



**PUBLIC NOTICE**  
**Special Meeting of the:**  
**Honey Lake Valley Resource Conservation District**  
**Attachments available 8/30/18 at [www.honeylakevalleyrcd.org](http://www.honeylakevalleyrcd.org)**

**Date:** Friday, August 31, 2018

**Location:** **USDA Service Center**  
**170 Russell Avenue, Suite C**  
**Susanville, Ca. 96130**  
**(530) 257-7271 x100**

**Time:** **10:00 AM (PLEASE NOTE TIME)**

**AGENDA**

NOTE: THE HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT MAY ADVISE ACTION ON ANY OF THE AGENDA ITEMS SHOWN BELOW.

NOTE: IF YOU NEED A DISABILITY-RELATED MODIFICATION OR ACCOMODATION, INCLUDING AUXILIARY AIDS OR SERVICES, TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE DISTRICT OFFICE AT THE TELEPHONE NUMBER AND ADDRESS LISTED ABOVE PRIOR TO THE MEETING.

**I. CALL TO ORDER. PLEDGE OF ALLEGIANCE. ROLL CALL**

**II. APPROVAL OF AGENDA**

*Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity.*

**III. PUBLIC COMMENT**

Per RCD Board Policy No. 5030.4.1, during this portion of the meeting any member of the public is permitted to make a brief statement, express his/her viewpoint, or ask a question regarding matters related to the District. Five (5) minutes may be allotted to each speaker and a maximum of twenty (20) minutes to each subject matter.

**IV. CONSENT ITEMS**

- A. Approval of 7/25/18 regular meeting minutes (attachment)
- B. Approval of July/August Treasurer's Report (attachment)
- C. Correspondence

*Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity.*

**V. REPORTS**

- A. District Manager Report (attachment) – Sims
- B. NRCS Agency Reports – Peitz
- C. Lassen SWAT – Sims/Tippin

- D. Buffalo Skedaddle Sage Grouse Working Group – Schroeder
- E. WAC Report – Langston
- F. Modoc Regional RCD/CARCD Report – Tippin
- G. Fire Safe Council Report – Johnson
- H. IRWMP Report – Claypool
- I. Unagendized reports by board members

*Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity.*

## **VI. ITEMS FOR BOARD ACTION AND/OR DISCUSSION – RCD**

- A. Consideration and approval of designating a Board member and alternate to serve as a voting delegate at the 2018 CARCD Annual Conference – Sims.

*Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity.*

- B. Consideration and approval of health insurance reimbursement for District Manager (attachment) – Sims

*Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity.*

- C. Consideration and approval to purchase new laptop for District Manager not to exceed \$1,500 – Sims

*Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity.*

- D. Consideration and approval of FYE17 draft audit (attachment) – Sims

*Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity.*

- E. Consideration and approval of Request for Proposals (RFP) for auditing services (attachment) – Sims

*Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity.*

- F. Consideration and approval of upgrading banking services with Tri-Counties Bank to Business Online Banking Plus (attachment) – Sims

*Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity.*

- G. Consideration and approval to submit 2018 Climate Smart Agriculture Technical Assistance Grant for \$50,000 (attachment) - Sims

*Tie to the Strategic Plan: Strategic Issue 2 – Stay Relevant to the Conservation Needs of the Community & 3 – Capture Conservation Opportunities, as Appropriate.*

## **VII. RECESS OF RCD PORTION OF MEETING**

## **VIII. ITEMS FOR BOARD ACTION AND/OR DISCUSSION– WATERMASTER**

- A. Consideration and approval of Lozano Smith, LLP invoice 2060091 and 2060092 for \$2,958.00

*Tie to the Strategic Plan: Strategic Issue 1.4 – Watermaster services are professional provided.*

## **IX. RECESS OF WATERMASTER PORTION OF MEETING**

X. RECONVENE RCD PORTION OF MEETING

XI. ADJOURNMENT

The next Honey Lake Valley RCD meeting will be **September 26, 2018 at 5:30 PM - please note new time.**  
The location is the USDA Service Center, 170 Russell Avenue, Suite C, Susanville, CA.

