

Reclamation District No. 2140
211 Main Street
Hamilton City, California 95951

Board of Trustees
Minutes of Special Meeting Held November 17, 2016

CALL TO ORDER:

The special meeting of the Board of Trustees of Reclamation District No. 2140 (RD 2140) held on November 17, 2016, at the Hamilton City Fire Station was called to order at 6:05 p.m. by Board President LeeAnn Grigsby-Puente.

Board Members present: LeeAnn Grigsby-Puente and Dawit Zeleke.

Board Members absent: Walt Stile

District representatives: William Paris, Counsel and Tom Anderson, Interim Secretary

Guests: See attached list.

Flag Salute: Interim Secretary Tom Anderson led the flag salute.

NEW BUSINESS:

1. Board President Grigsby-Puente gave an overview of the schedule for the public hearing and introduced guests.
2. Schaelene Rollins, explained the procedure for conducting the hearing and public comment.
3. Board President Grigsby-Puente provided a background of RD 2140 and efforts to date.
4. Eric Nagy provided a summary of the project. Mr. Nagy also responded to various questions from the audience, including:
 - a. John Larkin asked if Hamilton City people are paying for benefits to those outside the district. Mr. Nagy stated that the RD 2140 boundary extends beyond Hamilton City. There are some benefits to property owners outside the District.
 - b. Roberto Martinez asked if the Operations and Maintenance (O&M) costs will increase. Mr. Nagy stated not necessarily.
 - c. Unidentified woman asked if the work is done because of the time of year. Mr. Nagy stated construction occurs April through October.
 - d. Larry Akers asked if the biggest problem was squirrels. Mr. Nagy stated rodent control will be one of the maintenance activities.

5. Seth Wurzel outlined the assessment methodology used to determine each parcel's amount as required under Proposition 218. Mr. Wurzel also responded to various questions/comments from the audience, including:
 - a. John Larkin asked if FEMA is going to recognize the protection for flood insurance purposes. Mr. Wurzel noted that the levee is not designed to provide 100-year flood protection.
 - b. Roger Fritter commented that in the 2015 election, increases to the assessment were considered separately. Why were increases not voted upon separately this time? Mr. Wurzel stated that increases are inherently linked with the assessment. He also noted that the authors of Proposition 218 acknowledged the costs of conducting elections and that increases, up to certain amounts, could be decided by the governing board without holding elections each time.
 - c. John Larkin commented that adjustments are "one way (up)". Bill Paris stated that while that may be so, increases are not automatic nor are they required. Mr. Paris also stated that the RD 2140 Board may only authorize increases up to 2% per year and then only to the extent that the Consumer Price Index (CPI) raises.
 - d. Larry Knecht asked about the differences in the budget amounts for operations vs. maintenance. Mr. Wurzel stated maintenance involves activities that would be contracted out. Mr. Nagy added that all O&M efforts are subject to inflation and the RD 2140 Board must be able to keep up with the increasing costs.
 - e. Rosalinda Sanchez asked if there would be a cap on increases and Roberto Martinez asked if the cap could be changed. Mr. Wurzel stated that, under Proposition 218, increases to the caps for the assessment currently being considered cannot be done without a vote of the landowners.
6. Board President Grigsby-Puente asked if the RD 2140 Board members had any additional comments or questions, to which there were none.
7. Board President Grigsby-Puente opened the hearing to public comment at 6:50 p.m.
 - a. David Nava asked how the money will be collected. Mr. Wurzel explained that for fiscal year 2016-2017, RD 2140 will bill the parcel owners directly. For subsequent fiscal years the assessment will be included on the property tax bill. Mr. Nava then asked why everyone wasn't paying the same amount. Mr. Wurzel briefly reviewed the assessment methodology used including the "proportional benefit" requirement.
 - b. Roger Fritter commented that any increases should be voted on separately.
 - c. Larry Knecht commented that increases based on the CPI could be challenged. Mr. Paris explained that allowing increases were as provided for under Proposition 218. Mr. Knecht asked how many companies do

assessments. Mr. Paris stated that for the current election, LWA was the only assessment engineer engaged by RD 2140.

