

JULY 11, 2019 MINUTES

The regular meeting of the Sutter-Yuba Mosquito & Vector Control District Board of Trustees was called to order by Board Secretary Sanbrook at 4:30 P.M., Thursday, July 11, 2019.

PRESENT: Secretary Sanbrook, Schmidl, Guzman, Ghag and Cleveland.

ABSENT: President Harris and Jeffrey

ALSO PRESENT: Manager Abshier, General Foreman Hunt and Financial Advisor Ken Meyers

EMERGENCY AGENDA ITEMS: Abshier stated that he had one emergency agenda item. Our aerial insecticide application contractor has had some significant health issues in his family. He would like to use another pilot to perform some of the work, however finding a pilot with 2,000 hours of experience has been difficult. The Board would need to amend the aircraft contract to allow a pilot with 1,000 cockpit hours to perform aircraft applications for the District. Abshier stated that District counsel, Bordsen and our non-owned aircraft insurance broker have cleared the proposed 1,000 hour minimum requirement. The pilot to be considered is currently insurable under Arena Pest Management's insurance policy. A motion was made by Cleveland and seconded by Schmidl to make this agenda item 3a. The motion was approved by unanimous vote.

AMENDMENT TO THE AERIAL APPLICATOR CONTRACT: A motion was made by Sanbrook and seconded by Schmidl to amend the Aerial Applicator contract, reducing the pilot hour requirement from 2,000 to 1,000 hours, with the stipulation that any pilots added are named insured on the contractor's liability policy. The motion was approved by a unanimous vote.

CONSENT AGENDA:

- A. Minutes of June 13, 2019
- B. Bills for June 2019

A motion was made by Guzman and seconded by Schmidl approving the consent agenda. The motion was approved by a unanimous vote.

QUARTERLY REVIEW OF THE DISTRICT'S DEFINED BENEFIT PLAN INVESTMENTS AS OF JULY 10, 2019: Ken Meyers of Meyers Investment Group addressed the Board. The District's portfolio has earned a 14.38% return, year to date. Both the Dow Jones Industrial Average and the S&P 500 are up about 20%. Technology stocks are way up. Foreign stocks, as well as the bond markets are down. Meyers recommended getting out of some of the bond funds. A motion was made by Cleveland and seconded by Ghag approving the quarterly review of the District's Defined Benefit Plan. The motion was approved by a unanimous vote.

AMENDMENT TO THE SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT DEFINED BENEFIT PLAN INVESTMENT STATEMENT POLICY: The District currently has an investment policy statement, drafted and signed by Board President, Bill Harris on November 8, 2012. At the May 9, 2019 Board meeting, Meyers indicated that our existing policy statement was outdated. Furthermore, he continued, stating that if the Board was interested in an opportunity in some alternative sector funds, the policy would need to be amended. Meyers presented an amended investment policy statement, with changes to section 2.1(c) that now includes alternative sector funds in the allocation table. The proposed minimum, target and maximum percent of the portfolio that can be in alternative sector holdings are 0%, 8% and 15% respectively. The other proposed amendment was the addition of section 2.2(j), which defines the types of funds, trusts, equities, investments, products and other vehicles that can be included in the alternative sector holdings. Section 2.2(j) also details prohibited transactions; including futures contracts, restricted stock, short sales, margin purchases, derivatives, and option swaps, all for the purpose of avoidance of undue risk. A motion was made by Cleveland and seconded by Ghag to approve the amended Sutter-Yuba Mosquito and Vector Control Defined Benefit Plan Investment

Statement Policy. The motion was approved by a unanimous vote.

PRESENTATION OF TWO INVESTMENT FUNDS FOR IMPROVED RETURN OPPORTUNITIES TO THE SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT DEFINED BENEFIT PLAN: Meyers presented two investment opportunities in the alternative sector class. Partners Group and Millennium both have good performance records through both bear and bull markets. Meyers stated that he would like to move as much as 10% to 15% of the portfolio, primarily from bonds, into these two funds. The Board consensus was that Meyers is free to use his discretion. The District investment policy statement has strong, well defined parameters that Meyers must work within. No action was taken by the Board.

PROPOSITION 4 APPROPRIATION LIMIT FOR FISCAL YEAR 2019-2020: A motion was made by Sanbrook and seconded by Guzman to open the Proposition 4 Appropriation Limit public hearing. The motion was approved by unanimous vote. Board Secretary Sanbrook opened the public hearing. No members of the public were present. A motion was made by Schmidl and seconded by Ghag to close the Proposition 4 Appropriation Limit public hearing. The motion was approved by a unanimous vote. Board Secretary Sanbrook closed the public hearing. Abshier explained that the 2018-2019 appropriation limit was \$5,741,428. The limit for the 2019-2020 budget is \$5,981,419. CPI is one of the factors used in setting the limit. CPI is the change in personal income. Our budget for fiscal year 2019-2020 is based on projected revenue and is far below the appropriation limit. A motion was made by Cleveland and seconded by Ghag approving the Proposition 4 Appropriation Limit of \$5,981,419 for fiscal year 2019-2020. The motion was approved by a unanimous vote.

