RECLAMATION DISTRICT 900
Post Office Box 673
West Sacramento, CA 95691
PH: (916) 371-1483 • email: admin@rd900.org

NOTICE OF REGULAR MEETING AND AGENDA
RECLAMATION DISTRICT NO. 900
March 18, 2021

To be held via video conference, to submit comments in writing please email admin@rd900.prg and write "Public Comment" in the subject line. Include the item number you wish to address along with your comments in the email. All comments received prior to the commencement of the meeting at 6:00pm will be provided to the Trustees and become part of the meeting records. If you need special assistance to participate in this meeting, please contact RD 900 at (916) 371-1483. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting. Streaming of the Board Meeting is made available at. https://youtu.be/OjMGfYW_27c

Materials related to the items on this Agenda shall be made available at https://www.rd900.org/s/2021-03-18_Full_Package.pdf later than 72 hours prior to the meeting. Any materials related to the items on this Agenda that are provided to the members of the Board within 72 hours prior to the meeting shall be made immediately available at the same address.

I, Timothy, Secretary/ General Manager, declare under penalty of perjury that the foregoing agenda for the regular meeting to be held at 6:00pm March 18, 2021 of the Board of Trustees of Reclamation District No. 900 was posted March 12, 2021 in the office of the City Clerk, 1110 West Capitol Ave, West Sacramento, CA as well as the office of Reclamation District No. 900, 1420 Merkley Ave Suite #4, West Sacramento, CA, and was available for public review. Pursuant to the Ralph M. Brown Act, comments from the public will be entertained on each agenda item. The agenda for that meeting is as follows:

Timothy Mallen, Secretary/ General Manager

AGENDA

1. Agenda Approval
2. Public Comment on items not on the Agenda
3. Consent Calendar
   3.1. Approval of minutes from the meeting of February 18, 2021
4. District Financial Update
5. Presentations
   5.1. 2019 Audit Presentation by Mary Ann Cropper of Cropper Accountancy
6. Discussion of completing funding of OPEB liability
7. Informational Items
   7.1. General Manager's Report
      7.1.1. Administrative Operations
      7.1.2. Field Operations
      7.1.3. District Improvement Projects
      7.1.4. Agency Coordination
      7.1.5. WSAFCA Updates
      7.1.6. Project Coordination
   7.2. Trustee Reports and Updates
8. Adjourn

Item Number 2

March 12, 2021

Mr. Tim Mallen, P.E.

Director, Reclamation District No. 900

1420 Merkley Avenue, Suite 4
West Sacramento, CA 95691

Dear Mr. Mallen,

We are a group of homeowners along Blacker Canal. We are writing this public comment letter to voice our concerns over the project plans described in the Initial Study/Mitigated Negative Declaration (IS/MND) for the Blacker Canal Bank Stabilization and Access Road Improvement Project. While we understand the need for this project and recognize that it is completely within Reclamation District 900's (District) property, we have concerns about how this project will impact the wildlife that currently lives in and uses the canal. We also have concerns about how this project will impact existing vegetation along the canal.

This letter expresses our concerns that the IS/MND does not reflect all the animal species we have observed, our wishes for how we would like the project to address wildlife impacts, and our ideas on how we can collaborate with the District to minimize impacts to wildlife.

Before we discuss these points further, we would all like to thank you for meeting with a few of us personally on February 25 and for your willingness to hear our concerns and work with us on addressing our concerns. We appreciate the spirit of collaboration you are showing, and we hope to continue this spirit as the project moves forward.

Wildlife and Habitat Impacts

Our own observations have shown that over 80 species of animals use this canal. A full list of these species, as well as pictures, is included as an attachment.

Several of these species are listed as Special Status in Table 2 of the IS/MND Biological Resources Assessment. Species we would like to note are the Great Blue Heron, Great Egret, Snowy Egret, Black-Crowned Night-Heron, Cooper's Hawk, White-Tailed Kite, Nuttall's Woodpecker, and Northwestern Pond Turtle. The IS/MND Biological Resources Assessment states in Table 2, in the Potential to Occur Onsite column, that these species are "Absent-there is no suitable habitat onsite." This is inconsistent with our observations; we have seen all eight species hunting, feeding, or resting on the banks and in the canal.

In addition to these Special Status species, there are other species we would like to note. A colony of Wood Ducks (10-30 individuals depending on the season) makes use of the canal for most of the year, including nesting season. Mallards also nest on the banks. Otters and muskrats have been observed on a regular basis. Reptiles, amphibians, invertebrates, insects, and arachnids are especially vulnerable to short-term environmental impacts and low water levels.

The current project design for the canal could be very detrimental to the habitat of the species listed above. The project as it currently stands, with the widened access road, removal of existing trees and shrubs, pruning of low-hanging limbs from homeowners' trees, use of gabion walls, and lack of a revegetation plan removes the current habitat and nesting cover. The vertical banks of the gabion walls would inhibit some species from returning and the metal mesh could be harmful to species that do return.

In addition to these wildlife and habitat impacts, the 4.5-year-old project design is not consistent with the following natural and cultural resources (NCR) goals in the City of West Sacramento General Plan 2035[1]:

> Goal NCR-2: "To protect sensitive native vegetation and wildlife communities and habitat in West Sacramento."
>
> - NCR-2.3: "The City shall preserve, enhance, and create interconnected open space and natural areas to provide for wildlife movement and protect biodiversity."
> - NCR-2.11: "The City shall encourage the maintenance of marsh and riparian vegetation along irrigation/ drainage canals…"
> - NCR-2.12: "The City shall encourage floodway design and flood control facilities to foster riparian habitat enhancement…"

We support these goals to encourage wildlife habitat within the City and believe that the project as it currently stands runs counter to these goals. While we understand that some species will return when construction is finished, we are concerned that the abundance of wildlife and a section of habitat within the City of West Sacramento would be lost unless actions are taken.

Requested Actions

We request that the following actions be included in the project:

1) Explore alternative erosion control measures to gabion walls. One approach could be erosion control blankets combined with native vegetation to hold the bank in place.

2) If alternative erosion measures are not feasible, include measures to encourage vegetation growth within the gabion walls. Investigate different gabion wall technologies or design and construction practices that allow for vegetation growth. This could include placing soil and native riparian vegetation in the gabion walls.

3) If alternative erosion measures are not feasible, reduce the overall height of the gabion walls by a couple feet and instead cover with a couple feet of soil at the top. This would allow for vegetation growth at the top of the banks while still maintaining the goal of using gabion walls to prevent slope erosion.

4) Plant native trees, shrubs, and grasses on the edge of the banks. Plant trees sporadically enough so they do not interfere with the District's maintenance activities.

5) Consult with homeowners when trees on their property need to be pruned. This includes speaking with homeowners about which limbs need to be removed and allowing for an arborist to evaluate the health of the tree before removing any limbs.

6) Ensure that water levels do not get too low during the project, and after.

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[1] https://www.cityofwestsacramento.org/home/showpublisheddocument?id=2598

We think these actions are reasonable and will help maintain the wildlife in the canal for the long term while not sacrificing the goals of the project or interfering with Reclamation District 900's required maintenance.

Collaboration

In order to facilitate these requested actions, we are happy to collaborate with the District. Our ideas for collaboration include:

1) Assisting with grant writing or other efforts to secure funding for revegetation efforts.

2) Assisting in the development of a revegetation plan.

3) Organizing volunteers to plant, including Scouts or university students.

4) Assisting with plantings, irrigation, and maintenance of plants.

5) Applying for permits from the District to plant trees or shrubs ourselves, in a way that will not interfere with maintenance, bank stability, or other revegetation work.

Thank you for meeting with us and for hearing our concerns, requests, and ideas. We look forward to collaborating with the District as the Blacker Canal project progresses and we hope this will be the beginning of a long-term partnership that is beneficial to all of us.

Thank you,

David Julian and Heather Howard-Julian, 2958 Violet Drive
Yuri Kimura and Linda Deanovic, 2940 Violet Drive
Tracy Morgan and Patrick McArn, 2944 Violet Drive
Patrick and Gretchen Yimbo, 2948 Violet Drive
Rachel and Jeff Renno, 2952 Violet Drive
Joanna and Kris Walkowski, 2966 Violet Drive
Paul and Terry Oliver, 2817 Pitzer Circle

Attachment: List of Species Observed Along Blacker Canal

List of Species Observed Along Blacker Canal

Birds:

1. Wood Duck
2. Mallard
3. American Coot
4. Common Moorhen
5. Sora
6. Double-Crested Cormorant
7. Snowy Egret*
8. Great Egret*
9. Great Blue Heron*
10. Green Heron
11. Black-Crowned Night-Heron*
12. Cooper's Hawk*
13. White-Tailed Kite*
14. Great Horned Owl
15. Barn Owl
16. Bald Eagle
17. Quail
18. Pheasant
19. Turkey
20. House Sparrow
21. White-Crowned Sparrow
22. Golden-Crowned Sparrow
23. House Finch
24. American Goldfinch
25. Lesser Goldfinch
26. Pine Siskin
27. Cedar Waxwing
28. Yellow-Rumped Warbler ("Audubon's Warbler")
29. Ruby-Crowned Kinglet
30. Bushtit
31. Red-Breasted Nuthatch
32. Dark-Eyed Junco
33. Northern Mockingbird
34. Black Phoebe
35. American Robin
36. Red-Winged Blackbird
37. Grackle
38. Kingfisher
39. Marsh Wren
40. Mourning Dove
41. Anna's Hummingbird

42. Nuttall’s Woodpecker*
43. Red-Breasted Sapsucker
44. Northern Flicker
45. American Crow
46. Scrub Jay
47. Various other true hawks
48. Buzzard Hawks
49. Others

Mammals:

50. River Otter
51. Muskrat
52. Beaver
53. Nutria
54. Fox
55. Coyote
56. Raccoon
57. Opossum
58. Mouse
59. Various Rats
60. Brown Squirrel
61. Bat
62. Others

Reptiles and Amphibians:

63. American Bullfrog
64. Treefrog
65. Northwestern Pond Turtle*
66. Red-Eared Slider Turtle
67. Various Snakes
68. Blue Belly Lizards
69. Alligator Lizards
70. Others

Fish:

71. Carp
72. Bass
73. Crappie
74. Bluegill
75. More than one type of Catfish

Invertebrates:

76. Various Clams
77. Fresh Water Shrimp

78. Crayfish
79. Others

Insects:

80. An amazing variety of dragonflies
81. A wide variety of mayflies
82. An abundance of butterflies
83. Many Others

Arachnids:

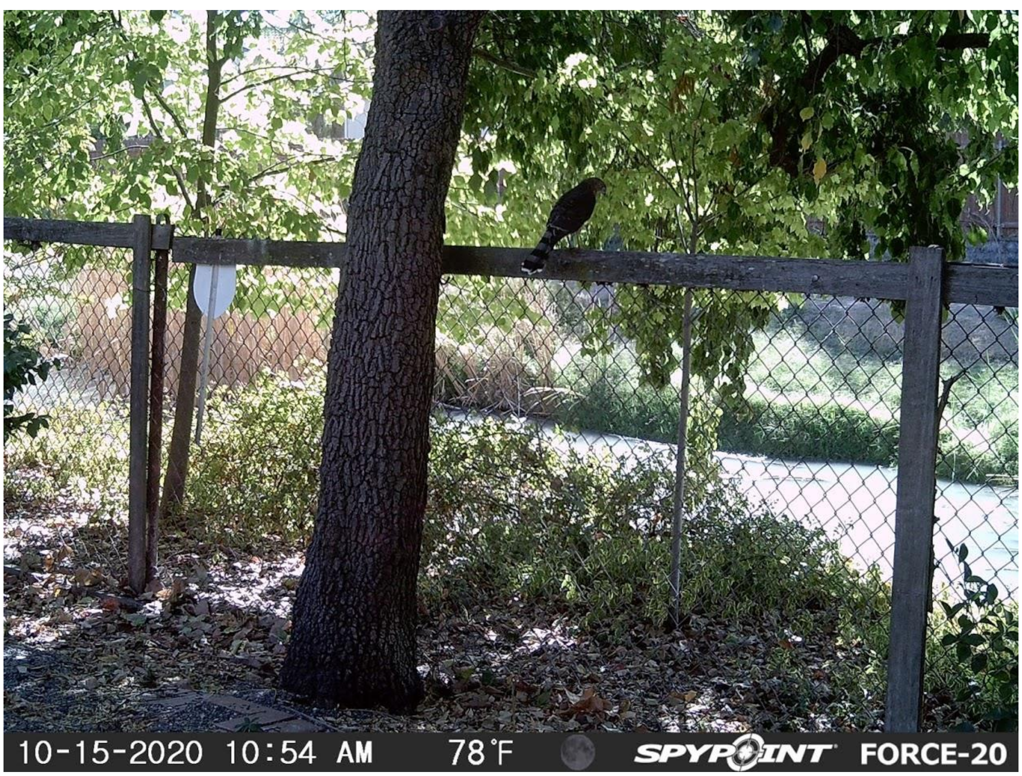
84. Too many to list

* Listed as Special Status in Table 2 of the IS/MND Biological Resources Assessment for the Blacker Canal Bank Stabilization and Access Road Improvement Project

Pictures of Listed Species (Taken Along Blacker Canal)

