	10.60%
Total Expenses	\$ 551,300.00	\$ 83,891.94	\$ 77,398.13	14.04%
	ANNUAL BUDGET AMOUNT	PTD INCOME/LOSS	YTD INCOME/LOSS	
NET INCOME (LOSS)	\$ (173,100.00)	(\$83,891.94)	\$ 162,087.87	

Fund Balance as of Beginning of Fiscal Year 2021-2022	\$ 406,178.30
Revenues (YTD)	\$ 239,486.00
Expenses (YTD)	\$ 77,398.13
Total Cash in General Fund	\$ 568,266.17
Total Restricted Cash in 5 Year Plan Account	\$ 2,627.01
Bank of Stockton	\$ 41,597.02
Total Available Cash	\$ 609,863.19

ITEM 6

Joseph Bacchetti, Chairman
Mark Bacchetti, Trustee
Joe Enos, Trustee

**RECLAMATION DISTRICT NO. 773
FABIAN TRACT
BOARD OF TRUSTEES MEETING
TUESDAY, OCTOBER 5, 2021
9:00 AM
ENGINEER'S REPORT**

Daniel J. Schroeder, Counsel
Christopher H. Neudeck, Engineer

I. DELTA LEVEE SUBVENTIONS PROJECT

- A. Review status of preparing and advertising the annual levee maintenance contract for FY 2021-22.

EXHIBIT A: 2021-22 Maintenance Contract - Scope of Work “UNDER SEPARATE COVER”

ITEM 7

RECLAMATION DISTRICT 773
RESOLUTION 2021-05

RESOLUTION CONDITIONALLY SUPPORTING THE PARADISE CUT BYPASS PROJECT PROVIDED DREDGING IS INCLUDED AND SUPPORTING SAN JOAQUIN AREA FLOOD CONTROL AGENCY AS LEAD AGENCY FOR THE PARADISE CUT BYPASS PROJECT WITH AN ADVISORY COMMITTEE CONSISTING OF THE DISTRICT AND OTHER LOCAL INTERESTS

WHEREAS, the Paradise Cut Bypass project (the “Project”), is a regional project that proponents claim will lower flood stage on the San Joaquin River between Manteca and Stockton by 2.5 feet or more, protect farmland from uncontrolled flooding, and provide habitat for fish and wildlife; and

WHEREAS, in 2016, the San Joaquin County Resource Conservation District (“SJCRCD”) received a grant from the Delta Conservancy to advance project planning by completing Phase 1 Project, which included coordination with local landowners, engineers, and agencies to complete various tasks including hydraulic modeling, identifying restoration opportunities, construction cost estimates, and establish a permitting and compliance strategy; and

WHEREAS, during Phase 1, SJCRCD and American Rivers held several public meetings seeking input from various stakeholders that would be affected by the impacts of the Project; and

WHEREAS, representatives from Reclamation District No. 773 (the “District”) attended these meetings and provided input to SJCRCD and American Rivers, including identifying the significant erosion the District’s levees would incur from increased volumes of water that would flow through the Grantline/Fabian Bell Canal and Old River as a result of the Project; and

WHEREAS, on October 8, 2019, the District sent a letter to SJCRCD opposing the Project and demanding that the Project proponents commit to dredging the channels downstream of the Project around the District’s levees to account for the additional water resulting from the Project; and

WHEREAS, in 2021, SJCRCD executed a second grant from the Delta Conservancy for Phase 2 of the Project to develop a strategy to address the District’s concerns with downstream impacts of the Project, and to establish a local engagement structure to help coordinate implementation of future Project phases with State agencies; and

WHEREAS, on June 29, 2021, the Project proponents made a presentation to District staff confirming that the planning teams recommends expanding the capacity of South Delta channels either before or concurrent with the Project construction, and reached consensus with District staff that San Joaquin Area Flood Control Agency was the best agency to lead the development and construction of the Project and that the District would provide input to the lead agency as a member of an advisory committee.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference, and
2. The District hereby states its support for the Project as currently described as long as the dredging portion of the Project is done first and all impacts of the Project are fully and adequately mitigated.
3. The District supports the proposal that the San Joaquin Area Flood Control Agency be the lead agency for the Project with an advisory committee made up of interested reclamation districts, including the District, and other local interests.
4. The District shall participate as a member of the committee.

