

**RECLAMATION DISTRICT NO. 1614**

**AGENDA FOR TOWN HALL AND  
REGULAR BOARD OF TRUSTEES MEETING  
6:00 P.M. JUNE 4, 2018  
AMBLER'S CLUB  
2000 AMBLERS LANE,  
STOCKTON, CALIFORNIA**

**AGENDA**

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

**Town Hall Meeting**

3. Town Hall – District Update.
  - a. Overview of the District.
  - b. Operations and Maintenance Manual.
  - c. Levee Inspection Vessel.

**Regular Meeting**

4. Approval of Minutes of the special meetings of May 7, 2018.
5. Presentation of Financial Status Report. Discussion and possible action.
  - a. Adopt 2018-2019 Budget.
  - b. Approve 2017-2018 Audit Contract with Croce, Sanguinetti, & Vander Veen.
6. Presentation of Engineer's Report. Discussion and possible action:
7. Presentation of Superintendent's Report; request for direction.
  - a. Wisconsin Pump Station Fencing and Gate Access.
8. Report on Meetings Attended.
9. District Calendar.
  - a. Next Meeting – July 2, 2018.
10. Items for future meetings.

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

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

11. Correspondence.
12. Motion to Approve of Bills.
13. Adjournment.

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**AGENDA PACKET  
RECLAMATION DISTRICT 1614  
JUNE 4, 2018**

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

# ITEM 4

MINUTES OF THE REGULAR MEETING OF BOARD OF TRUSTEES  
FOR RECLAMATION DISTRICT 1614  
HELD MONDAY, MAY 7, 2018

The Regular Meeting of the Board of Trustees of Reclamation District 1614 was held on Monday, May 7, 2018 at the law office of Neumiller & Beardslee, 509 W. Weber Avenue, 5<sup>th</sup> Floor, Stockton, California, at the hour of 2:00 p.m.

TRUSTEES PRESENT WERE:

KEVIN KAUFFMAN  
WILLIAM DUNNING  
BEN KOCH

OTHERS PRESENT WERE:

DANIEL J. SCHROEDER  
CHRISTOPHER H. NEUDECK  
ORLANDO LOBOSCO  
JUDITH BUETHE  
RHONDA OLMO

ABSENT WAS:

NONE

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

1. **Call to Order/Roll Call.** President Kevin Kauffman called the meeting to order at 2:00 p.m. and roll call was taken. All Trustees were present.
2. **Public Comment.** The public may comment on any matter within the District's jurisdiction that is not on the agenda. Matters on the agenda may be commented on by the public when the matter is taken up. All comments are limited to 5 minutes for general public comment and per agenda item in accordance with Resolution 2014-06.

No public comment.

3. **Approval of Minutes of the regular meeting of April 2, 2018.** After review,

It was moved, seconded (B. Koch/B. Dunning) and unanimously carried by the Board of Trustees of Reclamation District 1614 that the minutes of the regular meeting of April 2, 2018 be approved as read.

4. **Presentation of Financial Status Report.** Discussion and possible action. Secretary Rhonda Olmo presented the financial report for the period ending April, 2018. After review of the reports,

It was moved, seconded (B. Dunning/B. Koch) and unanimously carried by the Board of Trustees of Reclamation District 1614 that the financial report for the month of April, 2018 be approved as presented.

II. Wisconsin Pump Station No. 7

A. YReview status of alternative repair design for Wisconsin Pump Station.

Mr. Neudeck said he had a meeting where he was able to discuss the concept of trying to make this pump station remodel as economical as possible, and some ideas were discussed as to how to go about doing that (particularly in light of what has been done recently with the main disconnects on the pumping plants, etc.) He is not certain he is going to do it exactly the way it was previously discussed, but the end will justify the means. He said he is struggling a little with the means but will get to the same end (a less expensive overall pumping plant that meets the design criteria.) He is trying to secure a mechanical and electrical engineer to finalize things.