White-Tailed Kite*

Cooper's Hawk*



Black-Crowned Night-Heron*

Great Blue Heron*

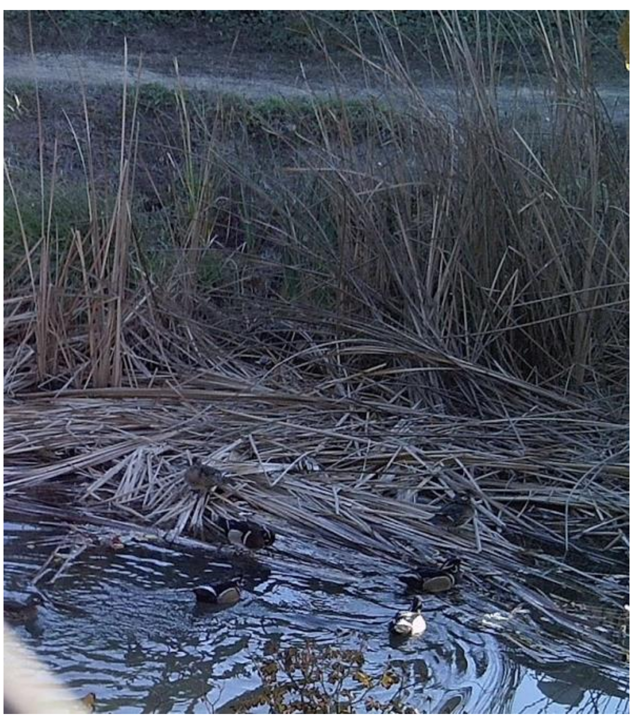
Green Heron

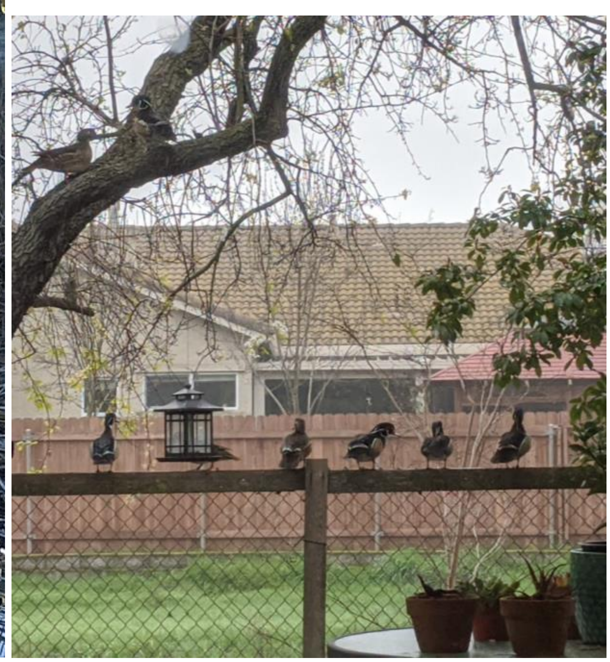
Great Egret*

Snowy Egret*

Nuttall's Woodpecker*

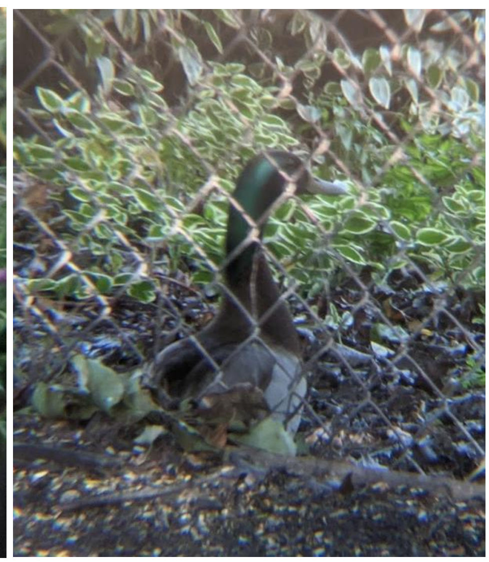
Wood Duck





(climbing up bank):

Mallard

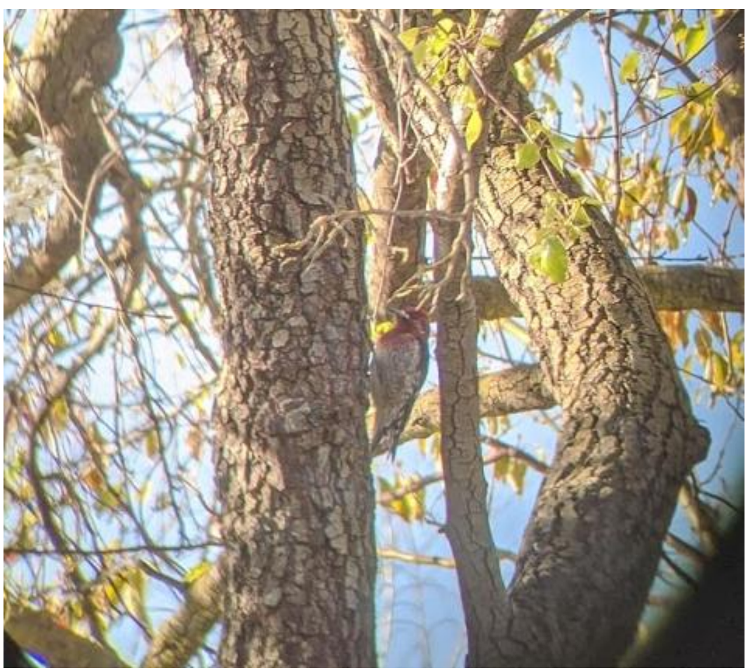


Common Moorhen

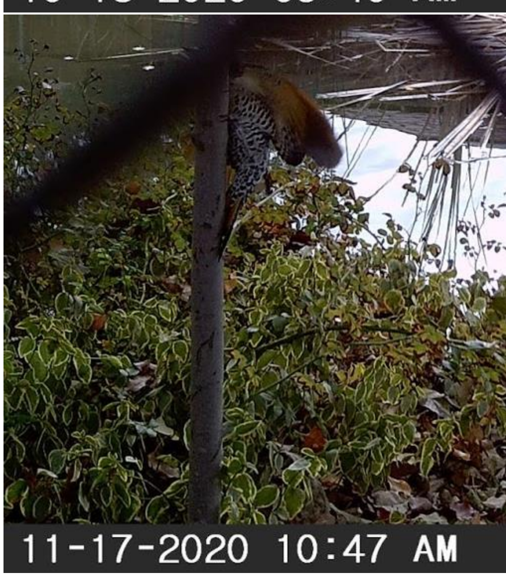
Double-Crested Cormorant

Hummingbird and Red-Breasted Nuthatch

Red-Breasted Sapsucker



Northern Flicker



Otter (eating a fish)

Otter or Beaver

Muskrat

Raccoons

Northwestern Pond Turtle*

Turtles

Carp

Channel Catfish

Item Number 3

RECLAMATION DISTRICT 900

Post Office Box 673
West Sacramento, CA 95691
PH: (916) 371-1483 • email: admin@rd900.org

February 18, 2021
Online through Zoom Meeting
6:30 P.M.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF RECLAMATION DISTRICT NO. 900

The members of the Board of Trustees of Reclamation District No. 900 convened at the above time remotely through the use of Zoom Meeting. President Guerrero called the meeting to order. Also in attendance were Trustees Chris Ledesma, Trustee Quirina Orozco and Norma Alcala, Secretary/Manager Tim Mallen; Attorney Ralph Nevis, Greg Fabun and Marcus Bole.

1. Agenda Approval. President Guerrero asked if there were any required changes to the agenda, none were cited and Trustee Alcala made the motion to approve the Agenda as presented, Trustee Orozco seconded the motion and it carried 4-0.

2. Public Comment on items not on the Agenda. No members of public requested to provide comments.

3. Consent Calendar: With no further discussion requested by the Trustees on the consent items, President Guerrero asked for a motion to approve the minutes of the January 21, 2021 Board meeting, Trustee Alcala made the motion, Trustee Ledesma seconded the motion and it carried 4-0.

4. District Financial Update: Manager Mallen reported that no significant large expenditures for the month of January. He also reported that significant expenditures should be expected soon for the 889 Drever building remodel as well as the Blacker Canal stabilization project.

5. Presentations.

   5.1. 2019 Audit Presentation by Mary Ann Cropper of Cropper Accountancy: Mary Ann Cropper updated that the previous day a meeting was done with the City to discuss the status of the audit and go over items still needing to be completed. She also stated that a restatement of the prior year's financials would most likely be needed due to CalOES funds yet received. Mary Ann stated one of the significant deficiencies cited in the prior year's audit was in regard to not booking receivables, with the potentially missing CalOES funds being of those. Trustee Ledesma asked which fiscal years are being discussed, Mary Ann reported this is for the 18-19 and 19-20 and that the monies received are below the $759k single audit threshold. Mary Ann stated that the Draft would be available as soon as next week. President Guerrero asked for clarification on the deadlines. Mary Ann reported that the single audit deadline is March 31st and the City has reached out for an extension with GFOA for the CAFR to the same date. Trustee Alcala asked whether a penalty is ever accessed for late reporting; Mary Ann also stated that no penalties would ever be assessed. Mary Ann also clarified that this is the first year the District has been in a situation to require a single audit.

5.2. Blacker Ditch Bank Stabilization Project and Access Road Improvement Project Update: California Environmental Quality Act Compliance and Timeline: Manager Mallen reported that the Draft Mitigated Negative Declaration needed to be circulated for the 30-day public and agency review periods after which the Board can adopt the Administrative Record / Mitigated Negative Declaration and fulfill the CEQA requirements to obtain State permits. Marcus went on to explain that the submittals will be sent to the State Clearinghouse, published in the local paper and hard copies will be available at RD 900 and if open to the public, potentially the library. Ralph Nevis mentioned that there is if the library is not open and no alternative location is found, an electronic posting on the District's website could be a viable alternative.

6. Consideration of endorsement for Central Valley Flood Control Permit for the demolition of Shell Oil facilities at 1509 S River Rd: Manager Mallen presented that the permit is for the demolition of various structures and utilities in the Pioneer Bluff region from within the levee prism as part of the site's remediation process. He further explained that this permit would require no additional action from the Board. Trustee Ledesma asked what the liability was for the District in the site cleanup; Ralph explained that the permit conditions would ensure that any harm done to the flood protection structures would be repaired or replaced and cover the District's liability. Trustee Orozco asked for clarification on how cultural resources uncovered are handled during construction. Ralph explained that as part of the CEQA process undergone by the permitee compliance with all State laws for completing preconstruction surveys and handling resources found during construction. President Guerrero asked for a motion to approve the endorsement of the CVFPB permit for the demolition at 1509 S River Rd, Trustee Ledesma made the motion, Trustee Alcala seconded the motion and it carried 4-0.

7. Consideration of endorsement for Central Valley Flood Control Board Permit for geotechnical explorations by PG&E for a Gas Transmission Main Project (ID R-692): Manager Mallen explained that the work being done under this permit are for potholing and boring for exploration work prior to the replacement of an existing gas transmission main. He explained that the location

of the project is adjacent to the Causeway/I-80/West Capital between “north” and “south” levees. Trustee Ledesma asked for clarification on the scope of work; Manager Mallen clarified that the scope of work is for exploration only and not for construction. Trustee Alcala expressed concerns on the safety of the work to be done and asked whether an assurance had been provided for the safety. Manager Mallen stated that the plans and type of work are the only things that have been provided, he could not speak to the safety of their work. Trustee Ledesma asked for clarification as PG&E moves forward with construction that the provide more clarification on what other permits the are obtaining and also what safety precautions will be implemented. President Guerrero asked for a motion to approve the endorsement of the CVFPB permit for the geotechnical exploration work by PG&E, Trustee Ledesma made the motion, Trustee Alcala seconded the motion and it carried 4-0.

8. Informational Items.

8.1. General Manager’s report. Manager Mallen presented the attached report. Additional discussion on specific items below.

8.1.5 Manager Mallen deferred to Greg Fabun for additional comments. Greg updated that the next increment of the Federal Project design should be completed mid-March with NEPA / CEQA not long after that, but the project will be shelved for now since no New Start funding was received. Greg also explained that the next incremental design on the Sacramento River north will begin soon with preliminary surveys and geotechnical explorations. He stated this is being done ahead of design funding in order to be ahead when funding is provided.
Greg also updated the Board on the legislative bill that was brought forward to again seek matching funding from DWR, inclusion of MA4 within RD 900’s boundary and additionally an extension of completion of the workplan from 2025 to 2030. The bill may also be made a trailer on the budget which could expedite it’s passing.

8.2. Trustee Reports and Updates. There were no reports or updates provided by the Trustees.

9. Adjourn. There being nothing further, President Guerrero asked for a motion to adjourn. Trustee Orozco moved and Trustee Alcala seconded the motion and it carried 4-0.

Timothy Mallen, PE
General Manager/Secretary

Item Number 4

Reclamation District 900
Budget Vs. Actuals
FY 2020/2021

	Current FY Expenses as of 02/28/2021	20/21 FY Budget Total	Over Budget	% of Budget Remaining
Revenue				
4000 RD 900 Assessments	1,646,242	2,430,272	-784,030	68%
4005 Prior Year Assessments	0	10,000	-10,000	0%
4010 WSAFCA	533,841	650,332	-116,491	82%
4020 Interest Income	43,243	70,000	-26,757	62%
4100 Funding Agreements	0	1,036,000	-1,036,000	0%
4200 Miscellaneous	110,828	5,000	105,828	2217%
4300 Retiree Healthcare	296	4,000	-3,704	7%
Total Revenue	**$ 2,334,451**	**$ 4,205,604**	**-$ 1,871,153**	**56%**
Gross Profit	**$ 2,334,451**	**$ 4,205,604**	**-$ 1,871,153**	**56%**
Expenditures				
5000 Administrative	178,300	260,000	-81,700	69%
5200 Labor & Related	454,425	969,000	-514,575	47%
5400 Operations & Maintenance	255,017	380,000	-124,983	67%
6000 Repair Replacements & Rehab	79,960	2,250,000	-2,170,040	4%
Total Expenditures	**$ 967,702**	**$ 3,859,000**	**-$ 2,891,298**	**25%**
Net Operating Revenue	**$ 1,366,749**	**$ 346,604**	**$ 1,020,145**	**394%**
Net Revenue	**$ 1,366,749**	**$ 346,604**	**$ 1,020,145**	**394%**

Item Number 5

RECLAMATION DISTRICT 900, CALIFORNIA

A Blended Component Unit of the City of Sacramento

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

WITH INDEPENDENT AUDITORS' REPORTS THEREON

Year Ended June 30, 2020

RECLAMATION DISTRICT 900, CALIFORNIA

P.O. Box 673
West Sacramento, California 95691
Tel: (916) 371-1483

June 30, 2020

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Reclamation District 900, California
West Sacramento, California

We have audited the accompanying financial statements of the governmental activities and major funds of Reclamation District 900, California, (the District) as of June 30, 2020, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the State Controller's Audit Requirements for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of

Reclamation District 900, California as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed for special districts by the Office of the California State Controller.