PASSED AND ADOPTED by the Board of Trustees of Reclamation District 773, at a special meeting thereof, held on October 5, 2021, by the following vote:

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

RECLAMATION DISTRICT 773
A Political Subdivision of the
State of California

By: _____

JOSEPH BACCHETTI
President, Board of Trustees

ATTEST:

ANDREW PINASCO, SECRETARY

CERTIFICATION

I, ANDREW PINASCO, Secretary of Reclamation District 773, do hereby certify that the foregoing is a full, true and correct copy of a resolution of Reclamation District 773 duly passed and adopted at a special meeting of the Board of Trustees thereof held on the 3rd day of August, 2021.

Dated: _____, 20__

SECRETARY, Reclamation District 773

ITEM 8



**BALLOT FOR THE 2021 ANNUAL MEETING OF THE
CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY**

OCTOBER 18-19, 2021

_____ [insert name
of member company or district] hereby submits its written ballot for the 2021 Annual Meeting of
the California Association of Mutual Water Companies, marked as follows:

For Director, for a two-year term:

David Armstrong	For <input type="checkbox"/>	Against <input type="checkbox"/>	Quorum Only <input type="checkbox"/>
Kenneth Bradbury	For <input type="checkbox"/>	Against <input type="checkbox"/>	Quorum Only <input type="checkbox"/>
David Michalko	For <input type="checkbox"/>	Against <input type="checkbox"/>	Quorum Only <input type="checkbox"/>
Douglas Nunneley	For <input type="checkbox"/>	Against <input type="checkbox"/>	Quorum Only <input type="checkbox"/>
David Pedersen	For <input type="checkbox"/>	Against <input type="checkbox"/>	Quorum Only <input type="checkbox"/>
Kenneth Tcheng	For <input type="checkbox"/>	Against <input type="checkbox"/>	Quorum Only <input type="checkbox"/>
Lisa Yamashita-Lopez	For <input type="checkbox"/>	Against <input type="checkbox"/>	Quorum Only <input type="checkbox"/>

Dated: _____, 2021

Name of Member Company or District : _____

By _____
[Signature]

[Printed Name]

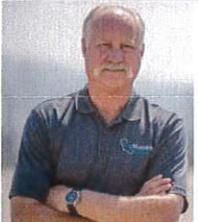
Its: _____
[Authorized Officer – Position Title]



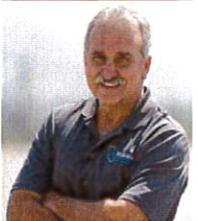
BOARD OF DIRECTORS CANDIDATE BIOGRAPHIES



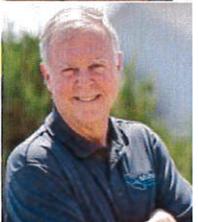
David “Dave” Armstrong is the General Manager for South Mesa Water Company located in the City of Calimesa. David began his career as a water operator, and quickly learned all aspects of managing a water system. He has served on the CalMutuals Board of Directors since 2014, and was elected as the Association’s Vice President in 2016. David is also the Chair of the Legislative Committee, and serves on the boards of both the Beaumont Basin Water Master and the San Geronio Pass Regional Water Alliance.



Kenneth “Ken” Bradbury is the General Manager for Montebello Land & Water Company located in the City of Montebello. Ken began his career in water as an operator, serving as General Manager for over 40 years. Ken serves on the Central Basin Water Association Board of Directors and the Central Basin Watermaster Water Rights Panel.