III. Smith Canal Gate Structure Project – San Joaquin Flood Control Agency (SJAFC)

A. Update of Smith Canal gate closure project.

Mr. Neudeck, on behalf of RD1614, had another round of review and comments on SJAFC's draft plans and he is waiting to get responses from the Agency. He updated the Trustees on the Smith Canal Closure Project and said he is anticipating a one-year delay in construction due to seismic issues. The result of this is that the cost of the wall went up. Therefore, the Agency is now back with the State negotiating a larger cost share. Mr. Neudeck stated that Mr. Gulli still has a pending lawsuit. Mr. Freeman's lawsuit was found in favor of the Agency (he has since appealed and this is now with the appellate court.) Mr. Neudeck said SJAFC is in the process of hiring a new Executive Director also. Trustee Dunning asked to have monthly updates on the closure project. Further discussion was held.

**6. Presentation of Superintendent's Report; request for direction.** Superintendent Orlando Lobosco went through his Superintendent's Report. He said that he found no abnormal conditions during his routine station checks. He mentioned he had two brief power failures this month that affected Buena Vista and Lake Court. Both failures cleared within 20 minutes.

On May 3<sup>rd</sup>, Mr. Lobosco completed the inspections of the transfer switches for Franklin, Plymouth, and Smith Canal (he found no issues).

Mr. Lobosco reported he made contact with Nick Catrina and Mr. Catrina will be checking for any beaver activity on the 17<sup>th</sup> and 18<sup>th</sup> of this month. Mr. Catrina will provide a full report with all data needed to locate any and all dens to Mr. Lobosco within a week of his inspections.

Regarding the boat, Mr. Lobosco was unable to negotiate a lower price in lieu of not having a warranty. Mr. Lobosco ordered the boat from Bass Pro Sports and it arrived on May 2<sup>nd</sup>. Bass Pro is currently storing the boat for the district. Mr. Lobosco is currently waiting on a date to construct the storage facility, which he said should be a one-day build. Ownership of the boat will take place once the storage facility is complete. Mr. Lobosco will work with Mr. Schroeder's office to ensure that insurance will also be in place.

7. **Newsletter.** Judith Buethe was present to discuss the District's draft newsletter. President Kauffman asked Ms. Buethe to put in the web link to the Dept. of Fish and Wildlife's page under the rodent article. He also asked that the June 4, 2018 Town Hall Meeting date/time be included in the Newsletter. Mr. Schroeder asked that the email address that is shown under the Superintendent's contact information be deleted. Mr. Kauffman's last name needs to be corrected to its correct spelling, and Mr. Koch needs "Trustee" added after his last name under contact information as well. It was also noted that the waterskiing and fishing pictures should be removed and possibly replaced with a picture of the shed and boat, the Wisconsin Pump Station, or the Franklin Storage Shed. After further review,

It was moved, seconded (B. Koch/B. Dunning) and unanimously carried by the Board of Trustees of Reclamation District 1614 that upon the above changes being made that authorization is given to mail out the District's Newsletter.

8. **Report on Meetings Attended.** None

9. **District Calendar.** The draft budget will be finalized at the June meeting. Next month the Notice will go out regarding the Appropriations. The audit contract may be received prior to next month. The district's liability insurance comes up for renewal at the end of July.

a. Town Hall Meeting Date and Location. The Town Hall Meeting (RD1614's next regular meeting) will take place at the Ambler's Club (2000 Amblers Lane, Stockton) on June 4, 2018 at 6:00 p.m.

10. **Items for future meetings.** Joan Darrah's fencing item will be added to the June Agenda.

11. **Correspondence.** Nothing further than what is in the agenda packet.

12. **Closed Session.** The Trustee's adjourned to Closed Session at 3:30 p.m.

a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Levee Superintendent –  
Performed at April Meeting.

b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: District Secretary.

4:01 p.m. – The Board reconvened from Closed Session in regard to Action Item 12 (b). All three Trustees were present during the entirety of the Closed Session. There is no reportable action at this time.

**13. Employee Contracts.** Discussion and possible action regarding changes to Levee Superintendent and Secretary contracts.

After review, no changes to the existing secretary contract were made.

**14. Motion to Approve of Bills.** After review of the bills to be paid,

It was moved, seconded (B. Koch/B. Dunning) and unanimously carried by the Board of Trustees of Reclamation District 1614 that bills as presented be approved and that payment is authorized in advance for the boat payment once the Superintendent gets the total amount due to Bass Pro Shop.