Other Matters

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparisons (Schedule 1 and 2), the schedules of changes in net OPEB liability and related ratios (Schedule 3) and the Schedule of the District's OPEB Contributions (Schedule 4) identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion to provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CROPPER ACCOUNTANCY CORPORATION
WALNUT CREEK, CALIFORNIA
March 31, 2021

BASIC FINANCIAL STATEMENTS

RECLAMATION DISTRICT 900, CALIFORNIA

Statement of Net Position

June 30, 2020

		Governmental Activities
ASSETS:		
Cash	$	199,725
Pooled cash and investments in County Treasury		5,735,661
Assessments receivable, net of allowance		400,659
Grants reimbursement receivable		292,856
Prepaid items		89,458
Capital assets, net		15,047,827
Total assets		21,766,186
DEFERRED OUTFLOWS OF RESOURCES - OPEB		27,625
LIABILITIES:		
Accounts payable and accrued expenses		76,631
Compensated absences payable		16,676
Unearned revenue		950
Net OPEB obligation		194,107
Total		288,364
DEFERRED INFLOWS OF RESOURCES - OPEB		76,617
NET POSITION:		
Net investment in capital assets		15,047,827
Unrestricted		6,381,003
Total net position	$	21,428,830

See independent auditors' report and notes to these financial statements

RECLAMATION DISTRICT 900, CALIFORNIA
Statement of Activities
Year Ended June 30, 2020

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Capital Grants and Contributions	Total
GOVERNMENTAL ACTIVITIES:				
Flood Protection	$ 1,858,431	$ 753,141	$ 991,848	$ (113,442)
GENERAL REVENUES:				
Property assessments				2,354,740
Interest				89,197
Unrealized gains on investments				46,983
Gain on sale of equpment				23,208
Other				1,521
Total general revenues				2,515,649
CHANGE IN NET POSITION				2,402,207
NET POSITION, BEGINNING OF YEAR BEFORE RESTATEMENT				18,326,096
Prior period adjustment				700,527
NET POSITION, END OF YEAR				$ 21,428,830

RECLAMATION DISTRICT 900, CALIFORNIA

Balance Sheet - Governmental Fund

June 30, 2020

		Governmental Fund
ASSETS:		
Cash	$	199,725
Pooled cash and investments in County Treasury		5,735,661
Assessments receivable, net of allowance		400,659
Grants receivable		62,079
Prepaid items		89,458
Total assets	$	6,487,582
LIABILITIES:		
Accounts payable and accrued expenses	$	76,631
Unearned revenue		950
Total liabilities		77,581
FUND BALANCE:		
Nonspendable		89,458
Committed		143,358
Unassigned		6,177,185
Total fund balance		6,410,001
Total liabilities and fund balance	$	6,487,582

See independent auditors' report and notes to these financial statements

RECLAMATION DISTRICT 900, CALIFORNIA

Governmental Fund

Reconciliation of the Balance Sheet of

Governmental Fund to the Statement of Net Position

June 30, 2020

TOTAL GOVERNMENTAL FUND BALANCE	$ 6,410,001
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:	
Capital assets, net of accumulated depreciation, have not been included as financial resources in governmental fund activity.	15,047,827
OPEB related debt applicable to the governmental activities are not due and payable in the current period and accordingly are not report as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the Statement of Net Position as the changes in these amounts affect only the gvoernment-wide statements for governmental activities.	
Net OPEB obligation	(194,107)
Deferred outflows of resources related to OPEB	27,625
Deferred inflows of resources related to OPEB	(76,617)
Some of the revenue will be collected after year end, but is not available soon enough to pay for the current period's expenditures, and, therefore, is reported as unavailable revenue in the governmental funds.	230,777
Long-term liabilities, consisting of compensated absences payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds	(16,676)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 21,428,830

See independent auditors' report and notes to these financial statements

RECLAMATION DISTRICT 900, CALIFORNIA

Governmental Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2020

	Governmental Fund
REVENUES:	
Property assessments	$ 2,358,215
Operation and maintenance fees	761,640
Federal and state grants	1,413,614
Interest	89,197
Unrealized gains on investments	46,983
Gain on sale of equipment	23,208
Reimbursements and other	1,521
Total revenues	4,694,378
EXPENDITURES:	
Flood Protection:	
Operations and maintenance	251,045
Labor and related	845,946
Administration	248,192
Rehabilitation and capital outlay	3,170,003
Total expenditures	4,515,186
CHANGE IN FUND BALANCE	179,192
FUND BALANCE, BEGINNING OF YEAR BEFORE RESTATEMENT	6,189,824
Prior period adjustment	40,985
FUND BALANCE, END OF YEAR	$ 6,410,001

See independent auditors' report and notes to these financial statements

RECLAMATION DISTRICT 900, CALIFORNIA

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund to Statement of Activities

Year Ended June 30, 2020

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	$	179,192
AMOUNTS REPORTED IN GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ACTIVITIES IS DIFFER FROM THE AMOUNTS REPORTED IN THE GOVERNMENTAL FUND BECAUSE:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		2,495,925
OPEB expense reported in the governmental fund includes the employer contributions made. In the Statement of Activities, OPEB expense includes the change in the net OPEB liability and related change in OPEB amounts for deferred inflows and deferred outflows of resources.		122,845
Some of the revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and, therefore, is reported as unavailable revenue in the governmental fund. This is the net change in unavailable revenue for the current period.		(433,739)
Change in the liability for compensated absences is not recorded as expenditures in governmental funds because they are not expected to be liquidated with current financial resources.		37,984
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	2,402,207

See independent auditors' report and notes to these financial statements

1. DESCRIPTION OF THE DISTRICT AND SIGNIFICANT ACCOUNTING POLICIES

The District

Reclamation District 900, California (the "District") was created by Act of the Legislature in the Statutes of 1911. The District is situated in Yolo County. The District operates under the laws of the Water Code of the State of California, Division 15, Sections 50000 through 53900. The District is governed by a Board of Trustees consisting of five land owners within the District.

On November 14, 2019, the Yolo Local Agency Formation Commission adopted a resolution reorganizing Reclamation District No. 900 as a Subsidiary District to the City of West Sacramento.

By agreement dated October 21, 2019 and effective July 1, 2020 after detachment and annexation of Reclamation District No. 537 territory located within the boundaries of the City of West Sacramento, certain assets of Reclamation District No. 537 were transferred to Reclamation District No. 900. Those assets to be transferred include the following: (1) land rights and facilities, including the pumping plant; (2) land rights with regard to levees previously operated and maintained by Reclamation District No. 537, including roads, and (3) 93% of Reclamation District No. 537 funds on hand as of the reorganization date (approximately $838,000 transferred December 20, 2020). In addition, the detached and annexed area will remain a separate Benefit Assessment Area from the current area of Reclamation District No. 900.

Reporting Entity

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), the scope of public service and a special financing relationship.

The District has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. However, the City of West Sacramento (the City) exercises such oversight responsibility over the District since reorganization as a Subsidiary District in November 2019. The City Council transitioned as trustees of the District January 2020. Accordingly, the District's financial statements will also be presented as a blended component unit of the City of West Sacramento as of and for the year ended June 30, 2020.

Basis of Presentation and the Measurement Focus of Accounting

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. As required by GASB, the basic financial statements of the District are comprised of the following:

- Government-wide financial statements
- Government fund financial statements
- Notes to the basic financial statements

Government-wide financial statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long term) economic resources and obligations of the reporting government are reporting in the government-wide financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and –like transactions are recognized when the exchange takes place. Such is the same approach used in the preparation of the fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's assessment pool if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function.

Fund financial statements – In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The District uses an availability period of 90 days for all revenues.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect "available spendable resources", such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

As the District does not operate on a fee-for-service basis, but rather from property assessments, the accompanying financial statements are presented as a governmental fund basis, rather than on a proprietary fund basis.

Currently, the District has only one governmental fund, the General Fund. The General Fund is the general operating and maintenance fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The District has adopted a fund balance policy in accordance with GASB 54 requirements. The following fund balance classifications were adopted:

- **Nonspendable Fund Balance** – for funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact. Prepaid expenses are reflected as nonspendable fund balances in the accompanying financial statements.

- **Restricted Fund Balance** – for funds that are mandated for specific purposes by external parties, constitutional provisions, or enabling legislation. There are no restricted funds as of June 30, 2020.

- **Committed Fund Balance** – for funds set aside for specific purposes by the District's highest level of decision-marking authority (Board of Trustees) pursuant to formal action taken, such as a majority vote or resolution. These committed funds cannot be used for any other purpose unless the Board of Trustees removes or changes the specific use through the same type of formal action taken to establish the commitment. Board of

Trustee action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30th; however, the amount can be determined with the release of the financial statements. The Board of Trustees has committed $143,358 in funds to cover future OPEB costs as of June 30, 2020 and has set aside such funds in a separate account in the County Treasury.

- **Assigned Fund Balance** – for funds constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. As of June 30, 2020, the Board of Trustees has not assigned any funds.

- **Unassigned Fund Balance** – The residual positive net resources of the general fund in excess of what can properly be classified in one of the above four categories.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Governmental Fund Net Assets. The Statement of Revenues, Expenditures, and Changes in Fund Net Assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net assets. The Statement of Cash Flows of a proprietary fund provides information about how the District finances and meets the cash flow needs of its proprietary activities.

The District applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 and all Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for its proprietary operations.

The District has no proprietary funds as of June 30, 2020.

Assessments

The District requires an annual special assessment for revenue to continue reclamation functions, specifically, the operation and maintenance of the internal drainage system. Compliant with Article XIIID of the State Constitution, commonly referred to as Proposition 218, and the Proposition 218 Omnibus Implementation Act (Government Code §53750 et seq.), a balloting proceeding was conducted. Through this proceeding, property owners approved, and the board subsequently adopted, an assessment to begin collection in fiscal year 2018/2019 at a rate of $381.02 per equivalent benefit unit. The board also has discretionary authority to increase such rate by up to 2.25 percent each following year, if deemed necessary, based on the annual change in the Construction Cost Index (CCI) for the 20-city average with Base Year 1913 = 100, published by the Engineering News-Record (ENR). For fiscal year 2019/2020, the board increased the assessment to $387.92

Yolo County bills and collects a majority of the assessments through property tax bills. Yolo County credits the general fund account maintained by the County Treasurer for 50% of the total assessment in December, 45% in April, and the remaining 5% in June. Those assessments unable to be added to the County Tax Bills are billed and collected directly by the District.

Budgets and Budgetary Accounting
State law does not require the District's governing board to adopt a budget. The District's governing board adopts a budget each year, which is used as a management tool.

Deferred Outflows and Inflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of June 30, 2020, the District reported deferred outflows of resources related to OPEB, due to a change of assumptions and experience of investment gains/losses.

In addition to liabilities, the statement of net position reports a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and, accordingly, will not be recognized as an inflow of resources (revenue) until such time. As of June 30, 2020, the District reported deferred inflows of resources related to OPEB, due to a change of assumptions.

Cash and Cash Equivalents
The District considers all highly liquid investments with a maturity of three months or less at the time or purchase to be cash equivalents.

Investments
Investments are generally stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounts Receivable
Receivables are reflected at estimated net realizable value. As of June 30, 2020, an allowance for doubtful accounts of $8,384 was estimated based on management judgment and the aging of delinquent receivables.

Capital Assets
Capital assets, which include level improvements, a pump station, and various types of equipment, are recorded as assets in the government-wide financial statements. For the fund financial statements, capital outlays are recorded as expenditures of the general fund. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation and recorded as capital contributions in the accompanying financial government-wide financial statements.

The District's capitalization thresholds are $2,500 for office equipment, $5,000 for field equipment, $50,000 for pumps and improvements, and $100,000 for infrastructure assets. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase the values, change capacities, or extend the useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and the related accumulated depreciation, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Asset Class	Years
Machinery and equipment	7
Vehicles	8
Generators	20
Pump Stations and levee improvements	15 - 50

Compensated Absences

Accumulated unpaid employee vacation benefits as well as 25% of untaken sick leave benefits are recognized as a liability of the District on the government-wide financial statements. The General Fund generally liquidates compensated absences. The balance at June 30, 2020 was $16,676.

Net OPEB Liability

For purposes of measuring the Net OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through March 31, 2021, the date upon which the financial statements were available to be issued. Based on such evaluation, no additional adjustments to or disclosures in the financial statements were deemed necessary other than the subsequent events noted in Note 9.

New Accounting Pronouncements

Implemented New GASB Pronouncements

GASB Statement No. 84, *Fiduciary Activities* – The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post employment benefit arrangements that are fiduciary activities.

The implementation of this pronouncement did not have a significant impact on the District's financial statements.

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authority Guidance*, effective during fiscal 2020 and resulted in delaying the implementation requirements for certain statements and implementation guides to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

Pending New GASB Pronouncements

GASB Statement No. 87, *Leases* – The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (fiscal 2022). Earlier application is encouraged.

GASB Statement No. 89, Accounting *for Interest Cost Incurred before the End of a Construction Period* – The objectives of this Statement (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information will also enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (fiscal 2022). Earlier application is encouraged. The requirements of this Statement should apply prospectively.

GASB Statement No. 90, *Majority Equity Interests* – an amendment of GASB Statements No. 14 and No. 61 – The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (fiscal 2021). Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit, and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

GASB Statement No. 91, *Conduit Debt Obligations* – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements with conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 (fiscal 2023). Earlier application is encouraged. The District does not believe this Statement will have a significant impact on the District's financial reporting.

GASB Statement No. 92 – Omnibus 2020 – The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing certain practice issues during implementation and application of certain GASB statements. This statement addresses a variety of topics and includes specific provisions about the following:

- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- Reporting assets accumulated for post employment benefits

The requirements of this Statement are effective in varying reporting periods by topic but generally for fiscal years beginning after June 15, 2020.

GASB Statement No. 93 – *Replacement of Interbank Offering Rate* – This Statement applies to governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate. This Statement is effective for fiscal years beginning after June 15, 2020. . Management believes this Statement will have no effect on the District's financial reporting.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for periods beginning after June 15, 2023. The primary objective of this Statement is to improve financial reporting by requiring governments to report and disclose assets and liabilities related to these public/private partnership (PPP) arrangements consistently. The required disclosures will allow users to understand the scale and significance of a government's PPP and evaluate a government's future obligations and assets resulting from PPP relationships. As of June 30, 2020, this statement will have no effect on the District's financial reporting.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange transaction. The subscription term includes the period during which a government has a non-cancellable right to use the underlying IT assets. Under this Statement, a government generally should recognize a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term. The subscription asset should initially be measured as the sum of (1) the initial subscription liability, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalized implementation costs, less any incentives received for the vendor at or before the commencement of the subscription term. Management is evaluating the effect, if any, that this Statement may have on the District's financial reporting.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32,* effective for fiscal years beginning after June 15, 2021 relative to Section 457 plans, while the remainder of the new Statement is effective immediately. The primary objective of this Statement is to increase consistency and comparability related to the reporting of fiduciary component units without a governing board, and for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. This Statement requires that a potential component unit without a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. In addition, this Statement requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan, and clarifies that Statement No. 84 should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2020 consist of the following:

Cash on hand	$ 500
Deposits with Financial Institutions	199,225
Pooled Cash and Investments with County Treasury	5,735,661
Total Cash and Investments	$ 5,935,386

The District has not adopted an investment policy. The District relies on the Yolo County Treasury to maintain investments in accordance with the State of California policies. The external investment pool with the Yolo County Treasury is described as follows:

Yolo County Treasury

As provided for by the California Government Code, the District maintains cash in the Yolo County Pooled Investment Fund (County Treasury). The County Treasury pools these funds with those of other districts in the county and invests the cash. The share of each fund in the pooled cash account is separately accounted for and interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments.