*I certify that on Friday, August 30, 2018 agendas were posted as required by Government Code Section 54956 and any other applicable law.*

A handwritten signature in blue ink, appearing to read "Ian Sims", written in a cursive style.

Ian Sims  
District Manager

**HONEY LAKE VALLEY**  
**RESOURCE CONSERVATION DISTRICT**  
**www.honeylakevalleyrcd.org**

**SPECIAL MEETING MINUTES**

**Date:** Wednesday, July 25, 2018

**Location:** USDA Service Center, 170 Russell Avenue, Suite C, Susanville, CA 96130

**Present:** Board: Jesse Claypool  
Laurie Tippin  
Dave Schroeder  
Wayne Langston

Staff: Ian Sims  
Kayla Meyer

Attendees: Eric Peitz, NRCS  
Jim Spear, NRCS  
Kristen Murphy, California Association of Resource Conservation Districts  
Amy Holmen, Lassen Land and Trails Trust  
Roselynn Lwenya, Susanville Indian Rancheria

**I. CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL**

Board Chair Jesse Claypool called the meeting to order at 3:10 pm, pledge of allegiance was recited, and quorum was noted. Board Member William Johnson was absent, and Wayne Langston arrived at 3:43pm.

**II. APPROVAL OF AGENDA**

Board Member Laurie Tippin made a motion to approve the agenda, Board Member Wayne Langston seconded, and the motion passed with incorporated changes. All.

**III. PUBLIC COMMENT**

**Per RCD Board Policy No. 5030.4.1, during this portion of the meeting any member of the public is permitted to make a brief statement, express his/her viewpoint, or ask a question regarding matters related to the District. Five (5) minutes may be allotted to each speaker and a maximum of twenty (20) minutes to each subject matter.**

**IV. CONSENT ITEMS**

**A. Approval of 6/27/18 regular meeting minutes.**

Board directed to have reports included that were drafted for the meeting to include DM, NRCS and unagendized reports. Also include any direction to staff that arises out of the reports discussion. Dave Schroeder made a motion to approve the consent items, Laurie Tippin seconded, and the motion passed. All.

**V. REPORTS**

**A. District Manager Report – Sims**

(Please see July Agenda on HLVRCD website)

**B. Correspondence – Sims**

(Tippin Appreciation Letter from CARCD)

**C. NRCS Agency Report – Peitz**

(NRCS Agency Report)

- D. **Lassen SWAT – Tippin/Sims**
- E. **Buffalo Skedaddle-Sage Grouse Working Group – Schroeder**
- F. **WAC Report – Langston**
- G. **Modoc Regional RCD/CARCD Report – Tippin**  
CARCD Report presented by Kristen Murphy
- H. **Fire Safe Council Report – Johnson**
- I. **IRWMP Report – Claypool**
- J. **Unagendized Reports by Board Members**

Jesse Claypool reported on CSDA facilitation needs for regional chapter meetings, Lassen County Times news piece, BOS presentation, and CSDA training

**VI. ITEMS FOR BOARD ACTION AND/OR DISCUSSION – RCD**

- A. **Consideration and approval of letter of support for Lassen Land and Trails Trust North Diamond Mountain Planning Project (attachment) - Sims.**

Laurie Tippin made a motion to approve item VIA, Wayne Langston seconded, and motion passed. All.

**VII. RECESS OF RCD PORTION OF MEETING**

Per Government Code 54952.3, the RCD portion of the meeting was recessed in order for the WM Board to convene.

**VIII. ITEMS FOR BOARD ACTION AND/OR DISCUSSION - WATERMASTER**

- A. **Consideration and approval of Resolution 2018-01 adopting the FY 2018-2019 Susan River Service Area Apportionment and authorizing the Honey Lake Valley Resource Conservation District (HLVRCD) Board Chairman to certify the apportionment to the Lassen County Auditor and the Board of Supervisors (attachment) – Sims/Otto.**

Laurie Tippin made a motion to approve item VIIIA, Wayne Langston seconded, and motion passed. All.