**15. Adjournment.** The meeting was adjourned at 4:04 p.m.

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

Respectfully submitted,

*Rhonda L. Olmo*

Rhonda L. Olmo  
District Secretary

RECLAMATION DISTRICT NO. 1614

Meeting Sign-In Sheet

Monday, May 7, 2018

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

	First Name	Last Name
1	Paul	Quintero
2		
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Reclamation District 1614

April, 2018 Bills

NAME	INVOICE #	AMOUNT	TOTAL \$	WARRANT #	CHECK #	SUBVENTION FUND
Kevin Kauffman		\$100.00		5594		
			\$100.00			
William Dunning		\$50.00		5595		
			\$50.00			
Ben Koch		\$50.00		5596		
			\$50.00			
Rhonda Olmo		\$400.00		5597		
			\$400.00			
Jean Knight		\$340.00		5598		
			\$340.00			
Neumiller & Beardslee	291750	\$4,704.92		5599		
			\$4,704.92			
Kjeldsen, Sinnock, & Neudeck	22757	\$1,562.25		5600		
	22758	\$1,575.11				
	22759	\$45.00				
	22760	\$1,230.00				
	22761	\$450.00				
	22762	\$1,970.80				
	22763	\$980.50				
	22764	\$667.75				
	22765	\$405.00				
			\$8,886.41			
Delk Pest Control	Statement Date 4/3/18	\$220.00		5601		
			\$220.00			
Industrial Power Solutions	20801V	\$18,557.75		5602		

Reclamation District 1614  
April, 2018 Bills

			\$18,557.75		
Croce & Company	2010547	\$308.55		5603	
			\$308.55		
Orlando Lobosco -April Payroll		\$2,111.13			2481
			\$2,111.13		
State of California Payroll Taxes		\$17.41			online
California Emp. Tax Payment		\$147.02			
			\$164.43		
Federal Government Payroll Taxes		\$298.46			online
			\$298.46		
Sprint		\$90.87			online
			\$90.87		
Comcast		\$112.76			online
			\$112.76		
Visa		\$839.13			online
			\$839.13		
PG&E		\$1,816.76			online
			\$1,816.76		

**WARRANT TOTAL: \$33,617.63**  
**CHECKING TOTAL: \$5,433.54**  
**TOTAL BILLS PAID \$39,051.17**

# ITEM 5

**RECLAMATION DISTRICT NO. 1614 - SMITH TRACT  
2018-2019**

	<u>2018-2019 BUDGET</u>
<b><u>EXPENSES</u></b>	
<b>GENERAL FUND</b>	
<b>Administrative</b>	
G1 Annual Audit	\$4,500.00
G2 Public Communication and Noticing	\$15,000.00
G3 Election Expense	\$32,000.00
G4 Superintendent	\$45,000.00
G4a Secretary	\$9,000.00
G5 Workers Compensation	\$7,800.00
G6 Trustee Fees	\$2,400.00
G7 County Assessment Administration	\$6,000.00
G7A General Assessment Administration (Engineers)	\$3,000.00
G8 Office Supplies	\$700.00
G9 Communication (phones, radios etc.)	\$2,400.00
G12 Education/Memberships	\$2,550.00
G13 Non Management Staff	\$0.00
<b>SUBTOTAL</b>	<b>\$130,350.00</b>
<b>Consultants</b>	
G14 General Engineering	\$45,000.00
G15 General Legal	\$45,000.00
<b>SUBTOTAL</b>	<b>\$90,000.00</b>
<b>Property &amp; Equipment</b>	
G16 Operation & Maintenance	\$3,000.00
G16A District Vehicle Expenses	\$4,000.00
G17 Acquisitions	\$0.00
<b>SUBTOTAL</b>	<b>\$7,000.00</b>
<b>Other</b>	
G18 Insurance	\$15,000.00
G19 Reserve Contingency (Per 2006 Operation and Maintenance Assessment)	0.00
<b>SUBTOTAL</b>	<b>\$15,000.00</b>
<b>TOTAL GENERAL FUND</b>	<b>\$242,350.00</b>
<b>RECURRING EXPENSES</b>	
<b>Levee</b>	
R1 General Maintenance	\$15,000.00
R1A Engineering - General	\$30,000.00
R1C Riprap and Levee Repair	\$200,000.00
R1D DWR 5 Year Plan	\$40,000.00
R1E (Reserved)	\$5,000.00
<b>SUBTOTAL</b>	<b>\$290,000.00</b>
<b>Drainage</b>	
R2 Electricity	\$15,000.00
R3 Sump Clearing	\$50,000.00
R4 Plant O & M	\$75,000.00
R4A Pest Control	\$3,000.00
R5 Wisconsin Pump Station Grant Management	\$0.00
R6 Wisconsin Pump Station Design	\$100,000.00
<b>SUBTOTAL</b>	<b>\$243,000.00</b>
<b>TOTAL RECURRING EXPENSES</b>	<b>\$533,000.00</b>
<b>TOTAL EXPENSES</b>	<b>\$775,350.00</b>
<b><u>INCOME</u></b>	
Assessment - Existing	\$433,300.00
Assessment - Wisconsin	\$97,090.00
Interest	\$15,000.00
Property Tax	\$150,000.00
Subvention Reimbursement	\$151,750.00
2017-2018 DWR 5-Year Plan	\$40,000.00
<b>TOTAL, GROSS INCOME</b>	<b>\$887,140.00</b>
<b>TOTAL, NET INCOME(LOSS)</b>	<b>\$111,790.00</b>