Investment gains and losses are proportionately shared by the participants as increases or reductions in earnings. The value of the pool shares in the County Treasury; which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the District's portion in the pool.

The County Treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County Treasury are either secured by federal depository insurance or are collateralized.

The County Treasury is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. Treasury notes and agency obligations, state registered warrants and municipal notes, local agency bonds, the State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit and repurchase or reverse repurchase agreements.

The County Treasurer is overseen by the Board of Supervisors Investment Committee, pursuant to Government Code, and must adhere to an annual investment policy that prohibits investments that have the possibility of returning a zero or negative yield if held to maturity.

Investments Authorized by the District's Investment Policy

The District invests in investment types authorized for the entity by the California Government Code 53601.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair values to changes in market interest rates. The County manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by the nationally recognized statistical rating organization. As of June 30, 2020, the County Treasury is not rated.

The District has no limitation on the amount that can be invested in any one issuer beyond that stipulated in the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District and the California Government Code do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision: the California Government Code requires that a financial institution secure deposits made by state and local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

All bank deposits as of June 30, 2020 are insured by the Federal Depository Insurance Corporation (FDIC).

Derivative Investments

The District did not directly enter into any derivative investments. Information regarding the amount invested in derivatives by the County Treasury was not available.

Additional disclosure detail required by Government Accounting Standards Board Statement No. 3, No. 31, No. 40, and GASB Technical Bulletin 94-1, regarding cash deposits and investments, are presented in the financial statements of the County of Yolo for the year ended June 30, 2020.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2020, the District held no individual investments. All investments are held in pooled investments funds.

Within the external investment funds, deposits and withdrawals are made on the basis of $1 and not fair value. Accordingly, the District's proportionate share of investments in such pooled funds are an uncategorized input not defined as Level 1, Level 2, or Level 3 input.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

3. CAPITAL ASSETS

A summary of current-year changes to capital assets, the total of which is recorded in the government-wide statements, is shown as follows:

	June 30, 2019	Additions	Disposals	June 30, 2020
Pump stations and related	$ 13,950,103	$ 1,034,640	$ -	$ 14,984,743
Furniture and equipment	29,825	12,203	-	42,028
Vehicles and moving equipment	1,489,713	278,096	(390,311)	1,377,498
Construction in progress	55,581	1,670,304	-	1,725,884
	15,525,222	2,995,243	(390,311)	18,130,153
Accumulated depreciation	(2,973,321)	(499,318)	390,312	(3,082,326)
Net capital assets	$ 12,551,901	$ 2,495,925	$ 1	$ 15,047,827

4. RETIREMENT PLANS

The District provides pension benefits for all of its full-time employees through a defined contribution plan (a money purchase plan) of the Internal Revenue Code. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately upon employment. The District contributes 14% of the employees' salary each year. The District's contributions for each employee (and interest allocated to the employees' account) are fully vested after five years of continuous service. District contributions for, and interest forfeited by, employees who leave employment before six years of service are used to reduce the District's current-period contribution requirement.

The District contributed $56,795 for the year ended June 30, 2020 to the money purchase plan, including available forfeitures. The plan is administered through the Equitable Company.

During the year ended June 30, 2020, the Board of Trustees approved an additional deferred compensation retirement plan under Section 457 of the Internal Revenue Code. As of June 30, 2020, such a retirement account has been established with CalPERS with the General Manager as Administrator. Partial funding is anticipated in the near future.

5. OTHER POSTEMPLOYMENT HEALTHCARE BENEFIT PLAN

Plan Description. The postemployment healthcare benefit plan was formally adopted by resolution in June 2015, though the District had been paying benefits for three retirees on a pay-as-you-go basis prior to adopting a formal plan. Postemployment medical benefits will be made to all qualifying retirees with benefits consistent with those offered to active employees (the district contribution is capped at 80% of the average of Sacramento area CalPERS rates). There is dependent coverage but no survivor benefit. Retiree benefits are paid to employees who have attained age 60 with twenty years of service.

Funding Policy. During the year ended June 30, 2020, the District entered into a formal trust agreement with CalPERS to fund the Net OPEB liability and partially funded $135,400 in this funding vehicle. In addition, the District has committed and set aside funds at the County for this purpose in the amount of $143,358.

Employees Covered

As of the June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	6
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to, but not yet receiving benefits	0
Total	9

Contributions

The District's plan and its contribution requirements established by board resolution, the Employee Handbook and according to current year CalPERS rates for active employees (with an 80% contribution cap). For the fiscal years ended June 30, 2020, the District made benefit payments to the health plan provider of $16,601 on a pay-as you-go basis.

Net OPEB Liability

The District's Net OPEB Liability was measured on June 30, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation dated June 30, 2020.

That valuation is based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	6.5%
Inflation	2.75% per annum
Salary Increases	2.75% per annum
Investment rate of Return	6.5%, based on the Building Block Method
Mortality Rate [1]	Derived using CalPERS' 2014 Active Mortality Table for Miscellaneous Employees
Retirement rate	Derived using tables from the 2009 CalPERS' 2.0%@60 rates for Miscellaneous Employees experience
Healthcare trend rate	4% per annum

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5 percent. The discount rate has been set equal to the long-term expected rate of return on investments.

[1] Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website (www.calpers.ca.gov) under Forms and Publications.

Changes in the OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability = (a) – (b)
Roll-back balance at June 30, 2019	$ 280,417	$ -	$ 280,417
Changes recognized for the measurement period			
Service cost	20,549	-	20,549
Interest	18,355	(2,481)	20,836
Employer contributions	-	152,001	(152,001)
Administrative expenses	-	(37)	37
Experience (gains) losses	3,423	-	3,423
Benefit payments for retiree healthcare	(16,601)	(16,601)	-
Changes in assumptions	20,846	-	20,846
Net change in net OPEB liability	46,572	132,882	(86,310)
Balance as of June 30, 2020	$ 326,989	$ 132,882	$ 194,107

Sensitivity of the Net OPEB Liability to the Changes in the Discount Rate

The following presents the Net OPEB Liability of the District if it were calculated using a discount rate that is one percentage point higher or lower than the current discount rate, for the measurement period ended June 30, 2020:

	1% Decrease (5.5%)	Current Discount Rate	1% Increase (7.5%)
Net OPEB Liability (Asset)	$ 228,651	$ 190,107	$ 165,054

Sensitivity of the Net OPEB Liability to the Changes in the Health Care Cost Trend Rates

The following presents the Net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point higher or lower than the current rate, for the measurement period ended June 30, 2020:

	1% Decrease (3.0%)	Current Trend Rate (4.0%)	1% Increase (5.0%)
Net OPEB Liability (Asset)	$ 162,182	$ 194,107	$232,687

OPEB Plan Fiduciary Net Position

The District's Fiduciary Net Position is zero as the OPEB plan has not been formally funded in a trust. As mentioned above and subsequent to June 30, 2019, the District entered into a trust agreement with CalPERS to fund the OPEB liability in a CERBT trust funding vehicle (CERBT Asset Allocation Strategy 2). As of the date of this report, $135,400 has been contributed to such trust.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining Service lifetime (EARSL)

OPEB Expense and Deferred Outflows Related to OPEB

As of June 30, 2020, deferred inflows and outflows of resources related to OPEB are from the following sources:

	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
Balance at June 30, 2019	$ -	$ 85,527
Changes in deferred inflows and outflows:		
Differences between projected and actual return on assets	5,504	-
Differences between expected and actual experience	3,120	-
Changes in assumptions	19,001	(8,910)
Total change	27,625	-
Balance at June 30, 2020	$ 27,625	$ 76,617

Net OPEB expense for the year ended June 30, 2020 included the service cost of $20,549 and interest cost on the TOL of $18,355, offset by changes in assumptions and other experience changes, to equal $29,156. Net OPEB expense does not include $16,601 employer contributions for retiree healthcare benefits.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Recognition of Deferred Outflows and Inflows of Resources in Future Pension Expense

Fiscal Year Ending June 30:	Net Deferred Inflows of Resources	Net Deferred Outflows of Resources
2021	$ (8,910)	$ 3,524
2022	(8,910)	3,524
2023	(8,910)	3,524
2024	(8,910)	3.524
2025	(8,910)	3.524
Thereafter	(32,067)	11,381
	$ 76,617	$ 27,625

6. CONTINGENCIES

The District has programs for public liability and property damage. There have been no settlements related to these programs that exceed insurance coverage during the 2019-20 fiscal year. The District retains the risk for all loss exposure in excess of insurance coverage. Claims, expenditures, and liabilities are reported when it is probable that a loss has been incurred and the amount of that loss, including those incurred but not reported, can be reasonably estimated.

The District periodically receives Federal, State, and local funds for specific purposes and is subject to compliance requirements. Such funding is subject to review and audit by the awarding agencies at their discretion. If such audits were to disallow any expenditure, the District could potentially be liable to return funds. Management believes that such amounts, if any, would not have a significant effect on the financial position of the District. This is not considered a probable contingency and no liability has been reported on these financial statements.

7. LEASE COMMITMENTS

The District leases office space and equipment with minimum lease commitments during the next five years as follows:

Fiscal Year Ending June 30:	
2021	$ 17,032
2022	9,193
2023	-
2024	-
2025	-

8. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2020, the District paid Ramos Oil, a company partially owned by family of a trustee, $26,738 for fuel. Such transactions have been reviewed and approved by the Board of Trustees.

On November 14, 2019, the Yolo Local Agency Formation Commission adopted a resolution reorganizing Reclamation District No. 900 as a Subsidiary District to the City of West Sacramento, and the City Council became the new trustees of the District. Cash receipts and disbursements with the City of West Sacramento during the year ended June 30, 2020 are as follows:

Property assessments received from the City of West Sacramento	$ 24,718
Water and sewer charges paid to the City of West Sacramento	403

There were no accounts receivable from or payable to the City as of June 30, 2020.

9. REORGANIZATION WITH RECLAMATION DISTRICT NO. 537

By agreement dated October 21, 2019 and effective July 1, 2020, pending detachment and annexation of Reclamation District No. 537 territory located within the boundaries of the City of West Sacramento, certain assets of Reclamation District No. 537 will be transferred to Reclamation District No. 900. Those assets to be transferred include the following: (1) land rights and facilities, including the pumping plant; (2) land rights with regard to levees previously operated and maintained by Reclamation District No. 537, including roads, and (3) 93% of Reclamation District No. 537 funds on hand as of the reorganization date (approximately $838,00 was received subsequent to June 30, 2020). In addition, the detached and annexed area will remain a separate Benefit Assessment Area from the current area of Reclamation District No. 900.

REQUIRED SUPPLEMENTARY INFORMATION

RECLAMATION DISTRICT 900, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - General Fund

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
REVENUES:				
Property assessments	$ 2,366,872	$ 1,375,323	$ 2,358,215	$ 982,892
Charges for services	674,354	650,332	754,640	104,308
Grants:				
WUSD maintenance fee	7,000	14,000	7,000	(7,000)
Federal and state grants	1,680,000	463,655	1,413,614	949,959
Interest	12,000	48,762	89,197	40,435
Unrealized gains on investments	-	-	46,983	46,983
Gain on sale of equipiment	-	-	23,208	23,208
Reimbursements and other	27,814	51,558	1,521	(50,037)
Total revenues	4,768,040	2,603,630	4,694,378	2,090,748
EXPENDITURES:				
Flood Protection:				
Operations and maintenance	275,000	179,330	251,045	(71,715)
Labor and related	804,086	668,127	845,946	(177,819)
Administration	246,000	213,353	248,192	(34,839)
Rehabilitation and capital outlay	5,670,000	3,109,450	3,170,003	(60,553)
Total expenditures	6,995,086	4,170,260	4,515,186	(344,927)
NET CHANGE IN FUND BALANCE	(2,227,046)	(1,566,630)	179,192	2,435,675
FUND BALANCE, BEGINNING OF YEAR BEFORE RESTATEMENT	6,189,824	6,189,824	6,189,824	-
Prior period adjustment	-	-	40,985	40,985
FUND BALANCE, END OF YEAR	$ 3,962,778	$ 4,623,194	$ 6,410,001	$ 2,476,660

RECLAMATION DISTRICT 900, CALIFORNIA
Schedule of Expenditures - Budget and Actual - General Fund
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
OPERATIONS AND MAINTENANCE:				
Facilities:				
Power	$ 85,000	$ 65,256	$ 83,545	$ (18,290)
Fuel	5,000	1,580	26,738	(25,158)
Supplies and materials	25,000	3,848	-	3,848
Repairs	10,000	-	-	-
Shop equipiment	-	-	9,253	(9,253)
Herbicide	45,000	30,025	38,950	(8,925)
Field services	-	-	375	(375)
Debris and trash disposal	15,000	14,278	15,644	(1,367)
Professional fees:				-
Pesticide consultants	10,000	9,915	1,067	8,849
Engineering	-	-	34,795	(34,795)
Maintenance and other	-	-	1,195	(1,195)
Equipment:				-
Fuel	30,000	33,193	-	33,193
Repair and servicing	25,000	13,380	26,526	(13,146)
Parts and supplies	25,000	7,856	6,631	1,225
Rental	-	-	6,325	(6,325)
	$ 275,000	$ 179,330	$ 251,045	$ (71,715)
LABOR AND RELATED:				
Compensation and related:				
Administrative salary and wages	$ 171,000	$ 78,140	$ 118,438	$ (40,298)
Field salary and wages	370,086	231,687	367,808	(136,121)
Overtime	8,000	-	-	-
Payroll taxes	46,000	46,400	43,821	2,579
Trustee fees	7,500	2,300	2,300	-
Medical insurance	41,000	71,990	72,596	(606)
Dental insurance	2,500	5,235	4,891	344
Retiree medical	23,000	151,553	152,001	(448)
Retirement plan	75,000	52,999	56,795	(3,796)
Workers' compensation insurance	50,000	21,605	21,196	409
Uniforms	5,000	4,612	4,394	218
Training and licensing	5,000	1,606	1,706	(100)
	$ 804,086	$ 668,127	$ 845,946	$ (177,819)
ADMINISTRATION:				
Insurance	$ 80,000	$ 50,829	$ 42,505	$ 8,324
Professional fees:				
Legal	40,000	52,346	18,636	33,710
Accounting and payroll	20,000	24,311	-	24,311
Assessment administration	48,000	19,352	38,917	(19,565)
Other	-		70,460	(70,460)
Rent	-	11,250	15,000	(3,750)
Office:				-
Utilities	5,000	5,078	7,897	(2,819)
Supplies	15,000	17,059	18,223	(1,164)
Equipment	15,000	5,013	-	5,013
Memberships	10,000	10,848	-	10,848
Permits and fees	12,000	16,552	36,554	(20,002)
Other	1,000	714	-	714
	$ 246,000	$ 213,353	$ 248,192	$ (34,839)
REHABILITATION AND CAPITAL OUTLAY:				
Capital - facilities	$ 5,000,000	$ 2,734,724	$ 1,825,314	$ 909,410
Internal drainage projects	170,000	70,179	1,035,724	(965,545)
Racetrack project	-	-	4,418	(4,418)
Major equipment	500,000	304,547	304,547	-
	$ 5,670,000	$ 3,109,450	$ 3,170,003	$ (60,553)