- B. **Consideration and approval of Lozano Smtih, LLP invoice 1839 for \$464.00 (attachment) – Sims**

Laurie Tippin made a motion to approve item VIIIB, Wayne Langston seconded, and motion passed. All.

**IX. RECESS OF WM PORTION OF MEETING**

**X. RECONVENE RCD PORTION OF MEETING**

**XI. ADJOURNMENT**

Dave Schroeder made a motion to adjourn the meeting, Wayne Langston seconded, and the meeting was adjourned at 4:40 PM. All.

The next scheduled Honey Lake Valley RCD meeting is **Wednesday, August 22, 2018** at **5:30 pm** at the USDA Service Center, 170 Russell Avenue, Suite C, Susanville, CA 96130.

Respectfully submitted,

Ian Sims  
District Manager

**APPROVED:** \_\_\_\_\_  
**Jesse Claypool, RCD Board Chairperson**

**DATE:** July 25, 2018

[\(Refresh\)](#)

## REGULAR CHECKING (XXXXXX2639)

### Account Information

[SUMMARY](#) [DETAILS](#)

<b>Balance</b>	
<b>Current Balance:</b>	<b>31,636.50</b>
Holds:	.00
Pending Transactions (-14.99/+13,868.55):	13,853.56
<b>Available Balance:</b>	<b>45,490.06</b>
Line of Credit:	.00
<b>Relationship Balance:</b>	<b>.00</b>
<b>Total Funds Available:</b>	<b>45,490.06</b>

## Search Transactions

Date Range \*

Custom date range ▾

Start Date \*

07/01/2018



End Date \*

08/28/2018



Transaction Type \*

All ▾

Amount or Range

Transaction Number or Range

\* Indicates required field

**VIEW TRANSACTIONS**

**EXPORT AS CSV**

[Change export format](#)

## Transactions

Show 50 ▾

Date ▾	Description ◇	Debit ◇	Credit ◇	Balance
08/28/2018	DEPOSIT (Pending)		13,868.55	45,490.06
08/28/2018	REC POS 2581 ADOBE *ACR (Pending)	14.99		31,621.51
08/17/2018	<a href="#">CHECK 2942</a>	11.14		31,636.50
08/14/2018	<a href="#">CHECK 2940</a>	35.99		31,647.64
08/14/2018	POS PUR 2581 UCD AG & N_UCD AG & NATURAL RS_530-750-1211 CA	25.00		31,683.63
08/10/2018	POS PUR 2581 LOZANO SMI_LOZANO SMITH LLP_559-431-5600 CA	464.00		31,708.63
08/08/2018	<a href="#">CHECK 2941</a>	60.69		32,172.63