- d. Larry Knecht noted that the people from Hamilton City have paid for various projects over the years (he cited specific examples) and the charges to individuals for those projects were “equal”. Mr. Knecht noted the assessment as proposed by RD 2140 do not seem equitable. He cited, as an example, that one of his sons lives a little over 300 feet of his house. The proposed assessment for his house was \$25 whereas the proposed assessment for his son’s house was nearly \$400. Mr. Knecht further stated one factor that should be considered is that certain individuals are on fixed incomes. He also questioned what would happen if the U.S. Army Corps of Engineers (U.S.ACE) stopped the project. Would another entity take over? Mr. Nagy stated it would be “unprecedented” for the U.S.ACE to stop now and they could consider it a “breach of contract” if RD 2140 could not fulfill its obligations. (Note: The \$400 estimate cited by Mr. Knecht is inaccurate. The proposed assessment for the parcel in question is \$91.44. No comment or correction to Mr. Knecht’s inaccurate statement was made during the hearing - ata).
 - e. John Larkin commented that he owns a commercial parcel in town with a proposed assessment of \$832 whereas his home outside of town is assessed at \$25. He hopes RD 2140 “spends the money wisely”.
 - f. Barbara Bass asked if there was an appeal process. Mr. Wurzel stated some of data for the assessment determination is provided by the county assessor’s office and occasionally some of that information is incorrect. In those cases, adjustments to the assessment can be made based on corrected information. Otherwise, the owner may appeal directly to the RD 2140 Board of Trustees.
 - g. Barbara Bass commented that she believes RD 2140 is following the law and it has been a long process. She noted that she has followed the project, has attended many meetings and understand benefits of having a new levee.
8. At 7:15 p.m. Board President Grigsby-Puente asked if anyone wanted to submit a ballot or resubmit a ballot to change a previously submitted ballot. The Board recessed while ballots were collected.
 9. The Board reconvened at 7:30 p.m. and, after a “last call” for ballots, Board President Grigsby-Puente closed the public hearing.
 10. The Board recessed at 7:30 p.m. while ballots were tabulated.
 11. The Board reconvened at 8:30 p.m. whereupon Mr. Wurzel reported the results of the ballot tabulation as follows:
 - a. A total of 210 ballots were accepted with a valuation of \$14,880.
 - b. There were 109 “Yes” votes with a valuation of \$8,516 (57.3%).

- c. There were 101 “No” votes with a valuation of \$6,364 (42.7%).

The benefit assessment is approved.

12. The Board considered Resolution 2016-07, to adopt the assessment, based on the results of the ballot tabulation in favor of the assessment. Board member Zeleke made the motion for approval with a second by Board President Grigsby-Puente. The motion carried with Zeleke and Grigsby-Puente voting “Aye”. There were no “No” votes or abstentions. Board member Stile was absent.

PUBLIC COMMENT: Board President Grigsby-Puente asked for public comment on items not on the agenda. Deputy Fire Chief Hank Irick expressed his appreciation for the effort and quipped he is “now willing to do sandbags.”

ADJOURNMENT: 8:35 p.m.

The next regular Board Meeting will be held Friday, November 18, 2016, at the HCCSD office at 211 Main Street, beginning at 9:00 a.m.

Respectively submitted,

Arthur T. (Tom) Tom Anderson
Interim Secretary

Attachment 1

List of attendees at the Reclamation District 2140 Benefit Assessment Public Hearing,
November 17, 2016:

Guests:

1. Hank Irick – Hamilton City Deputy Fire Chief
2. Dan James – Hamilton City Fire Chief
3. Megan Jonnson -- Larsen Wurzel and Associates (LWA)
4. Mario Medrano – Hamilton City Fire Department
5. Eric Nagy – LWA
6. Jose Puente – General Manger, Hamilton City Community Services District
7. Schaelene Rollins – j.harrison Public Relations
8. Seth Wurzel - LWA

Community/public members (not all persons in attendance are identified):

1. Larry Akers
2. Barbara Bass
3. Madrean Benton
4. Nelson Benton
5. Victoria Casillas
6. Larry Crane
7. Christine Diaz
8. Roger Fritter
9. Larry Knecht
10. John Larkin
11. Lupe Marquez
12. Roberto Martinez
13. David Nava
14. Sharon Reagan
15. Tom Reagan
16. Rosalinda Sanchez
17. Eddie (Last name?) - representative from California State Parks & Recreation.