RECLAMATION DISTRICT NO. 900

Schedule 3 – Schedule of Changes in the Net OPEB Liability and Related Ratios

Measurement Period Ended June 30

Measurement Period	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability:			
Service cost	$ 20,549	$ 37,674	$ 36,666
Interest on the total OPEB liability	18,355	22,181	11,645
Changes in assumptions	20,846	(94,437)	-
Benefit payments	(16,601)	(14,810)	(14,240)
Experience (gains) losses	3,423	-	-
Net change in total OPEB liability	46,572	(49,392)	34,071
Total OPEB liability - beginning	280,417	329,809	295,738
Total OPEB liability – ending (a)	326,989	280,417	329,809
Plan Fiduciary Net Position:			
Contribution - employer	152,001	-	-
Net investment income (loss)	(2,481)	-	-
Benefit payments	(16,601)	-	-
Administrative expense	(37)	-	-
Net change in plan fiduciary net position	132,882	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position – ending (b)	132,882	-	-
Net OPEB Liability – ending (a) –(b)	$ 194,107	$ 280,417	$ 329,809
Plan fiduciary net position as a percentage of the total OPEB liability	41%	0%	0%

RECLAMATION DISTRICT NO. 900

Schedule 4 – Schedule of Changes in the Net OPEB Liability and Related Ratios
Measurement Period Ended June 30

Fiscal Year Ended June 30[2]	6/30/2020	6/30/2019	6/30/2018
Actuarially Determined Contribution (ADC)	NA	N/A	N/A
Contribution in relation to the ADC	$152,001	$ 14,810	$ 14,640

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2020 were from the June 30, 2020 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market value
Inflation Rate	2.75%
Payroll Growth Rate	2.75% per annum
Investment Rate of Return	6.5% per annum
Healthcare Cost Trend Rate	4% per annum
Retirement Age	2.0% @60 The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011
Mortality	Pre-retirement mortality probability based on 2014 CalPERS Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering participants in CalPERS

[2] Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to ten years as information becomes available.

RECLAMATION DISTRICT 900, CALIFORNIA
A Blended Component Unit of the City of Sacramento

SINGLE AUDIT OF FEDERALLY ASSISTED GRANT PROGRAMS

Year Ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Reclamation District 900, California
West Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Reclamation District 900, California (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report dated March 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2020-1 and 2020-2 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2020-3 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CROPPER ACCOUNTANCY CORPORATION
Walnut Creek, California
March 31, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Trustees of
Reclamation District 900, California
West Sacramento, California

Report on Compliance for Each Major Federal Program

We have audited Reclamation District No. 900, Califorrnia's (the District) compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions to its federal grant awards.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-3. Our opinion on each major program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 31, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
March 31, 2021

RECLAMATION DISTRICT NO. 900, CALIFORNIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Program Identification Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through Natural Resources and Conservation Service, 430 G Street, Suite 4164, Davis CA 95616			
EWP levee repair in Yolo County, CA Project 5208	10.923	NR-199104XXXXC005	$ 758,488
Total Expenditures of Federal Awards			$ 758,488

See Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Reclamation District No. 900, California (the District) under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the financial statements of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting for governmental funds, which is described in Note 1 of the notes to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

The District has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

4. CONTINGENCIES

Under the terms of federal and state grants, additional audits may be requested by the grantor agencies and certain costs may be questioned as to not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

Section I – Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major program	Unqualified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Identification of major programs:	
CFDA No.	Name of Federal Program or Cluster
10.923	EWP Levee Repair in Yolo County CA, Project 5208
Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as a low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2020-1 SEGREGATION OF DUTIES (Material Weakness)

Criteria: A key element in a system of internal control over financial reporting is separation of duties, reducing the risk of error and/or financial statement fraud, as well as risk of theft or mismanagement of funds. The functions of authorization, custody of assets, and recording in the books and records should be performed by separate individuals.

Condition: With the boad transition, the new General Manager became the signer on all bank accounts and authorizer of all invoices, while retaining edit access in the accounting system, In addition, certain key reports and financial analysis (such as balance sheet reconciliations and nonstandard journal entries) are not independently reviewed and approved.

Questioned cost: None

Cause: In prior years, certain elements of the system of internal control were performed by the board of trustees in order to provide segregation of duties (the authorization function). During the year ended June 30, 2020, the board of trustees transitioned to the City Council of West Sacramento and duties were not redesigned accordingly.

Effect: The risk of error or fraud is more likely without adequate segregation of duties and independent oversight.

Recommendation: The organization can overcome the effects of a small accounting department by increasing staff or the level of supervision, as well as enlisting board members to perform some functions. Specifically we recommend the following:

- Design duties to ensure separation outlined above and include such duties in job descriptions
- Reassign edit access within the accounting system
- Provide for independent reviews and approvals of :
    - Key reconcilations and reports,
    - Nonstandard journal entries
    - Timesheets
    - Payroll changes

Section II – Financial Statement Findings (continued)

Finding 2020-2 ACCRUAL OF REIMBURSABLE GRANT COSTS (Materai Weakness)

Criteria: Generally accepted accounting principles require that costs reimbursable through grants and contracts be accrued as a receivable when costs are incurred rather than when billed.

Condition: Material audit adjustments were required to properly accrue grant receivables in the correct fiscal period.

Questioned Cost: None

Effect: Material revenues were not recorded in the correct fiscal year.

Cause: Grant invoices (via letter or government form) were not recorded in the accounting system when billed. During fiscal 2020, revenues and expenses for each grant were not recorded through the accounting system (via a class or job report).

Recommendation: The District should accrue receivables for reimbursable costs during the monthly accounting close. Such accruals should be independently reviewed and approved.

Section III –Findings and Questioned Costs for Federal Awards

Finding 2020-3 INTERNAL CONTROL OVER COMPLIANCE: WRITTEN COMPLIANCE POLICIES AND PROCEDURES (SIGNIFICANT DEFICIENCY)

Criteria: Written compliance policies and procedures are required by the Uniform Guidance.

Condition: The District has not documented all required compliance policies and procedures. Such policies should also address internal controls over compliance.

Questioned Cost: None

Effect: Without adequate compliance policies and procedures, there is risk that the system of internal control over compliance may not identify related errors, fraud, or abuse.

Cause: The District has not had an audit performed according to the Uniform Guidance prior to fiscal 2020; in addition, during the year ended June 30, 2020, the General Manager terminated employment, and a new General Manager transitioned into the role after the major program grant had been substantially completed.

Recommendation: The District should identify all required Uniform compliance requirements under federal grant agreements and ensure that written policies and procedures exist and include key internal controls over compliance. Job descriptions should be updated accordingly.

Section IV – Status of Prior Year Findings

No prior year findings reported.

Item Number 6

RECLAMATION DISTRICT 900

Post Office Box 673
West Sacramento, CA 95691
PH: (916) 371-1483 • email: admin@rd900.org

AGENDA ITEM NO. 6

TITLE: **Discussion of Completing Funding of OPEB Liability**

OBJECTIVE

The objective of this report is to provide the Board with sufficient information to authorize the General Manager with authority to make a transfer to the District's existing CalPERS Trust to fully fund the Total OPEB Obligation based on the Fiscal 2020 Actuarial Report from Total Compensation Systems.

RECOMMENDED ACTION

Staff respectfully recommends that the WSAFCA Board authorize the General Manager to make the payment of $194,107 to the District's CERBT with CalPERS.

BACKGROUND

The process of prefunding the post-retirement healthcare liability for the District has been in process for a number of years. Initially the Board authorized the creation of a restricted fund of $135,400 to begin the process of funding the liability. This initial amount has been in a restricted fund for a number of years.

Beginning in 2018 the Board authorized Total Compensation Systems to produce a preliminary actuarial study of the retiree health liabilities; this preliminary report had total liabilities at $329,809. Subsequent adjustments made for changes in assumptions resulted in a calculated present value of the liabilities at $383, 986 in April of 2019. This number is what was used in the September 2019 Resolution made by the Board authorizing the funding of the CERBT account whose creation had been authorized in May of 2019.

During the budgeting process of the 2019-2020 budget, what had been allocated had been allocated for was only the initial restricted fund amount of $135,400. This initial deposit was made in January of 2020.

Upon completion of the OPEB report for June 2019 dated December 19, 2019 the total liability was restated as $280,417, this overall reduction in liability is mostly the result of assumptions based on the approved investment strategy versus the preliminary reports.

With the 2020-2021 budget an amount of approximately $145k was accounted for to complete the funding liability as it was reflected at the conclusion of the 2019 fiscal year.

Since the completion of the June 2019 report, one major change has occurred with the retirement of another employee who was eligible; this along with realized performance on the investment for the early part of 2019 resulted in a shift of the Net OPEB Liability from the estimated $145k to $194,107 as of June 30th 2020.

ATTACHMENT

1) Resolution 2019-05-01
2) Resolution 2019-09-01
3) Actuarial Study of Retiree Health Liabilities Under GASB 74/75 February 16, 2021

STAFF RESPONSIBLE FOR REPORT:

Timothy Mallen, General Manager

RECLAMATION DISTRICT NO. 900

RESOLUTION NO. 2019-05-01

WHEREAS, on November 9, 2000 the Board of Trustees of the District approved a health insurance contract with the California Public Employees Retirement System ("CALPERS") under which, among other things: (1) District employees who enrolled in a health plan administered or approved by CALPERS would have monthly premiums contributed on their behalf for the employee and up to one dependent, and (2) an employee eligible for health benefits through CALPERS and who completed a minimum of 20 years of service as an employee for the District and attained the age of 60 or more before retirement would be eligible to receive such contribution for health benefits under the plan for the life of the retiree after retirement from the District; and

WHEREAS, the District has been unable to locate written evidence of a resolution establishing such post-employment benefit, and desire by this resolution to formally acknowledge such benefit.

NOW, THEREFORE, BE IT RESOLVED THAT the District will provide post-employment health benefits as above described for qualifying retired employees, through CALPERS, whether current at this time or retired.

Ayes: 4

Nays: Ø

CERTIFICATE

The undersigned, Secretary of the Board of Trustees of Reclamation District No. 900 hereby certifies that the foregoing resolution was unanimously adopted by the Board of Trustees of the District at a regular meeting duly noticed and held on May 15, 2019.

Kenric Jameson, Secretary/Manager

{01058207}

RESOLUTION NO. 2019-09-01

RESOLUTION OF THE BOARD OF DIRECTORS OF RECLAMATION DISTRICT 900 ESTABLISHING LEGALLY VESTED RIGHTS TO RETIREE HEALTH BENEFITS AND APPROVAL OF THE ADOPTION OF THE RECLAMATION DISTRICT 900 SECTION 115 TRUST AGREEMENT

WHEREAS, the Reclamation District 900 ("District") wishes to establish legally vested rights to retiree health benefits for certain designated employees and retirees; and

WHEREAS, the District wishes to establish a trust pursuant to Section 115 of the Internal Revenue Code ("Section 115 Trust") for the purpose of prefunding its retiree health obligations; and

WHEREAS, the District is a political subdivision eligible to establish a Section 115 Trust, within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued thereunder, and is tax-exempt under the relevant statutory provisions of the State of California; and

WHEREAS, the District obtained an actuarial report from an independent actuary regarding its estimated retiree health benefit commitments and wishes to fund its estimated retiree health benefit commitments to the extent possible with a one-time deposit to a Section 115 trust; and

WHEREAS, the District has already set aside an approximate amount of $135,400 in a separate account outside of a Section 115 Trust toward the goal of funding its estimated retiree health benefit commitments; and

WHEREAS, the Board of Trustees of the District ("Board") maintains a health insurance contract with the California Public Employees Retirement System ("CalPERS") that provides contributions towards retiree health benefits for life to Kenneth Ruzich and Robert Bloom ("Retirees") who have completed at least twenty years of service as employees for the District and attained age sixty or more before retirement; and

WHEREAS, the Board also wishes to provide contributions toward retiree health benefits for life to Anthony Schwall ("Retiree") upon his retirement from the District after completion of at least twenty years of service as an employee of the District and attainment of age sixty before his retirement; and

WHEREAS, the Board wishes to provide retiree health benefit coverage for the Retirees plus one dependent of each Retiree, if any; and

WHEREAS, the Board intends that retiree health benefits will cease upon the death of the Retiree and there shall be no survivor retiree health benefits payable to the Retiree's dependent; and

WHEREAS, the District's contributions on behalf of the Retirees shall be paid from a Section 115 Trust to the health insurance contract under CalPERS or any other health insurance contract that may apply to the Retirees as adopted by the District or any successor employer; and

WHEREAS, the District's contribution towards retiree health benefits on behalf of a Retiree shall be eighty percent (80%) of the average cost of the health care options offered under CalPERS or any successor health care provider offered by the District or any successor employer; and

WHEREAS, the Board intends to reduce the contributions towards retiree health benefits when the Retirees become eligible for Medicare Health Benefits by providing a supplement to Medicare in the amount eighty percent (80%) of the average cost of the supplement to Medicare options offered under CalPERS or any successor health care provider offered by the District or any successor employer; and

WHEREAS, the District reserves the right to make contributions, if any, to a Section 115 Trust to prefund the District's obligations; and

WHEREAS, the Board wishes to grant the authority to review and adopt an appropriate Section 115 Trust ("Trust") to the District's General Manager; and

WHEREAS, the Board wishes to authorize a one-time contribution in the amount of $383,986, inclusive of the amount of $135,400 previously set aside, from the District's General Fund to the Trust; and

WHEREAS the Board wishes to authorize the District's General Manager to make any additional contributions to the Trust as determined in accordance with an actuarial valuation that may be needed to fund the retiree health benefits referenced herein.