David “Dave” Michalko is the General Manager for Valencia Heights Water Company located in the City of West Covina. Dave has over 30 years of experience in the water industry. He has served on the CalMutuals Board of Directors since 2014, and also serves as the Association’s Secretary. In addition, Dave serves on the San Gabriel Valley Water Association Board of Directors, and is the Vice Chairman of the Main San Gabriel Basin Watermaster.



Douglas “Doug” Nunneley is the General Manager of Oildale Mutual Water Company located in the City of Bakersfield. Doug has worked for Oildale Mutual Water Company, one of the largest mutual water companies in California, for over 40 years. Doug is also the General Manager for North of the River Municipal Water District, Chairman of the Urban Bakersfield Advisory Committee of Kern County Water Agency Improvement District #4, Co-Chairman of the Kern Integrated Regional Water Management Plan, and serves on the Water Association of Kern County Board of Directors.



David “Dave” Pedersen is the General Manager of Las Virgenes Municipal Water District in the City of Calabasas. He brings more than 24 years of public service experience focusing on water management, flood control and other public infrastructure. He began his career with Los Angeles County Public Works, subsequently moving to the Irvine Ranch Water District where he was its director of water operations and later executive director of operations. He stays active in the water community, serving on the Scientific Advisory Board of the Association of Environmental Health and Sciences Foundation and the Board of Trustees for both the Southern California Water Coalition and WateReuse California. Dave has represented special districts on the CalMutuals JPRIMA Board of Directors since 2019.



Kenneth “Ken” Tcheng is the General Manager of Sunny Slope Water Company in the City of Pasadena. Ken has worked for Sunny Slope Water Company since 2008, serving on the company’s Board of Director for 11 years. Prior to joining the company, Ken worked in the aerospace industry, managing Information Systems/Information Technology Infrastructure Services. Ken is also a Board Member for the San Gabriel Unified School District, and a Board Member and Past President of the Asian Youth Center Nonprofit Organization. He has served on the CalMutuals Board of Directors since 2014, and is Chairman of the Regulatory Affairs Committee.



Lisa Yamashita-Lopez is the General Manager for Rubio Cañon Land & Water Association located in the City of Altadena. For the past two decades, Lisa has provided technical and management consulting services to the municipal and water utility sector. She has served on the CalMutuals Board of Directors since 2014, and was elected President of the Association in 2016. In addition, Lisa serves on the board of directors for the Raymond Basin Watermaster, where is an active member of the Executive Committee, and also is chair of the Finance Committee.



**NOTICE OF ANNUAL MEETING
To be held Monday and Tuesday - October 18-19, 2021**

To the Members of California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (CalMutuals JPRIMA):

NOTICE IS HEREBY GIVEN that the Annual Meeting of the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority will be held in person at the Pechanga Resort and Casino, 45000 Pechanga Pkwy, Temecula, CA 92592, on Monday October 18, 2021, 11 AM- 5 PM and Tuesday, October 19, 8 AM - 2 PM.

The purpose of the Annual Meeting is to consider and act upon the following:

The election of Directors, with the nominee as put forth by the Authority’s Nominating Committee for *two-year term, or until a successor is duly elected and qualified*, as follows.

- | | |
|----------------------|--|
| David Armstrong | South Mesa Water Company – Yucaipa, CA |
| Kenneth Bradbury | Montebello Land and Water Company – Montebello, CA |
| David Michalko | Valencia Heights Water Company – Covina, CA |
| Douglas Nunneley | Oildale Mutual Water Company and North of the River Water District – Bakersfield, CA |
| David Pedersen | Las Virgenes Municipal Water District – Calabasas, CA |
| Kenneth Tcheng | Sunnyslope Water Company – Pasadena, CA |
| Lisa Yamashita-Lopez | Rubio Cañon Land & Water Association |

Another nominee may be put forth as a nomination from the floor during the meeting.

Such other items as may properly come before the Authority’s membership.

The meeting will coincide with the Annual meeting of the California Association of Mutual Water Companies.

The Company's ballot for the annual meeting is submitted herewith.