FINAL BUDGET APPROVAL FOR FISCAL YEAR 2019-2020: Board members were provided with the 2019-2020 Budget. Abshier noted that three changes were made to the preliminary budget, all in Services and Supplies. After closing out the books for the 2018-2019 fiscal year, it was apparent that a couple of small increases were needed. An additional \$2,500 was added to 52050 Clothing and Personal for a total of \$12,500. This will cover an automatic 5% annual increase in our uniform laundry service. A \$500 increase was made to 52210 Rents-Leases Structures and Grounds, taking it to \$13,500. The last change was to 52241 Entomology/Lab. For the past two years there has been a surplus in this account. It was reduced by \$2,000 to a budgeted amount of \$20,000. These changes increased the Total Expenditures by \$1,000 to \$3,404,198. A motion was made by Cleveland and seconded by Ghag approving the Fiscal Year 2019-2020 Budget of \$3,404,198. The motion was approved by a unanimous vote.

APPROVAL TO CREATE A CONSULTING POSITION: Administrative Manager, Cathy Burns is planning to retire on July 31, 2019. The District needs Burns to finish training our new Administrative Manager, Kayla McNeal. Mc Neal has not been exposed to all of the reports and duties required at infrequent calendar intervals. Burns is agreeable to this as a full-time, contract employee beginning August 1, 2019 and ending September 30, 2019. Under the contract, Burns would have the same rate of pay and the same benefits she has currently. Continuing to train Ms. McNeal through the season is imperative for her to learn all of the duties her job requires. District counsel, Brant Bordsen stated that the Board would need to approve the creation of a new position to accomplish this. A motion was made by Guzman and seconded by Schmidl to create a full-time, contract employee, consulting position for Cathy Burns to accomplish the training of her replacement, Kayla McNeal. The motion was approved by a unanimous vote.

APPROVAL OF AN EMPLOYMENT CONTRACT FOR CATHY BURNS: District counsel, Brant Bordsen drafted an employment contract for Board approval. The contract begins August 1, 2019 and ends September 30, 2019. Burns will be paid at the same monthly rate that she has now, as well as the same benefit package. The contract would allow Burns to complete the training of the new Administrative Manager Kayla McNeal. A motion was made by Guzman and seconded by Schmidl approving the employment contract for Cathy Burns beginning August 1, 2019 and ending September 30, 2019. The motion was approved by a unanimous vote.

APPROVAL TO REPLACE THE ROOF AT 925 MARKET STREET: The roof at the 925 Market Street property has had many leaks over the last several winters. The drains seem to be the main areas of concern. Abshier explained we have an estimate \$6,000 to reseal all the roof drains. Abshier advised that the Manager has financial discretion to spend up to \$10,000 per occurrence for necessary expenditures. No action was taken by the Board.

APPROVAL TO RENEW THE CORPORATE MEMBERSHIP WITH THE MOSQUITO AND VECTOR CONTROL ASSOCIATION OF CALIFORNIA (MVCAC) FOR THE 2019-2020 FISCAL YEAR: Abshier stated that the membership dues structure changed one year ago. We are in a tiered system where Districts with operating budgets between three million and five million pay \$10,500 in annual dues. We get a lot of value with our membership. A motion was made by Guzman and seconded by Sanbrook approving renewal of our Corporate Membership in the MVCAC at \$10,500. The motion was approved by a unanimous vote.

APPROVAL TO RENEW THE AMERICAN MOSQUITO CONTROL ASSOCIATION (AMCA) MEMBERSHIP FOR THE 2019-2020 FISCAL YEAR: Annual dues are calculated through a formula using a percentage of operating budget. The dues for 2019-2020 are \$2,075, an increase of \$403. Much of the AMCA's work involves lobbying Congress for its members. They are a part of the reason we received Zika money. A motion was made by Cleveland and seconded by Sanbrook approving the renewal of our membership with the AMCA for \$2,075. The motion was approved with a unanimous vote.

APPROVAL TO PURCHASE A CLARKE PROMIST ADULTICIDE FOGGER: Approval is needed to purchase a new Promist adulticide fogger. The fogger would replace an old obsolete fogger. A motion was made by Schmidl and seconded by Ghag approving the purchase of a Clarke Promist adulticide fogger for \$16,077.57. The motion was approved by a unanimous vote.