NOW, THEREFORE, be it hereby resolved, determined and ordered by the Board as follows:

Section 1. The Board hereby establishes legally vested rights to retiree health benefits, as described herein, for the above-referenced Retirees and one dependent of each Retiree, if any.

Section 2. The Board intends that such vested obligations be permanent, for life and binding on the District and any legal successor do the District.

Section 3. The Board intends to provide vested rights to retiree health benefits to the Retirees under CalPERS or any other health insurance contract that may apply to the Retirees as adopted by the District or any successor employer.

Section 4. The Board intends that the contribution towards retiree health benefits for a Retiree shall be eighty percent (80%) of the average cost of the health care options offered under CalPERS or any successor health care provider offered by the District or any successor employer.

Section 5. The Board intends to reduce the contributions towards retiree health benefits when the Retirees become eligible for Medicare Health Benefits by providing a supplement to Medicare in the amount eighty percent (80%) of the average cost of the supplement to Medicare options offered by the District or any successor employer.

Section 6. The Board hereby grants the authority to the review and adopt an appropriate Trust to the District's General Manager.

Section 7. The Board authorizes staff to make a one-time contribution of $135,400 previously set aside, from the District's General Fund to the Trust hereby established by the District, and authorizes the General Manager or his or her authorized representative to make an additional contribution, which will be listed on the District's 2020/2021 budget, of $248,586.

Section 8. The Board wishes to authorize the District's General Manager to make any additional contributions to the Trust as determined in accordance with an actuarial valuation by an independent actuary that may be needed to fund the retiree health benefits referenced herein.

Section 9. The Board of Directors hereby appoints the General Manager, or his or her respective designees, as the Administrators for the Trust.

Section 10. The Administrator is hereby authorized to execute the Trust on behalf of the District and to take whatever additional actions are necessary to maintain compliance of the Trust with any relevant regulation issued or as may be issued; therefore, authorizing him or her to take whatever additional actions are required to administer the Trust.

ADOPTED, SIGNED AND APPROVED this 12th day of September 2019.

Daniel Ramos

President of the Board of Trustees of
Reclamation District 900

ATTEST:

Tim

Secretary of the Board of Trustees of
Reclamation District 900

STATE OF CALIFORNIA)
)ss.
COUNTY OF)

I, Timothy Mallen, Secretary of the Board of Directors of Reclamation District 900, do hereby certify that the foregoing Resolution No. 2019-09-01 was duly adopted by the Board of Directors of said District at a regular meeting thereof held on the 12th day of September, 2019, and that it was so adopted by the following vote:

AYES: 5 DIRECTORS: Ramos, Turner, Hinkel, DeAnda and Palamidessi

NOES: 1 DIRECTORS:

ABSENT: DIRECTORS

ABSTAIN: DIRECTORS

Tim Mallen

Secretary of the Board of Trustees
of Reclamation District 900

(SEAL)

Reclamation District No. 900

Actuarial Study of
Retiree Health Liabilities Under GASB 74/75
Valuation Date: June 30, 2020
Measurement Date: June 30, 2020
For Fiscal Year-End: June 30, 2020

Prepared by:
Total Compensation Systems, Inc.

Date: February 16, 2021

Table of Contents

Reclamation District No. 900
Actuarial Study of Retiree Health Liabilities

PART I: EXECUTIVE SUMMARY

A. Introduction

This report was produced by Total Compensation Systems, Inc. for Reclamation District No. 900 to determine the liabilities associated with its current retiree health program as of a June 30, 2020 measurement date and to provide the necessary information to determine accounting entries for the fiscal year ending June 30, 2020. This report may not be suitable for other purposes such as determining employer contributions or assessing the potential impact of changes in plan design.

Different users of this report will likely be interested in different sections of information contained within. We anticipate that the following portions may be of most interest depending on the reader:

- A high level comparison of key results from the current year to the prior year is shown on this page.
- The values we anticipate will be disclosed in the June 30, 2020 year-end financials are shown on pages 2 and 3.
- Additional accounting information is shown on page 12 and Appendices C and D.
- Description and details of measured valuation liabilities can be found beginning on page 10.
- Guidance regarding the next actuarial valuation for the June 30, 2021 measurement date is provided on page 13.

B. Key Results

Reclamation District No. 900 uses an Actuarial Measurement Date that is the same as its Fiscal Year-End. This means that these actuarial results measured as of June 30, 2020 will be used directly for the June 30, 2020 Fiscal Year-End.

Key Results	**Current Year** *June 30, 2020 Measurement Date* *for June 30, 2020 Fiscal Year-End*	**Prior Year** *June 30, 2019 Measurement Date* *for June 30, 2019 Fiscal Year-End*
Total OPEB Liability (TOL)	$326,989	$280,417
Fiduciary Net Position (FNP)	$132,882	$0
Net OPEB Liability (NOL)	$194,107	$280,417
Service Cost *(for year following)*	$19,488	$20,549
Estimated Pay-as-you-go Cost *(for year following)*	$26,020	$16,601
GASB 75 OPEB Expense *(for year ending)*	$29,156	$50,945

Refer to results section beginning on page 10 or the glossary on page 27 for descriptions of the above items.

Key Assumptions	**Current Year** *June 30, 2020 Measurement Date* *for June 30, 2020 Fiscal Year-End*	**Prior Year** *June 30, 2019 Measurement Date* *for June 30, 2019 Fiscal Year-End*
Valuation Interest Rate	6.50%	6.50%
Expected Rate of Return on Assets	6.50%	6.50%
Long-Term Medical Trend Rate	4.00%	4.00%
Projected Payroll Growth	2.75%	2.75%

C. Summary of GASB 75 Accounting Results

1. Changes in Net OPEB Liability

The following table shows the reconciliation of the June 30, 2019 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2020 NOL. A more detailed version of this table can be found on page 12.

	TOL	*FNP*	*NOL*
Balance at June 30, 2019 Measurement Date	**$280,417**	**$0**	**$280,417**
Service Cost	$20,549	$0	$20,549
Interest on TOL / Return on FNP	$18,355	($2,481)	$20,836
Employer Contributions	$0	$152,001	($152,001)
Benefit Payments	($16,601)	($16,601)	$0
Administrative Expenses	$0	($37)	$37
Experience (Gains)/Losses	$3,423	$0	$3,423
Changes in Assumptions	$20,846	$0	$20,846
Other	$0	$0	$0
Net Change	$46,572	$132,882	($86,310)
Actual Balance at June 30, 2020 Measurement Date	**$326,989**	**$132,882**	**$194,107**

2. Deferred Inflows and Outflows

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the scheduled future recognition. A reconciliation of these balances can be found on page 12 while the complete deferral history is shown beginning on page 24.

Balances at June 30, 2020 Fiscal Year-End	*Deferred Outflows*	*Deferred Inflows*
Differences between expected and actual experience	$3,120	$0
Changes in assumptions	$19,001	($76,617)
Differences between projected and actual return on assets	$5,504	$0
Total	$27,625	($76,617)

To be recognized fiscal year ending June 30:	*Deferred Outflows*	*Deferred Inflows*
2021	$3,524	($8,910)
2022	$3,524	($8,910)
2023	$3,524	($8,910)
2024	$3,524	($8,910)
2025	$2,148	($8,910)
Thereafter	$11,381	($32,067)
Total	$27,625	($76,617)

3. OPEB Expense

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, administrative expenses, and change in TOL due to plan changes, adjusted for deferred inflows and outflows. OPEB expense can also be derived as change in net position, adjusted for employer contributions, which can be found on page 12.

To be recognized fiscal year ending June 30, 2020	*Expense Component*
Service Cost	$20,549
Interest Cost	$18,355
Expected Return on Assets	($4,399)
Administrative Expenses	$37
Recognition of Experience (Gain)/Loss Deferrals	$303
Recognition of Assumption Change Deferrals	($7,065)
Recognition of Investment (Gain)/Loss Deferrals	$1,376
Employee Contributions	$0
Changes in Benefit Terms	$0
Net OPEB Expense for fiscal year ending June 30, 2020	$29,156

***** May include a slight rounding error.

4. Adjustments

We are unaware of any adjustments that need to be made.

5. Trend and Interest Rate Sensitivities

The following presents what the Net OPEB Liability would be if it were calculated using a discount rate assumption or a healthcare trend rate assumption one percent higher or lower than the current assumption.

Net OPEB Liability at June 30, 2020 Measurement Date	*Discount Rate*	*Healthcare Trend Rate*
1% Decrease in Assumption	$228,651	$162,182
Current Assumption	$194,107	$194,107
1% Increase in Assumption	$165,054	$232,687

D. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

	All Participants
Benefit types provided	Medical only
Duration of Benefits	Lifetime
Required Service	20 Years
Minimum Age	Retirement; Age 60 for Supplemental Benefits
Dependent Coverage	Yes
District Contribution %	Up to 80% of cap
District Cap	Average of Sacramento Area CalPERS rates, excluding the highest and lowest cost plan

E. Summary of Valuation Data

This report is based on census data provided to us as of June, 2020. Distributions of participants by age and service can be found on page 18.

	Current Year *June 30, 2020 Valuation Date* *June 30, 2020 Measurement Date*	**Prior Year** *June 30, 2018 Valuation Date* *June 30, 2019 Measurement Date*
Active Employees eligible for future benefits		
Count	6	7
Average Age	44.5	48.4
Average Years of Service	1.7	5.0
Retirees currently receiving benefits		
Count	3	2
Average Age	71.3	73.0

We were not provided with information about any terminated, vested employees.

F. Certification

The actuarial information in this report is intended solely to assist Reclamation District No. 900 in complying with Governmental Accounting Standards Board Accounting Statement 74 and 75 and, unless otherwise stated, fully and fairly discloses actuarial information required for compliance. Nothing in this report should be construed as an accounting opinion, accounting advice or legal advice. TCS recommends that third parties retain their own actuary or other qualified professionals when reviewing this report. TCS's work is prepared solely for the use and benefit of Reclamation District No. 900. Release of this report may be subject to provisions of the Agreement between Reclamation District No. 900 and TCS. No third party recipient of this report product should rely on the report for any purpose other than accounting compliance. Any other use of this report is unauthorized without first consulting with TCS.

This report is for fiscal year July 1, 2019 to June 30, 2020, using a measurement date of June 30, 2020. The calculations in this report have been made based on our understanding of plan provisions and actual practice at the time we were provided the required information. We relied on information provided by Reclamation District No. 900. Much or all of this information was unaudited at the time of our evaluation. We reviewed the information provided for reasonableness, but this review should not be viewed as fulfilling any audit requirements. We relied on the following materials to complete this study:

- We used paper reports and digital files containing participant demographic data from the District personnel records.

- We used relevant sections of collective bargaining agreements provided by the District.

All costs, liabilities, and other estimates are based on actuarial assumptions and methods that comply with all applicable Actuarial Standards of Practice (ASOPs). Each assumption is deemed to be reasonable by itself, taking into account plan experience and reasonable future expectations and in combination represent our estimate of anticipated experience of the Plan.

This report contains estimates of the Plan's financial condition and future results only as of a single date. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. This valuation cannot predict the Plan's future condition nor guarantee its future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. Determining results using alternative assumptions (except for the alternate discount and trend rates shown in this report) is outside the scope of our engagement.

Future actuarial measurements may differ significantly from those presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the measurement methodology (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. We were not asked to perform analyses to estimate the potential range of such future measurements.

The signing actuary is independent of Reclamation District No. 900 and any plan sponsor. TCS does not intend to benefit from and assumes no duty or liability to other parties who receive this report. TCS is not aware of any relationship that would impair the objectivity of the opinion.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally accepted actuarial principles and practices and all applicable Actuarial Standards of Practice. My experience and continuing education are consistent with the requirements described for actuaries under the Qualification Standards of the American Academy of Actuaries.

Respectfully submitted,

Geoffrey L. Kischuk
Actuary
Total Compensation Systems, Inc.
(805) 496-1700

PART II: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by Reclamation District No. 900. We then selected assumptions that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate assumption factors based on the participant's age, sex, length of service, and employee classification.

The actuarial assumptions used for this study are summarized beginning on page 14.

B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent Reclamation District No. 900 uses contribution caps, the influence of the trend factor is further reduced. We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We multiplied the above expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan. Finally, we discounted the expected cost for each year to the measurement date June 30, 2020 at 6.50% interest.

For any ***current retirees***, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 100%).

The value generated from the process described above is called the actuarial present value of projected benefit payments (APVPBP). We added APVPBP for each participant to get the total APVPBP for all participants which is the estimated present value of all future retiree health benefits for all **current** participants. The APVPBP is the amount on June 30, 2020 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age. However, for most actuarial and accounting purposes, the APVPBP is not used directly but is instead apportioned over the lifetime of each participant as described in the following sections.

C. Actuarial Accrual

Accounting principles provide that the cost of retiree benefits should be "accrued" over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an "implicit rate subsidy").

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an "actuarial cost method" and uses the APVPBP to develop expense and liability figures. Furthermore, the APVPBP should be accrued over the working lifetime of employees.

In order to accrue the APVPBP over the working lifetime of employees, actuarial cost methods apportion the APVPBP into two parts: the portions attributable to service rendered prior to the measurement date (the past service liability or Total OPEB Liability (TOL) under GASB 74 and 75) and to service after the measurement date but prior to retirement (the future service liability or present value of future service costs). Of the future service liability, the portion attributable to the single year immediately following the measurement date is known as the normal cost or Service Cost under GASB 74 and 75.

The service cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. The actuarial cost method mandated by GASB 75 is the "entry age actuarial cost method". Under the entry age actuarial cost method, the actuary determines the service cost as the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. Under GASB 75, the service cost is calculated to be a level percentage of each employee's projected pay.

D. Actuarial Assumptions

The APVPBP and service cost are determined using several key assumptions:

- The current ***cost of retiree health benefits*** (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the service cost.
- The ***"trend" rate*** at which retiree health benefits are expected to increase over time. A higher trend rate increases the service cost. A "cap" on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing service costs.
- ***Mortality rates*** varying by age and sex (and sometimes retirement or disability status). If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.
- ***Employment termination rates*** have the same effect as mortality inasmuch as higher termination rates reduce service costs. Employment termination can vary considerably between public agencies.
- The ***service requirement*** reflects years of service required to earn full or partial retiree benefits. While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

- ***Retirement rates*** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase service costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.