By order of the Board of Directors,

Susan Allen, Managing Director

IMPORTANT

YOU ARE URGED TO COMPLETE, SIGN AND PROMPTLY RETURN YOUR BALLOT SO THAT YOUR VOTE WILL BE COUNTED AND SO THAT THE PRESENCE OF A QUORUM MAY BE ASSURED. A POSTAGE-PAID RETURN ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE IN RETURNING YOUR BALLOT. BALLOTS MAY ALSO BE RETURNED BY FAX AT 714-398-8819 OR EMAIL AT SUSAN@CALMUTUALS.ORG

ITEM 9



<i>Executive Director</i>	MELINDA TERRY
<i>President</i>	MIKE HARDESTY
<i>Vice President</i>	LEWIS BAIR
<i>Treasurer</i>	PETE GHELFI

CALIFORNIA CENTRAL VALLEY
FLOOD CONTROL
ASSOCIATION

DATE: August 31, 2021
TO: CCVFCA Members and Associate Members
FROM: Melinda Terry, Executive Director
SUBJECT: Annual Member/Associate Dues for FY 2021-22

The COVID-19 pandemic continued to present significant challenges over the past year for the Association's advocacy efforts as access to the State Legislature and executive branch was severely restricted due to the closure of the Capitol building. Legislative leaders in early May informed their members that each would be limited to 12 bills for the remainder of the 2021 session.

The development of a historic state budget surplus supplemented by over \$27 billion in federal aid generated discussion and debate between Governor Newsom and legislators regarding increased funding for new and ongoing programs versus one-time spending in the FY 2021-22 State Budget. CCVFCA's lobbyist and legislative committee members actively engaged in state budget deliberations, contacting Central Valley legislators and legislators representing areas outside the Central Valley to argue for significant state funding for facilities of the State Plan of Flood Control, multibenefit projects, projects outside of the Central Valley, and Delta levees. In addition, the Association advocated in support of legislation creating the Yolo Basin Cache Slough Complex Partnership Program.

The State Budget approved by the Legislature included a one-time \$237 million appropriation from the General Fund for critical levee repairs in the Central Valley and \$102.3 million in bond funding to the Delta Levees System Integrity Program (Delta Subventions Maintenance and Special Projects) to be spent over three years for maintenance, repair, and improvement. At this writing, the Newsom Administration and legislators continue to negotiate drought and climate resilience funding packages that would increase funding for flood protection purposes.

Despite the inability to attend meetings in person, the State's regulatory agencies adapted to the COVID restrictions by shifting to online teleconference. As a result, business as usual continued, but in a different format. Interestingly, these remote meetings had higher attendance in some cases due to the ease of participating without any commute time. The Association continued to actively engage with the Central Valley Flood Protection Board on many issues

MEMORANDUM

December 10, 2020

TO: Melinda Terry, Executive Director
California Central Valley Flood Control Association

FROM: Bob Reeb and Raquel Ayala
Reeb Government Relations, LLC

SUBJECT: 2020 Annual Report

The COVID-19 pandemic presented a crushing blow to the normal course of business in the State Capitol this year, with access to executive branch and legislative representatives severely restricted. Legislative offices were closed to the general public and registered lobbyists for most of the second year of the legislative session. This made advocacy on behalf of our clients a challenge. That said, the number of bills considered by the Legislature this year was significantly reduced as compared to prior years. Although legislative leadership asked members to only press for legislation relating to the pandemic, homelessness and wildfires, multiple other issues ended up being addressed this year.

State Budget

Governor Newsom presented his proposed state budget to the Legislature on January 10, 2020. At the time, the administration expected revenues for 2019-20 to continue to exceed expectations from the 2019-20 Budget Act. With continued expected revenue growth, the administration anticipated a surplus of about \$6 billion for Fiscal Year 2020-21. The Governor proposed allocating that surplus to a variety of purposes, two of the largest of which were homelessness and re-envisioning Medi-Cal.