**RECLAMATION DISTRICT NO. 1614 - SMITH TRACT  
2017-2018 AND 2018-2019 BUDGET COMPARISON**

		<u>BUDGET FY</u> <u>2017-2018</u>	<u>BUDGET FY</u> <u>2018-2019</u>
<b><u>EXPENSES</u></b>			
<b>GENERAL FUND</b>			
<b>Administrative</b>			
G1	Annual Audit	\$4,200.00	\$4,500.00
G2	Public Communication and Noticing	10,000.00	\$15,000.00
G3	Election Expense	0.00	\$32,000.00
G4	Superintendent	45,000.00	\$45,000.00
G4a	Secretary	9,000.00	\$9,000.00
G5	Workers Compensation	7,800.00	\$7,800.00
G6	Trustee Fees	2,400.00	\$2,400.00
G7	County Assessment Administration	5,500.00	\$6,000.00
G7A	General Assessment Administration (Engineers)	3,000.00	\$3,000.00
G8	Office Supplies	450.00	\$700.00
G9	Communication (phones, radios etc.)	2,300.00	\$2,400.00
G12	Education/Memberships	2,550.00	\$2,550.00
G13	Non Management Staff	5,000.00	\$0.00
	<b>SUBTOTAL</b>	<b>\$97,200.00</b>	<b>\$130,350.00</b>
<b>Consultants</b>			
G14	General Engineering	\$35,000.00	\$45,000.00
G15	General Legal	45,000.00	\$45,000.00
	<b>SUBTOTAL</b>	<b>\$80,000.00</b>	<b>\$90,000.00</b>
<b>Property &amp; Equipment</b>			
G16	Operation & Maintenance	\$3,000.00	\$3,000.00
G16A	District Vehicle Expenses	\$3,500.00	\$4,000.00
G17	Acquisitions	40,000.00	\$0.00
	<b>SUBTOTAL</b>	<b>\$46,500.00</b>	<b>\$7,000.00</b>
<b>Other</b>			
G18	Insurance	\$15,500.00	\$15,000.00
G19	Reserve Contingency (Per 2006 Operation and Maintenance Assessment)	100,850.00	0.00
	<b>SUBTOTAL</b>	<b>\$116,350.00</b>	<b>\$15,000.00</b>
	<b>TOTAL GENERAL FUND</b>	<b>\$340,050.00</b>	<b>\$242,350.00</b>
<b>RECURRING EXPENSES</b>			
<b>Levee</b>			
R1	General Maintenance	\$41,500.00	\$15,000.00
R1A	Engineering - General	\$30,000.00	\$30,000.00
R1C	Riprap and Levee Repair	210,000.00	\$200,000.00
R1D	DWR 5 Year Plan	0.00	\$40,000.00
R1E	(Reserved)		\$5,000.00
	<b>SUBTOTAL</b>	<b>\$281,500.00</b>	<b>\$290,000.00</b>
<b>Drainage</b>			
R2	Electricity	\$20,000.00	\$15,000.00
R3	Sump Clearing	10,000.00	\$50,000.00
R4	Plant O & M	150,000.00	\$75,000.00
R4A	Pest Control	3,000.00	\$3,000.00
R5	Wisconsin Pump Station Grant Management	25,000.00	\$0.00
R6	Wisconsin Pump Station Design	15,000.00	\$100,000.00
	<b>SUBTOTAL</b>	<b>\$223,000.00</b>	<b>\$243,000.00</b>
	<b>TOTAL RECURRING EXPENSES</b>	<b>\$504,500.00</b>	<b>\$533,000.00</b>
	<b>TOTAL EXPENSES</b>	<b>\$844,550.00</b>	<b>\$775,350.00</b>
<b><u>INCOME</u></b>			
	Assessment - Existing	\$433,300.00	\$433,300.00
	Assessment - Wisconsin	\$97,090.00	\$97,090.00
	Interest	8,500.00	\$15,000.00
	Property Tax	125,000.00	\$150,000.00
	Subvention Reimbursement	62,500.00	\$151,750.00
	2017-2018 DWR 5-Year Plan		\$40,000.00
	<b>TOTAL, GROSS INCOME</b>	<b>\$726,390.00</b>	<b>\$887,140.00</b>
	<b>TOTAL, NET INCOME(LOSS)</b>	<b>(\$118,160.00)</b>	<b>\$111,790.00</b>