APPROVAL FOR THE PURCHASE OF A FORKLIFT: Abshier reported our forklift is old and in need of replacement. We received bids from three vendors for a late model, used forklift. Holt Equipment gave a bid of \$22,416, for a 2014 model Caterpillar model with 2034 hours of operation. Toyota Materials Handling, bid \$22,415 for a 2014 year model with 9,050 hours of operation with a 60/120 day warranty. Valley Forklift gave a bid of \$15,981 for a 2012/13 Toyota with under 5000 hours of operations and a 30/90 day warranty. Abshier recommended the Holt Caterpillar model with a 12 month / 2,000 hour warranty, at a cost of \$22,416. The Caterpillar model has great local service available and a much longer warranty. A motion was made by Schmidl and seconded by Ghag approving the purchase of the Caterpillar forklift, for \$22,416. The motion was approved by a unanimous vote.

PUBLIC COMMENTS: None

MANAGER COMMENTS: Some mosquito samples submitted for mosquito-borne disease testing returned positive for West Nile virus. The locations of the positive samples were from Olivehurst and the Hallwood/Las Quintas areas. Additional spraying has been scheduled in response to the findings. Statewide, WNV positive mosquito samples are fairly low with the exception of Riverside County.

The New Jersey Mosquito Trap counts are low for *Culex tarsalis*, *pipiens* and *Anopheles freeborni*. Abshier reminded the Board that the *tarsalis* is the mosquito of concern for West Nile transmission. The overall abundance numbers are somewhat suspect however. Incandescent bulbs rated as rough service are becoming very difficult to find. After research on LED bulbs for the traps showed negligible differences in weekly collections, we made a wholesale change from using incandescent bulbs across the District. Data from a trial at Alameda County revealed no significant difference in collection numbers from six traps using LED and incandescent bulbs. Discussions with the MVCAC Integrated Vector Management Committee ended with their endorsement of LED bulbs with similar lumens and color temperature to the established 25 watt, clear incandescent State standard. We have begun side by side comparisons of the same traps using both types of bulbs to see for ourselves. It is too early to tell if the LED bulb is catching fewer adult mosquitoes than incandescent. Abundance numbers from these traps drive the decision making on when to begin adulticide spraying. This year our

strategy was to begin spraying early. There is evidence that suggests early spraying can dramatically reduce the number of mosquitoes at their normal peak.

District staff has been visiting neglected pools where photo evidence shows a potential for mosquito production. In Sutter County, 310 pools were marked as suspect. Treatments were made to 35 pools that were producing larvae. Staff has 46 pools left to be inspected. In Yuba County, 283 pools were marked as suspect. Treatments have been made to 48 pools that were producing larvae. Staff has 31 pools left to be inspected.

Mosquitofish harvesting is underway for planting in rice fields for mosquito control. About half of the ponds at our Nicolaus facility have been seined. We are on pace to exceed 2,500 lbs. of fish. Our Fisheries Specialist, Darrell Jew, attributes the high yields from the last two years to a fourfold increase in fish feed beginning in May when warmer water temperatures stimulate better fish activity. Additionally, keeping bird predators away from the ponds improves the yield.

We are about one third through the Bti rice field larviciding program. As of Sunday, July 7, 2019, 32,083 acres of rice has been treated. At the end of the program in early August, about 100,000 acres of rice will be treated.

Currently, adulticide spraying by ground truck has covered 34,783 acres. Adulticide spraying by air has covered 27,966 acres.

The next MVCAC meeting will be held on July 18th, 2019 via teleconference. The only item of note on the agenda is that the Executive Board will consider raising the registration fees for attending the Annual Conference. The MVCAC Fall Quarter meeting will be held on October 29 and 30, 2019 in Visalia. The Annual Conference will be January 26 through 29, 2020 in San Diego.

Abshier reported on the following District Activities:

We will be borrowing a specialized piece of equipment to try a wide area larvicide application for controlling some *Culex pipiens*. We would likely implement this type of treatment if we were to have an invasive *Aedes* detection locally. Droplets produced from this machine end up in all kinds of backyard sources such as, buckets, tires and other containers to knock out the mosquito larvae.

Staff from Clarke Mosquito Control, a vendor we purchase insecticides from, lead a trial of an adulticide called Duet HD on Tuesday, July 9. It is a formulation that is heavy at the molecular level so that it descends more predictably from an aircraft application. In the trial we used local, wild caught mosquitoes as well as a susceptible species that Clarke is providing, as one of the metrics for evaluating the results. Final results are pending, but initially it appears that the application caused mortality in only about 50% of our local mosquitoes. This suggests that our local mosquito populations have some tolerance to this insecticide formulation. A product we have been looking at called DeltaGard has had better results and may be a good alternative for us next year.

Our solar panels are producing electricity to a level where we are only paying the minimum delivery charge here at the yard. On the bill, we are paying for use of natural gas and electricity to pump water at our fish farm in Nicolaus.

TRUSTEE COMMENTS: Trustee Guzman gave thanks for the mosquito wipes that the District provided for their neighborhood July 4th block party.

ADJOURNMENT: There being no further business, a motion was made by Schmidl and seconded by Sanbrook to adjourn the meeting. The motion was approved by a unanimous vote. Secretary Sanbrook adjourned the meeting.

John Sanbrook, Board Secretary