In March, the state's public health and economic situations began to change dramatically. Governor Newsom declared a state of emergency on March 4 in response to the first confirmed death of a coronavirus patient in California. Later that month, the Governor issued an executive order requiring Californians to shelter in place statewide and requested—and the President approved—a major disaster declaration for the state of California in response to the COVID-19 public health emergency. Meanwhile, California began to experience an unprecedented rise in unemployment. Between March 22 and 28, California processed more than 1 million initial claims for regular unemployment insurance, surpassing the record high prior to COVID-19 by nearly ten times.

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(916) 558-1932 FAX

negative economic consequences of the pandemic have been severe, they do not appear to have been catastrophic from a fiscal standpoint as the budget anticipated.”

In fact, California state government is overly-reliant on a small segment of taxpayers to generate the bulk of personal, corporate and capital gains tax revenues. And, the LAO found that the revenues generated from those taxpayers has remained robust with “recent data on actual tax collections consistent with a more positive economic picture.” What was billed as a one-time \$26 billion windfall is likely the norm when it comes to revenues generated from upper-income taxpayers. While the LAO argues that the so-called “windfall” is a one-time occurrence, it argues that General Fund revenues from the state’s three largest sources will grow at an average annual rate of less than 1 percent.

“Meanwhile,” the LAO report continues, “General Fund expenditures under current law and policy grow at an average 4.4 percent per year. The net result is that the state faces an operating deficit, which is relatively small in 2021-22, but grows to around \$17 billion by FY 2024-25.”

This begs the question: Is the challenge facing California state government one of revenue or one of spending?

Wildfire Continues to Plague the State

Five of the six largest fires ever recorded in California have occurred this year. On October 5, 2020, the August complex fire in northern California expanded beyond 1 million acres, elevating it from a “megafire” to a new classification, “gigafire”; a classification never before used in a contemporary setting in the state. The fire, which burned across several counties, began as a series of separate fires sparked by lightning strikes in August. Those smaller fires later morphed into the larger complex that firefighters battled for three months before being able to fully contain it. Since the beginning of the year, there have been over 9,200 wildfires that have burned well over 4 million acres in California. To date, the total number of fatalities statewide is 31 and over 10,488 structures have been destroyed.

The Newsom Administration has focused on increasing resources for CalFire to suppress wildfire, and, together with the Legislature, continues to pour General Fund and Greenhouse Gas Reduction Fund monies into forest and watershed health projects. The latter funding source—intended to provide \$250 million a year for four years—has experienced a dramatic drop in auction revenues such that future funding for state priorities is threatened. The 2020-21 State Budget, for example, provides a \$130 million loan from the Underground Storage Tank Fund to the Safe and Affordable Drinking Water Fund (also known as SAFER) to account for the loss of GGRF revenue.

Climate Change and California Response

On October 7, 2020, Governor Newsom signed Executive Order N-82-20 setting a first-in-the-nation goal of conserving 30 percent of the state’s land and coastal waters by 2030.

Current law declares it to be the policy of the state that the protection and management of natural and working lands is an important strategy in meeting the state’s greenhouse gas emissions reduction goals, and requires all state agencies, departments, boards, and commissions to consider this policy

“As we work to mitigate greenhouse gas emissions, we must also accelerate actions to enable the State to adapt and become more resilient to the impacts of climate change, including expanding nature-based solutions – the use of sustainable land management practices to tackle environmental, social and economic challenges,” Governor Newsom said in the Order.

Climate Resilience Bonds

As the second year of the two-year session began, and with state revenues expected to continue to increase, Governor Newsom and Democratic members of both houses signaled interest in placing a state general obligation bond for climate resilience projects on the November ballot. Governor Newsom’s Department of Finance released a budget trailer bill that proposed a \$4.75 billion climate resiliency bond proposal; Senator Ben Allen (D-Santa Monica) authored SB 45 which proposed a \$5.51 billion bond proposal, and Assembly Member Eduardo Garcia (D-Coachella) introduced AB 3256 which did not specify the total amount of bonds that would be authorized.