CROCE, SANGUINETTI, & VANDER VEEN<sup>INC.</sup>

CERTIFIED PUBLIC ACCOUNTANTS

May 16, 2018

Board of Trustees and Ms. Rhonda Olmo  
**Reclamation District No. 1614**  
Post Office Box 4807  
Stockton, California 95204

We are pleased to confirm our acceptance and understanding of the services we are to provide for **Reclamation District No. 1614** for the year ending June 30, 2018.

You have requested that we prepare the Special Districts Financial Transactions Report of **Reclamation District No. 1614** for the year ending June 30, 2018.

### **Our Responsibilities**

The objective of our engagement is to prepare the Special Districts Financial Transactions Report in accordance with the requirements of the Controller of the State of California, which differ from accounting principles generally accepted in the United States of America. We will conduct our engagement in accordance with Statement on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion nor provide any assurance on the Special Districts Financial Transactions Report.

Our engagement cannot be relied upon to identify or disclose any misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

### **Management Responsibilities**

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Special Districts Financial Transactions Report in accordance with the requirements of the Controller of the State of California. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your Special Districts Financial Transactions Report in accordance with SSARS:

- a. The prevention and detection of fraud
- b. To ensure that the entity complies with the laws and regulations applicable to its activities

- c. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare the Special Districts Financial Transactions Report
- d. To provide us with:
  - i. Documentation, and other related information that is relevant to the preparation and presentation of the Special Districts Financial Transactions Report,
  - ii. Additional information that may be requested for the purpose of the preparation of the Special Districts Financial Transactions Report; and
  - iii. Unrestricted access to persons within **Reclamation District No. 1614** of whom we determine necessary to communicate.

As part of our engagement, we will issue a disclaimer that will state that the Special Districts Financial Transactions Report was not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, conclusion, or provide any assurance on them.

#### **Other Relevant Information**

Pauline Sanguinetti is responsible for supervising the engagement.

We expect our fees for the services set forth in this letter for the fiscal year ended June 30, 2018 not to exceed \$300. Our invoices for the services outlined in this letter are payable on presentation. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

It is our policy to keep records related to this engagement for seven years. However, Croce, Sanguinetti, & Vander Veen, Inc. does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Croce, Sanguinetti, & Vander Veen, Inc. shall be free to destroy our records related to this engagement.

Should any litigation or adverse action (such as audits by outside organizations and/or threatened litigation, etc.) by third parties arise against **Reclamation District No. 1614** or its officers subsequent to this engagement, which results in the subpoena of documents from Croce, Sanguinetti, & Vander Veen, Inc. and/or requires additional assistance from us to provide information, depositions, or testimony, **Reclamation District No. 1614** hereby agrees to compensate Croce, Sanguinetti, & Vander Veen, Inc. (at our standard hourly rates then in effect) for additional time charges and other costs (copies, travel, etc.) and to indemnify us for any attorney's fees to represent Croce, Sanguinetti, & Vander Veen, Inc.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association or other organization under its applicable rules for professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to **Reclamation District No. 1614** and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign where indicated and return it to us. A copy of this engagement letter is enclosed for your files.