- ***Participation rates*** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.

- The ***discount rate*** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the **real** rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds rated AA or higher. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

E. Total OPEB Liability

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. If all actuarial assumptions are exactly met and an employer expensed the service cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the Total OPEB Liability (TOL). The excess of TOL over the value of plan assets is called the Net OPEB Liability (NOL). Under GASB 74 and 75, in order for assets to count toward offsetting the TOL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

Changes in the TOL can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. Change in the TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience. GASB 75 allows certain changes in the TOL to be deferred (i.e. deferred inflows and outflows of resources).

Under GASB 74 and 75, a portion of actuarial gains and losses can be deferred as follows:

- Investment gains and losses are deferred five years.

- Experience gains and losses are deferred over the Expected Average Remaining Service Lives (EARSL) of plan participants. In calculating the EARSL, terminated employees (primarily retirees) are considered to have a working lifetime of zero. This often makes the EARSL quite short.

- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the EARSL.

- Liability changes resulting from plan changes, for example, cannot be deferred.

F. Valuation Results

This section details the measured values of the concepts described on the previous pages.

1. Actuarial Present Value of Projected Benefit Payments (APVPBP)

Actuarial Present Value of Projected Benefit Payments as of June 30, 2020 Valuation Date

	Total
Active: Pre-65 Benefit	$33,340
Post-65 Benefit	$192,753
Subtotal	$226,093
Retiree: Pre-65 Benefit	$23,896
Post-65 Benefit	$262,093
Subtotal	$285,989
Grand Total	$512,082
Subtotal Pre-65 Benefit	$57,236
Subtotal Post-65 Benefit	$454,846

2. Service Cost

The service cost represents the value of the benefit earned during a single year of employment. It is the APVPBP spread over the expected working lifetime of the employee and divided into annual segments. We applied an "entry age" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated service cost.

Service Cost Valuation Year Beginning July 1, 2020

	Total
# of Eligible Employees	6
First Year Service Cost	
Pre-65 Benefit	$2,640
Post-65 Benefit	$16,848
Total	$19,488

Accruing retiree health benefit costs using service costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. While the service cost for each employee is targeted to remain level as a percentage of covered payroll, the service cost as a dollar amount would increase each year based on covered payroll. Additionally, the overall service cost may grow or shrink based on changes in the demographic makeup of the employees from year to year.

3. Total OPEB Liability and Net OPEB Liability

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability. We calculated the Total OPEB Liability (TOL) as the APVPBP minus the present value of future service costs. To the extent that benefits are funded through a GASB 74 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to get the NOL. The FNP is the value of assets adjusted for any applicable payables and receivables as shown in the table on page 15.

Total OPEB Liability and Net OPEB Liability as of June 30, 2020 Valuation Date

	Total
Active: Pre-65 Benefit	$5,038
Active: Post-65 Benefit	$35,962
Subtotal	$41,000
Retiree: Pre-65 Benefit	$23,896
Retiree: Post-65 Benefit	$262,093
Subtotal	$285,989
Subtotal: Pre-65 Benefit	$28,934
Subtotal: Post-65 Benefit	$298,055
Total OPEB Liability (TOL)	$326,989
Fiduciary Net Position as of June 30, 2020	$132,882
Net OPEB Liability (NOL)	$194,107

4. "Pay As You Go" Projection of Retiree Benefit Payments

We used the actuarial assumptions shown in Appendix C to project the District's ten year retiree benefit outlay. Because these cost estimates reflect average assumptions applied to a relatively small number of participants, estimates for individual years are **certain** to be ***in***accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District's share of retiree health costs.

Year Beginning July 1	***Total***
2020	$26,020
2021	$26,602
2022	$21,641
2023	$22,011
2024	$22,506
2025	$22,953
2026	$23,162
2027	$23,412
2028	$23,567
2029	$23,614

G. Additional Reconciliation of GASB 75 Results

The following table shows the reconciliation of the June 30, 2019 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2020 NOL. For some plans, it will provide additional detail and transparency beyond that shown in the table on Page 2.

	TOL	*FNP*	*NOL*
Balance at June 30, 2019	**$280,417**	**$0**	**$280,417**
Service Cost	$20,549	$0	$20,549
Interest on Total OPEB Liability	$18,355	$0	$18,355
Expected Investment Income	$0	$4,399	($4,399)
Administrative Expenses	$0	($37)	$37
Employee Contributions	$0	$0	$0
Employer Contributions to Trust	$0	$135,400	($135,400)
Employer Contributions as Benefit Payments	$0	$16,601	($16,601)
Benefit Payments from Trust	$0	$0	$0
Expected Benefit Payments from Employer	($16,601)	($16,601)	$0
Expected Balance at June 30, 2020	**$302,720**	**$139,762**	**$162,958**
Experience (Gains)/Losses	$3,423	$0	$3,423
Changes in Assumptions	$20,846	$0	$20,846
Changes in Benefit Terms	$0	$0	$0
Investment Gains/(Losses)	$0	($6,880)	$6,880
Other	$0	$0	$0
Net Change during 2020	$46,572	$132,882	($86,310)
Actual Balance at June 30, 2020*	**$326,989**	**$132,882**	**$194,107**

***** May include a slight rounding error.

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for Reclamation District No. 900 is shown beginning on page 24. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2020

	Beginning Balance	*Change Due to New Deferrals*	*Change Due to Recognition*	*Ending Balance*
Experience (Gains)/Losses	$0	$3,423	($303)	$3,120
Assumption Changes	($85,527)	$20,846	$7,065	($57,616)
Investment (Gains)/Losses	$0	$6,880	($1,376)	$5,504
Deferred Balances	($85,527)	$31,149	$5,386	($48,992)

The following table shows the reconciliation of Net Position (NOL less the balance of any deferred inflows or outflows). When adjusted for contributions, the change in Net Position is equal to the OPEB expense shown previously on page 3.

OPEB Expense Fiscal Year Ending June 30, 2020

	Beginning Net Position	*Ending Net Position*	*Change*
Net OPEB Liability (NOL)	$280,417	$194,107	($86,310)
Deferred Balances	($85,527)	($48,992)	$36,535
Net Position	$365,944	$243,099	($122,845)
Adjust Out Employer Contributions			$152,001
OPEB Expense			$29,156

H. Procedures for Future Valuations

GASB 74/75 require annual measurements of liability with a full actuarial valuation required every two years. This means that for the measurement date one year following a full actuarial valuation, a streamlined "roll-forward" valuation may be performed in place of a full valuation. The following outlines the key differences between full and roll-forward valuations.

	Full Actuarial Valuation	Roll-Forward Valuation
Collect New Census Data	Yes	No
Reflect Updates to Plan Design	Yes	No
Update Actuarial Assumptions	Yes	Typically Not
Update Valuation Interest Rate	Yes	Yes
Actual Assets as of Measurement Date	Yes	Yes
Timing	4-6 weeks after information is received	1-2 weeks after information is received
Fees	Full	Reduced
Information Needed from Employer	Moderate	Minimal
Required Frequency	At least every two years	Each year, unless a full valuation is performed

The majority of employers use an alternating cycle of a full valuation one year followed by a roll-forward valuation the next year. However, a full valuation may be required or preferred under certain circumstances. Following are examples of actions that could cause the employer to consider a full valuation instead of a roll-forward valuation.

- The employer considers or puts in place an early retirement incentive program.
- The employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- The employer desires the measured liability to incorporate more recent census data or assumptions.
- The employer forms a qualifying trust or changes its investment policy.
- The employer adds or terminates a group of participants that constitutes a significant part of the covered group.

We anticipate that the next valuation we perform for Reclamation District No. 900 will be a roll-forward valuation with a measurement date of June 30, 2021 which will be used for the fiscal year ending June 30, 2021. Please let us know if Reclamation District No. 900 would like to discuss whether another full valuation would be preferable based on any of the examples listed above.

PART III: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for Reclamation District No. 900 to understand that the appropriateness of all selected actuarial assumptions and methods are Reclamation District No. 900's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 74 and 75, applicable actuarial standards of practice, Reclamation District No. 900's actual historical experience, and TCS's judgment based on experience and training.

A. ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: GASB 74 and 75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on a participant by participant basis and then aggregated.

SUBSTANTIVE PLAN: As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Reclamation District No. 900 regarding practices with respect to employer and employee contributions and other relevant factors.

B. ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.75% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 6.50% per year net of expenses. This is based on assumed long-term return on employer assets.. We used the "Building Block Method". (See Appendix C, Paragraph 53 for more information). Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4.00% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), using an aggregate payroll assumption for the purpose of calculating the service cost results in a negligible error.

FIDUCIARY NET POSITION (FNP): The following table shows the beginning and ending FNP numbers that were provided by Reclamation District No. 900.

Fiduciary Net Position as of June 30, 2020

	06/30/2019	***06/30/2020***
Cash and Equivalents	$0	$0
Contributions Receivable	$0	$0
Total Investments	$0	$132,882
Capital Assets	$0	$0
Total Assets	$0	$132,882
Benefits Payable	$0	$0
Fiduciary Net Position	$0	$132,882

C. NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix C, Paragraph 52 for more information.

MORTALITY

Participant Type	*Mortality Tables*
Miscellaneous	2017 CalPERS Mortality for Miscellaneous and Schools Employees

RETIREMENT RATES

Employee Type	*Retirement Rate Tables*
Miscellaneous	2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees

COSTS FOR RETIREE COVERAGE

Actuarial Standard of Practice 6 (ASOP 6) provides that, as a general rule, retiree costs should be based on actual claim costs or age-adjusted premiums. This is true even for many medical plans that are commonly considered to be "community-rated." However, ASOP 6 contains a provision – specifically section 3.7.7(c) – that allows use of unadjusted premiums in certain circumstances.

It is my opinion that the section 3.7.7(c)(4) exception allows use of unadjusted premium for PEMHCA agencies if certain conditions are met. Following are the criteria we applied to Reclamation District No. 900 to determine that it is reasonable to assume that Reclamation District No. 900's future participation in PEMHCA is likely and that the CalPERS medical program as well as its premium structure are sustainable. (We also have an extensive white paper on this subject that provides a basis for our rationale entirely within the context of ASOP 6. We will make this white paper available upon request.)

- **Plan qualifies as a "pooled health plan."** ASOP 6 defines a "pooled health plan" as one in which premiums are based at least in part on the claims experience of groups other than the one being valued." Since CalPERS rates are the same for all employers in each region, rates are clearly based on the experience of many groups.

- **Rates not based to any extent on the agency's claim experience.** As mentioned above, rates are the same for all participating employers regardless of claim experience or size.

- **Rates not based to any extent on the agency's demographics.** As mentioned above, rates are the same for all participating employers regardless of demographics.

- **No refunds or charges based on the agency's claim experience or demographics.** The terms of operation of the CalPERS program are set by statute and there is no provision for any refunds and charges that vary from employer to employer for any reason. The only charges are uniform administrative charges.

- **Plan in existence 20 or more years.** Enabling legislation to allow "contracting agencies" to participate in the CalPERS program was passed in 1967. The CalPERS medical plan has been successfully operating for almost 50 years. As far back as we can obtain records, the rating structure has been consistent, with the only difference having been a move to regional rating which is unrelated to age-adjusted rating.

- **No recent large increases or decreases in the number of participating plans or enrollment.** The CalPERS medical plan has shown remarkably stable enrollment. In the past 10 years, there has been small growth in the number of employers in most years – with the maximum being a little over 2% and a very small decrease in one year. Average year over year growth in the number of employers over the last 10 years has been about 0.75% per year. Groups have been consistently leaving the CalPERS medical plan while other groups have been joining with no disruption to its stability.

- **Agency is not expecting to leave plan in foreseeable future.** The District does not plan to leave CalPERS at present.

- **No indication the plan will be discontinued.** We are unaware of anything that would cause the CalPERS medical plan to cease or to significantly change its operation in a way that would affect this determination.

- **The agency does not represent a large part of the pool.** The District is in the CalPERS Sacramento Area region. Based on the information we have, the District constitutes no more than 0.04% of the Sacramento Area pool. In our opinion, this is not enough for the District to have a measurable effect on the rates or viability of the Sacramento Area pool.

Retiree liabilities are based on actual retiree costs. Liabilities for active participants are based on the first year costs shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any District contribution caps.

Participant Type	*Future Retirees Pre-65*	*Future Retirees Post-65*
All Participants	$12,140	$6,940

PARTICIPATION RATES

Employee Type	*<65 Non-Medicare Participation %*	*65+ Medicare Participation %*
All Participants	90%	90%

TURNOVER

Employee Type	*Turnover Rate Tables*
Miscellaneous	2017 CalPERS Turnover for Miscellaneous Employees

SPOUSE PREVALENCE

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

PART IV: APPENDICES

APPENDIX A: DEMOGRAPHIC DATA BY AGE

ELIGIBLE ACTIVE EMPLOYEES BY AGE AND SERVICE

	Total	*Under 5 Years of Service*	*5 – 9 Years of Service*	*10 – 14 Years of Service*	*15 –19 Years of Service*	*20 – 24 Years of Service*	*25 – 29 Years of Service*	*30 – 34 Years of Service*	*Over 34 Years of Service*
Under 25	0								
25 – 29	0								
30 – 34	1	1							
35 – 39	1	1							
40 – 44	2	2							
45 – 49	0								
50 – 54	1	1							
55 – 59	0								
60 – 64	1	1							
65 and older	0								
Total	6	6	0	0	0	0	0	0	0

ELIGIBLE RETIREES BY AGE AND EMPLOYEE CLASS

Age	*Total*
Under 50	0
50 – 54	0
55 – 59	0
60 – 64	1
65 – 69	0
70 – 74	0
75 – 79	2
80 – 84	0
85 – 89	0
90 and older	0
Total	3

APPENDIX B: ADMINISTRATIVE BEST PRACTICES

It is outside the scope of this report to make specific recommendations of actions Reclamation District No. 900 should take to manage the liability created by the current retiree health program. The following items are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Reclamation District No. 900's practices, it is possible that Reclamation District No. 900 is already complying with some or all of these suggestions.

- We suggest that Reclamation District No. 900 maintain an inventory of all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Reclamation District No. 900 should determine whether the benefit is material and subject to GASB 74 and/or 75.

- Under GASB 75, it is important to isolate the cost of retiree health benefits. Reclamation District No. 900 should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – ***even on a retiree-pay-all basis*** – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Reclamation District No. 900 should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.

- Reclamation District No. 900 should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.