As amended in June, AB 3256 would enact the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6.98 billion to finance projects for an economic recovery, wildfire prevention, safe drinking water, drought preparation, and flood protection program. Of the total funding, only \$755 million would be allocated for traditional water infrastructure financing, including competitive grants for projects that support sustainable groundwater management implementation (\$395 million), and safe drinking water (\$360 million). In addition, \$150 million for flood protection projects that are components of multiple benefit flood management system improvements that reduce risks to public safety and provide improvements to wildlife habitat. Eligible project types would have included, but not be limited to, levee setbacks, projects connecting rivers with flood plains, enhancement of flood plains and bypasses, offstream groundwater recharge, and land acquisitions and easements necessary for these project types. Preference would be given to natural infrastructure projects.

CCVFCA submitted a request for amendments to the bill arguing that AB 3256, as currently worded, fell short of identifying how the increased risk of flooding communities and working landscapes face due to the anticipated effects of climate change will be managed to protect life, property, and the environment. The Association believes that the sole focus on multiple benefit projects to reduce flood risk ignores the fact that California requires significant investment in existing flood management infrastructure (bypass, channel, and levee maintenance, improvement, and repair). The consequences of flooding in the Central Valley have the potential to be severe and will be exacerbated by climate change, land subsidence due to groundwater pumping and population growth.

The existing flood management system is made up of a combination of State Plan of Flood Control (SPFC) and non-Project facilities. This system protects numerous cities, towns and communities through California Central Valley, including the California’s Capital City of Sacramento. The State’s 2017 Central Valley Flood Protection Plan calls for up to \$21 billion in combined state and federal flood management investment over the next 30 years. Adequate funding for maintenance is the best means of preventing levee failure. Furthermore, because flood damage is on-going and sometimes acute, funding is an essential part of a resilient system.

coordination and management of surface and groundwater supplies, and land acquisitions and easements necessary for these project types. SB 45 would set aside \$50 million of the \$140 million for urban coastal watersheds. The language of SB 45 is the same as the legislation of the same number authored by Senator Allen last session.

Association Activity on the Legislative Front

The Association began the year actively monitoring or engaging in direct lobbying on over 19 bills. Many of these bills were dropped throughout the session due to the abbreviated legislative session. Below, we highlight a handful of bills the Coalition was active on this year. Although some of these bills received limited review, we included them in this list as they may be reintroduced in the 2021-22 legislative session.

Flood management: Mossdale Tract

A series of bills were enacted in 2007 that imposed higher flood protection standards for Central Valley cities, which are required to reach a 200-year urban level of protection (ULOP) by 2025 in order to approve additional development. Assembly Bill 838, by Assemblymember Susan Talamantes Eggman (D-Stockton), was gutted and amended late in the session to create an achievable timeline of 2028 for the Cities of Lathrop, Manteca, and Stockton, and the County of San Joaquin.

Mossdale Tract is a large area of land that includes southern Stockton, northern Lathrop, western Manteca, and large portions of unincorporated San Joaquin County. It includes nearly 50,000 residents, the only level III trauma hospital in the County, the county jail, the new Veterans Administration Clinic, the Sharpe Army Depot, and schools, fire and police stations, and State and National highways. It is also planned for 12,000 additional housing units, essential for the region to meet its fair share of new housing. The area was on track to achieve the 200-year ULOP by 2025 until some unexpected developments occurred. First, a new State study in 2017 confirmed that climate change would significantly increase the magnitude of the river flows against which the plan was expected to protect. San Joaquin Area Flood Control Agency (SJAFCA) had spent the last two years updating the flood protection plan to account for climate change.

Second, the COVID-19 pandemic has had unique impact to the flood protection plan for the Mossdale Tract because the plan requires the creation of an enhanced infrastructure financing district (and EIFD) as well as a voter-approved assessment district in 2020. Neither of these will now happen this year in light of the economic disruption caused by the pandemic, thus making the previous timeline untenable. AB 838 seeks to address this issue by giving SJAFCA three additional years to implement the flood protection plan and achieve the 200-year ULOP.