Very truly yours,

*Croce, Sanguinetti, & Vander Veen, Inc.*

CROCE, SANGUINETTI, & VANDER VEEN, INC.  
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of **Reclamation District No. 1614**.

Secretary signature: *X* \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Trustee signature: *X* \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



CROCE, SANGUINETTI, & VANDER VEEN<sup>INC.</sup>

CERTIFIED PUBLIC ACCOUNTANTS

May 16, 2018

Board of Trustees and Ms. Rhonda Olmo  
**Reclamation District No. 1614**  
Post Office Box 4807  
Stockton, California 95204

We are pleased to confirm our understanding of the services we are to provide **Reclamation District No. 1614** for the year ending June 30, 2018. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of **Reclamation District No. 1614** as of and for the year ending June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information, such as management's discussion and analysis, to supplement **Reclamation District No. 1614's** 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. After a thorough review of the reporting standards and the costs associated with implementation, we propose to exclude the management's discussion and analysis. The reporting methodology proposed will minimize district accounting fees. As part of our engagement, we will apply certain limited procedures to **Reclamation District No. 1614's** remaining RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Governmental Funds.

#### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of **Reclamation District No. 1614's** financial statements. Our report will be addressed to the Board of Trustees

of **Reclamation District No. 1614**. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of cash and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

## **Audit Procedures - Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

## **Audit Procedures - Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of **Reclamation District No. 1614's** compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion. Management maintains the responsibility for identifying and ensuring that **Reclamation District No. 1614** complies with applicable laws, regulations, contracts, and other agreements.

## **Other Services**

We will also prepare the Special Districts Financial Transactions Report and the Government Compensation in California Report of **Reclamation District No. 1614**. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

Management is responsible for designing, implementing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, additional information that we may request for the purpose of the audit, and unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

Pauline Sanguinetti is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

It is our policy to keep records related to this engagement for seven years. However, Croce, Sanguinetti, & Vander Veen, Inc. does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Croce, Sanguinetti, & Vander Veen, Inc. shall be free to destroy our records related to this engagement.

We expect our fees for the services set forth in this letter for the fiscal year ending June 30, 2018 not to exceed \$4,250. Our invoices for the services outlined in this letter are payable on presentation. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

In the event that the District requires a single audit due to the expenditure of federal funds, we will perform such an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996, and the provisions of the Uniform Guidance. Services rendered in order to meet the aforementioned requirements will be billed to you separately.

Should any litigation or adverse action (such as audits by outside organizations and/or threatened litigation, etc.) by third parties arise against the **Reclamation District No. 1614** or its officers subsequent to this engagement, which results in the subpoena of documents from Croce, Sanguinetti, & Vander Veen, Inc. and/or requires additional assistance from us to provide information, depositions, or testimony, **Reclamation District No. 1614** hereby agrees to compensate Croce, Sanguinetti, & Vander Veen, Inc. (at our standard hourly rates then in effect) for additional time charges and other costs (copies, travel, etc.) and to indemnify us for any attorney's fees to represent Croce, Sanguinetti, & Vander Veen, Inc.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association or other organization under its applicable rules for professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

We appreciate the opportunity to be of service to **Reclamation District No. 1614** and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign where indicated and return it to us. A copy of this engagement letter is enclosed for your files.

Very truly yours,

*Croce, Sanguinetti, & Vander Veen, Inc.*

CROCE, SANGUINETTI, & VANDER VEEN, INC.  
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of **Reclamation District No. 1614**.

Secretary signature: X \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Trustee signature: X \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# ITEM 9

## RD 1614: MASTER CALENDAR

### JANUARY

### FEBRUARY

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

### MARCH

- Evaluation Review of Employees

### APRIL

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

### MAY

- Draft Budget

### JUNE

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

### JULY

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

### AUGUST

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

**SEPTEMBER**

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

**OCTOBER**

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

**NOVEMBER**

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

**DECEMBER**

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

**Term of Current Board Members:**

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

**No Expiration on Assessment**

**Emergency Operations Plan Review – September 2019.**

**Reclamation District Meetings**

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