- Several assumptions were made in estimating costs and liabilities under Reclamation District No. 900's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Part III of this report for a summary of assumptions.) For example, Reclamation District No. 900 should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Reclamation District No. 900 to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

APPENDIX C: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The District should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the District in complying with GASB 74/75 disclosure requirements:

Paragraph 50: **Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by Reclamation District No. 900. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	3
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	6
Total Number of participants	9

*We were not provided with information about any terminated, vested employees

Paragraph 51: **Significant Assumptions and Other Inputs**

Shown in Appendix C.

Paragraph 52: **Information Related to Assumptions and Other Inputs**

The following information is intended to assist Reclamation District No. 900 in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table	2017 CalPERS Mortality for Miscellaneous and Schools Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Mortality Table	2017 CalPERS Retiree Mortality for All Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for All Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Retirement Tables

Retirement Table	2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover Tables

Turnover Table	2017 CalPERS Turnover for Miscellaneous Employees
Disclosure	The turnover assumptions are based on the 2017 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	$162,182	$194,107	$232,687

Paragraph 53: **Discount Rate**

The following information is intended to assist Reclamation District No. 900 to comply with Paragraph 53 requirements.

53.a: A discount rate of 6.50% was used in the valuation. The interest rate used in the prior valuation was 6.50%.

53.b: We assumed that all contributions are from the employer.

53.c: We used historic 34 year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate. We offset the expected investment return by investment expenses of 25 basis points.

53.d: The interest assumption does not reflect a municipal bond rate.

53.e: Not applicable.

53.f: Following is the assumed asset allocation and assumed rate of return for each.
CERBT - Strategy 2

Asset Class	**Percentage of Portfolio**	**Assumed Gross Return**
All Equities	40.0000	7.7950
All Fixed Income	43.0000	4.5000
Real Estate Investment Trusts	8.0000	7.5000
All Commodities	4.0000	7.7950
Treasury Inflation Protected Securities (TIPS)	5.0000	3.2500

We looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. We used geometric means.

53.g: The following table shows the Net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation.

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB Liability	$228,651	$194,107	$165,054

Paragraph 55: **Changes in the Net OPEB Liability**

Please see reconciliation on pages 2 or 12.

Paragraph 56: **Additional Net OPEB Liability Information**

The following information is intended to assist Reclamation District No. 900 to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2020.
The measurement date is June 30, 2020.
56.b: We are not aware of a special funding arrangement.
56.c: Assumed rates of retirement, termination, and mortality have been updated to align with those currently being used by the statewide pension systems.
56.d: There were no changes in benefit terms since the prior measurement date.
56.e: Not applicable
56.f: To be determined by the employer
56.g: To be determined by the employer
56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown on page 12 and in Appendix D
56.i: Future recognition of deferred inflows and outflows is shown in Appendix D

Paragraph 57: **Required Supplementary Information**

57.a: Please see reconciliation on pages 2 or 12. Please see the notes for Paragraph 244 below for more information.
57.b: These items are provided on pages 2 and 12 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.
57.c: We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 34 years.
57.d: We are not aware that there are any statutorily or contractually established contribution requirements.

Paragraph 58: **Actuarially Determined Contributions**

We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 34 years.

Paragraph 244: **Transition Option**

Prior periods were not restated due to the fact that prior valuations were not rerun in accordance with GASB 75. It was determined that the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified.

APPENDIX D: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

EXPERIENCE GAINS AND LOSSES

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Experience Gains and Losses (Measurement Periods)

Measurement Period	Experience (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2019-20	$3,423	11.3	$0	$303	$3,120	$303	$303	$303	$303	$303	$1,605
Net Increase (Decrease) in OPEB Expense			**$0**	**$303**	**$3,120**	**$303**	**$303**	**$303**	**$303**	**$303**	**$1,605**

CHANGES OF ASSUMPTIONS

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Changes of Assumptions (Measurement Periods)

Measurement Period	Changes of Assumptions	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2018-19	($94,437)	10.6	($8,910)	($8,910)	($76,617)	($8,910)	($8,910)	($8,910)	($8,910)	($8,910)	($32,067)
2019-20	$20,846	11.3	$0	$1,845	$19,001	$1,845	$1,845	$1,845	$1,845	$1,845	$9,776
Net Increase (Decrease) in OPEB Expense			**($8,910)**	**($7,065)**	**($57,616)**	**($7,065)**	**($7,065)**	**($7,065)**	**($7,065)**	**($7,065)**	**($22,291)**

INVESTMENT GAINS AND LOSSES

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Investment Gains and Losses (Measurement Periods)

Measurement Period	Investment (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2019-20	$6,880	5	$0	$1,376	$5,504	$1,376	$1,376	$1,376	$1,376		
Net Increase (Decrease) in OPEB Expense			**$0**	**$1,376**	**$5,504**	**$1,376**	**$1,376**	**$1,376**	**$1,376**	**$0**	**$0**

APPENDIX E: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non*-actuary understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

Actuarial Cost Method: A mathematical model for allocating OPEB costs by year of service. The only actuarial cost method allowed under GASB 74/75 is the entry age actuarial cost method.

Actuarial Present Value of Projected Benefit Payments: The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation or measurement date.

Deferred Inflows/Outflows of Resources: A portion of certain items that can be deferred to future periods or that weren't reflected in the valuation. The former includes investment gains/losses, actuarial gains/losses, and gains/losses due to changes in actuarial assumptions or methods. The latter includes contributions made to a trust subsequent to the measurement date but before the statement date.

Discount Rate: Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.

Fiduciary Net Position: Net assets (liability) of a qualifying OPEB "plan" (i.e. qualifying irrevocable trust or equivalent arrangement).

Implicit Rate Subsidy: The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees and the employer is expected, in the long run, to pay the underlying cost of retiree benefits.

Measurement Date: The date at which assets and liabilities are determined in order to estimate TOL and NOL.

Mortality Rate: Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.

Net OPEB Liability (NOL): The Total OPEB Liability minus the Fiduciary Net Position.

OPEB Benefits: Other Post Employment Benefits. Generally, medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.

OPEB Expense: This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Service Cost plus interest on the Total OPEB Liability (TOL) plus change in TOL due to plan changes minus projected investment income; all adjusted to reflect deferred inflows and outflows of resources.

Participation Rate: The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.

Pay As You Go Cost:	The projected benefit payments to retirees in a given year as estimated by the actuarial valuation. Actual benefit payments are likely to differ from these estimated amounts. For OPEB plans that do not pre-fund through an irrevocable trust, the Pay As You Go Cost serves as an estimated amount to budget for annual OPEB payments.
Retirement Rate:	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with the service requirement to reflect both age and length of service). The more likely employees are to retire early, the higher service costs and actuarial accrued liability will be.
Service Cost:	The annual dollar value of the "earned" portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.
Service Requirement:	The proportion of retiree benefits payable under the OPEB plan, based on length of service and, sometimes, age. A shorter service requirement increases service costs and TOL.
Total OPEB Liability (TOL):	The amount of the actuarial present value of projected benefit payments attributable to participants' past service based on the actuarial cost method used.
Trend Rate:	The rate at which the employer's share of the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher service costs and TOL.
Turnover Rate:	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce service costs and TOL.
Valuation Date:	The date as of which the OPEB obligation is determined by means of an actuarial valuation. Under GASB 74 and 75, the valuation date does not have to coincide with the statement date, but can't be more than 30 months prior.

Item Number 7

RECLAMATION DISTRICT 900
Post Office Box 673
West Sacramento, CA 95691
PH: (916) 371-1483 • email: admin@rd900.org

AGENDA ITEM NO. 7.1

TITLE: **General Manager's Report March 2021**

SUBJECT: **Update on activities since the February 2021 Board of Trustees Meeting**

7.1.1. Administration Services

At this time we are beginning the process of soliciting for employment applications for entry level field worker positions. With the growing area of responsibility and the loss of one of the field workers in January we need more manpower.

Considering the needs for next fiscal year's Budget has begun with the desire of a draft to be available for the Board by May to allow time to address comments that might result

7.1.2. Field Operations

7.1.2.1. Flood Operations and Maintenance:

Great progress has been made on cleaning up the trees along the Bridge District. The clearing of low-lying branches off the trees for slope visibility and to assist in rodent control is a periodic operation. As conditions permit, we will continue to incorporate into the schedule cleaning up the trees along here as well as additional areas of the river levees. The other two primary areas of concern are in Southport near Rivas on the river and along Old River rd. north of the intersection with Harbor.

Additionally, an outside tree service has been brought in to assist with a couple larger fallen trees within the Bridge District that are laying on the levee slope.

The intermittent and light precipitation has been ideal for herbicide application and the majority of slope treatments for broadleaf as well as bare ground treatment of O&M roads have been completed.

DWR spring levee inspections are scheduled to be completed on April 14th. Due to COVID restrictions we will participate by following along to discuss any comments or concerns that may arise.

7.1.2.2. Internal Drainage Operations:

We have not scheduled to rebuild any of the pumps or motors this coming season. All pumps and motors have been rebuilt within the last 10 years and are performing well; the next in line to be rebuilt based on age would be those at the

Racetrack pump station.

The construction of the underground electrical to serve the Southport Industrial Park (SIP) pump station is underway. As part of the final phase of the Business park this connection was initiated per the original agreements for the area. For the last nearly 20 years this pump station has been served by overhead lines off of Marshall Rd.

Removal and repair of Tesco controls at the RD 537/811 pump station are still awaiting being scheduled. That pump station continues to operate manually with the two diesel pumps. Operation of these pumps has proven satisfactory to maintain levels within the canal.

Annual inspections of pumping plants for fuel and hazardous material storage by the County were completed in February and all reporting has been accepted at this time.

All detention facilities continue to be held at higher than typical winter levels and if conditions continue will be raised to Summer levels in the near future to maximize water retention for the year.

The moderately wet conditions have prevented the start of mowing for the season but have as with the spraying on the levee system, facilitated the application of herbicides to control difficult to reach areas along the Main Canal.

7.1.3. District Improvement Projects

7.1.3.1. <u>889 Drever</u>:

City review is still ongoing, currently the fire sprinkler system and connection to the City water main are under review. Work is scheduled to begin in the coming weeks, starting with demolition. As demolition is minimal for the project, construction will begin immediately after. Once all reviews are complete and a schedule can be finalized it will be provided.

A change order for asbestos testing and abatement as well as to execute the option to have the Triamid complete the removal of the remaining debris within the building was executed. This change order totals $11,852 and is attached to the report.

7.1.3.2. <u>Blacker Canal</u>:

The Water Quality Control Board has stated that only a Nationwide Permit will be required; as the USACE has stated it will not be requiring a 404 permit, they intend to follow suit with not requiring a 401 permit. Public and agency noticing was completed on February 24th, which initiated the 30-day comment period. As of yet, no Agency comments have been received regarding the project.

In addition to the required noticing a letter explaining the project was sent out to all of the neighboring properties. As a result, a field meeting was conducted with some of the property owners on February 25th to discuss the impacts, purpose and scope of the project. The concerns that arose from the meeting ranged from the tree removal and trimming that would be required, disturbances to the wildlife within the canal as well as the visual impact of the gabion backets. I have discussed with the project Engineer possible alterations that can be made to the gabion baskets to promote vegetation and help mitigate the visual impacts. At this time, a solution that would allow for tree planting without potentially impacting the performance of the gabions has not been found.

Discussion was made about future public involvement in possible planting/mitigation/beautification projects and the hope for the District to assist or allow such efforts as are appropriate. A letter from the property owners was sent to myself and a request made to have the opportunity to address the Board.

7.1.4. Agency Coordination:

7.1.4.1. CVFPB:

There is nothing to report at this time.

7.1.5. WSAFCA Updates

7.1.5.1. USACE Yolo Bypass East Levee Projects:

There is nothing to report until funding is obtained for construction of the YBEL project or geotechnical explorations of the next Phase commences. Coordination meetings have halted at this time as well, until the project moves forward.

The next phase explorations will include the river levee from the Sacramento weir to the north and the Locks to the south, except for the portion previously improved by the Rivers EIP project.

7.1.6. Project Coordination:

Coordination is ongoing for the Linden Trailhead project; at this time, the design is still preliminary but incorporates both pedestrian and equestrian staging areas. The primary concern moving forward with the design is allowing public access while limiting the potential for unauthorized access.

ATTACHMENTS: Triamid Change Order

STAFF RESPONSIBLE FOR REPORT:

Timothy Mallen, General Manager

TRIAMID CONSTRUCTION

PCCO #001

Triamid Construction of Central California
3130 Fite Cir. Unit 1
Sacramento , California 95827
Phone: (916) 858-0397

Project: C-2021 - Reclamation District 900
889 Drever Street
West Sacramento, California 95691

Prime Contract Change Order #001: PCCO 001

TO:	**Reclamation District 900**	**FROM:**	**Triamid Construction of Central California** PO Box 1995 Rancho Cordova, California 95741
DATE CREATED:	3/02/2021	**CREATED BY:**	Katie Edwards **(Triamid Construction of Central Califo)**
CONTRACT STATUS:	Approved	**REVISION:**	0
DESIGNATED REVIEWER:		**REVIEWED BY:**	
DUE DATE:		**REVIEW DATE:**	03/02/2021
INVOICED DATE:		**PAID DATE:**	
SCHEDULE IMPACT:		**EXECUTED:**	No
		SIGNED CHANGE ORDER RECEIVED DATE:	
CONTRACT FOR:	1:Reclamation District 900 Prime Contract	**TOTAL AMOUNT:**	$11,852.07
DESCRIPTION:			
ATTACHMENTS:			

POTENTIAL CHANGE ORDERS IN THIS CHANGE ORDER:

PCO #	Title	Schedule Impact	Amount
001	Warehouse Content Removal		$10,806.20
002	Hydrant Flow Test		$187.89
003	Asbestos Testing		$857.98
		Total:	$11,852.07

The original (Contract Sum)	$726,785.00
Net change by previously authorized Change Orders	$0.00
The contract sum prior to this Change Order was	$726,785.00
The contract sum will be increased by this Change Order in the amount of	$11,852.07
The new contract sum including this Change Order will be	$738,637.07
The contract time will not be changed by this Change Order.	

Jeff Reilly (Comstock Johnson Architects, Inc,)	**Reclamation District 900**	**Triamid Construction of Central California** PO Box 1995 Rancho Cordova, California 95741
DocuSigned by: Jeff Reilly 7B37363BAB6C47F... 3/5/2021	DocuSigned by: Tim Mallen 487803AD2FBE41A... 3/5/2021	DocuSigned by: 15852F8DDFCD4D3... 3/2/2021
SIGNATURE **DATE**	**SIGNATURE** **DATE**	**SIGNATURE** **DATE**