The Association took a "support" position on the bill arguing that the enactment of AB 838 will enable SJACA to make an adequate progress finding under existing law and allow for housing, commercial and other development to continue. Without the funding generated from new development, the flood protection improvements will stop, leaving residents at risk, and possibly locking in potential liability for all public agencies. By doing so, AB 838 will allow SJAFCA to significantly increase flood protection for the nearly 50,000 residents in the Mossdale Tract, all while reducing the risk of State and local agency liability.

of Engineers of the United States Army Corps of Engineers and as adopted and authorized by the United States Congress in 1992. Assembly Bill 3226, by Assemblymember Kevin McCarty (D-Sacramento), would approve and authorize the state, upon an appropriation by the Legislature, to make funds available to plan, engineer, design, and construct a similar, but modified flood control project that was adopted and approved by Congress in 2016 and is substantially in accordance with a 2015 report issued by the Chief of Engineers.

The Association took a "support" position on the bill arguing that the project authorization in AB 3226 is consistent with prior project authorizations; mostly recently, the Legislature approved similar legislation for the American river Common Features Project. The West Sacramento urban flood risk reduction project is a key component of ongoing improvements to State Plan of Flood Control (SPFC) facilities in the Central Valley that combine federal, State and local funding. The goal of securing 200-year urban level of protection is a necessary to better protect lives and property. The 2017 CVFPP calls for up to \$21 billion in combined state and federal flood management investments over 30 years. With over \$80 billion in damageable property currently protected by SPFC facilities, there is a significant liability risk to the State General Fund, should the state fail to properly operate, maintain, and improve the flood control system.

AB 3226 passed the Assembly with a 76-0 vote, but died in the Senate after being held in the Appropriations Suspense file.

Outdoor application of chemicals in residential areas

Senate Bill 964, by Senator Nancy Skinner (D-Berkeley), would require a local agency to submit a plan for the application of a chemical to the Office of Environmental Health Hazard Assessment before applying the chemical outdoors in a residential area, defined as a residential neighborhood, school, daycare center, park and recreational facility, or other location where infants and children generally spend time. The bill would require the office to conduct an independent review of any health impacts of the chemical melting to the chemical's adverse health effects on infants and children. If there is any evidence in the peer-reviewed scientific literature that states that the chemical may cause genetic damage, birth defects, cancer, or nervous or reproductive system harm, the bill would prohibit a public water system from applying the chemical outdoors in a residential area.

CCVFCA expressed opposition to SB 964. While the Association shares the Senator's interest in protecting public health from unnecessary or harmful exposure to chemicals, the effect of banning the use of glyphosates would harm the ability of levee maintaining agencies to operate and maintain flood protection facilities. Association members already comply with several layers of pesticide control, permitting, applicator training and notification requirements. Further, the State of California has provided assurances to the US Army Corps of Engineers that all flood control works will be properly maintained to provide the protection for which they were designed. CCVFCA local agency members are responsible for ensuring that flood control levees are properly maintained to protect lives and property. The Corp's policy for landscaping around levees, floodwalls, and embankment dams, is property. The Corps' policy for landscaping around levees, floodwalls, and embankment dams, is found in EM 1110-2-301. Corps' maintenance requirements have been established to reduce the chance of catastrophic failures during high water events. The control of vegetation on levees ensures the safety, structural integrity, and functionality of the levee; retains the accessibility for inspection

ITEM 11

RD 773: MASTER CALENDAR

JANUARY

FEBRUARY

- Send out Form 700s, remind Trustees of April 1 filing date
- Board Meeting
- Insurance renewal. Policy renews April.

MARCH

- Hire Employees for Seasonal Levee Work.

APRIL

- April 1: Form 700s due
- Board Meeting

MAY

- Draft Budget

JUNE

- Approve Audit Contract for expiring fiscal year
- Adopted Annual Budget
- Board Meeting
- Adopt Resolution for setting Assessments and submit to County Assessor's Office
- Adopt Annual CEQA Exemption for levee maintenance.

JULY

AUGUST

- August 1: Deadline to certify assessments for tax-roll and deliver to County (duration of current assessment: Indefinite).
- 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*)
- Board Meeting

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*).

- Insurance Renewal

OCTOBER

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

NOVEMBER

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

DECEMBER

- New Trustee(s) take office, outgoing Trustee(s) term(s) end on first Friday of each odd-numbered year.
- Board Meeting

Term of Current Board Members:

Name	Term Commenced	Term Ends
Joseph P. Bacchetti	First Friday 12/2017	First Friday of 12/2021
Joe Enos	First Friday 12/2019	First Friday of 12/2023
Mark R. Bacchetti	First Friday 12/2019	First Friday of 12/2023

No Expiration on Assessment

ITEM 11

RECLAMATION DISTRICT 773
BILLS TO BE PAID
October 5, 2021

NAME	INVOICE DATE	INVOICE #	AMOUNT	TOTAL \$	WARRANT #	CHECK #	RATIFICATION
Reclamation District 773 (Transfer to Checking Account)	8/23/2021		\$30,000.00	\$30,000.00	2019		X
State Compensation Insurance Fund	8/11/2021	1000366737	\$1,335.89	\$1,335.89	2020		X
Kjeldsen Sinnock & Neudeck	7/30/2021	30880	\$750.09				
	7/30/2021	30881	\$567.00				
	7/30/2021	30882	\$1,084.85				
	7/30/2021	30883	\$3,618.50				
	7/30/2021	30884	\$165.00				
	8/27/2021	31061	\$327.50				
	8/27/2021	31062	\$643.75				
	8/27/2021	31063	\$652.50				
	8/27/2021	31064	\$407.25				
	8/27/2021	31065	\$121.25				
				\$8,337.69	2021		
Neumiller & Beardslee	8/13/2021	319788	\$1,492.01				
	9/16/2021	320477	\$1,552.26				
				\$3,044.27	2022		
Tank Town Media	8/27/2021	77817	\$89.95				
	9/24/2021	78148	\$85.30				
				\$175.25	2023		
BPM (Prep of Workers Comp Rpt 8/11/20-8/11/21)	8/30/2021	36276519	\$300.00				
				\$300.00	2024		
Holt Repair & Mfg., Inc.	9/14/2021	12835	\$22,425.36				
				\$22,425.36	2025		
Calif. Central Valley Flood Control Assoc.	8/25/2021	3827	\$2,784.00				
				\$2,784.00	2026		
Custom Spraying, Inc.	9/27/2021	11-2230	\$5,000.00				
	9/27/2021	Nov-31	\$7,000.00				
				\$12,000.00	2027		
State Compensation Insurance Fund (Payroll Period 8/11/20 - 8/11/21)	8/10/2021	902030-20	\$3,489.48	\$3,489.48		365	X
NOTES:			Total Bills to be Paid	\$83,891.94			

RECLAMATION DISTRICT 773
PAYROLL

NAME	INVOICE DATE	INVOICE #	AMOUNT	TOTAL \$	WARRANT #	CHECK #	RATIFICATION
Christian Garcia (Payroll 8/26/21 - 8/31/21)	9/1/2021	Payroll	\$1,614.12	\$1,614.12		366	
Jose Alvarado (Payroll 8/26/21 - 8/31/21)	9/1/2021	Payroll	\$2,390.61	\$2,390.61		Direct Deposit	
Christian Garcia (Payroll 9/1/21 - 9/15/21)	9/16/2021	Payroll	\$1,381.96	\$1,381.96		367	
Jose Alvarado (Payroll 9/1/21 - 9/15/21)	9/16/2021	Payroll	\$1,971.13	\$1,971.13		Direct Deposit	
NOTES:			Total Payroll Checks	\$7,357.82			