08/07/2018	<a href="#">CHECK 2936</a>	233.50	32,233.32
08/02/2018	REC POS 2581 INTUIT *QB_INTUIT *QB ONLINE_800-286-6800 CA	35.00	32,466.82
08/02/2018	POS PUR 2581 GOOGLE*GSU_GOOGLE*GSUITE HONEY_CC GOOGLE.COM CA	45.31	32,501.82
07/30/2018	REC POS 2581 ADOBE *ACR_ADOBE *ACROPRO SUBS_800-833-6687 CA	14.99	32,547.13
07/30/2018	POS PUR 2581 RED LION I_RED LION INN AND SU_SUSANVILLE CA	102.30	32,562.12
07/30/2018	POS PUR 2581 RED LION I_RED LION INN AND SU_SUSANVILLE CA	102.30	32,664.42
07/26/2018	<a href="#">CHECK 2938</a>	550.00	32,766.72
07/26/2018	<a href="#">CHECK 2937</a>	127.74	33,316.72
07/19/2018	POS PUR 2581 California_California Special_916-442-7887 CA	65.00	33,444.46
07/17/2018	POS PUR 2581 SOFTWARE P_SOFTWARE PORTS_619-558-6158 CA	44.99	33,509.46
07/12/2018	<a href="#">CHECK 8023</a>	4,132.45	33,554.45
07/12/2018	<a href="#">CHECK 2933</a>	206.40	37,686.90
07/12/2018	POS PUR 2581 EMBASSY SU_EMBASSY SUITES NAPA_707-2539540 CA	420.44	37,893.30
07/12/2018	<a href="#">DEPOSIT</a>		756.00
07/06/2018	POS PUR 2581 WWW COSTCO_WWW COSTCO COM_800-955-2292 WA	772.77	37,557.74
07/05/2018	<a href="#">CHECK 2934</a>	85.00	38,330.51
07/03/2018	<a href="#">CHECK 2932</a>	35.99	38,415.51
07/02/2018	REC POS 2581 INTUIT *QB_INTUIT *QB ONLINE_800-286-6800 CA	35.00	38,451.50
07/02/2018	POS PUR 2581 INDEED_INDEED_203-564-2400 CT	55.81	38,486.50
07/02/2018	POS PUR 2581 GOOGLE *SV_GOOGLE *SVCSAPPS_ho_cc@google.com CA	47.00	38,542.31
Additional items prior to 07/02/2018 may be available in the <a href="#">transaction archive</a> .			

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## WASTERMASTER (XXXXXX4218)

### Account Information

[SUMMARY](#) [DETAILS](#)

<b>Balance</b>	
<b>Current Balance:</b>	<b>139,624.78</b>
Holds:	.00
Pending Transactions (-.00/+172.72):	172.72
<b>Available Balance:</b>	<b>139,797.50</b>
Line of Credit:	.00
<b>Relationship Balance:</b>	<b>.00</b>
<b>Total Funds Available:</b>	<b>139,797.50</b>

## Search Transactions

Date Range \*

Custom date range ▾

Start Date \*

07/01/2018



End Date \*

08/28/2018



Transaction Type \*

All ▾

Amount or Range

Transaction Number or Range

\* Indicates required field

**VIEW TRANSACTIONS**

**EXPORT AS CSV**

[Change export format](#)

## Transactions

Show 50 ▾

Date ▾	Description ⚡	Debit ⚡	Credit ⚡	Balance
08/28/2018	DEPOSIT (Pending)		172.72	139,797.50
08/21/2018	INTUIT PAYROLL S QUICKBOOKS_HONEY LAKE VALLEY RESO	4,870.32		139,624.78
08/15/2018	<a href="#">CHECK 1722</a>	53.30		144,495.10
08/15/2018	IRS USATAXPYMT_HONEY LAKE VALLEY RESO	3,520.26		144,548.40
08/15/2018	EMPLOYMENT DEVEL EDD EFTPMT_HONEY LAKE VALLEY RESO	708.78		148,068.66
08/15/2018	EMPLOYMENT DEVEL EDD EFTPMT_HONEY LAKE VALLEY RESO	37.80		148,777.44
08/14/2018	<a href="#">CHECK 1721</a>	35.99		148,815.24
08/14/2018	<a href="#">CHECK 1720</a>	576.69		148,851.23

08/07/2018	<a href="#">CHECK 1717</a>	233.49		149,427.92
08/07/2018	INTUIT PAYROLL S QUICKBOOKS_HONEY LAKE VALLEY RESO	4,870.32		149,661.41
07/24/2018	INTUIT PAYROLL S QUICKBOOKS_HONEY LAKE VALLEY RESO	4,870.32		154,531.73
07/13/2018	IRS USATAXPYMT_HONEY LAKE VALLEY RESO	3,498.40		159,402.05
07/13/2018	EMPLOYMENT DEVEL EDD EFTPMT_HONEY LAKE VALLEY RESO	698.06		162,900.45
07/13/2018	EMPLOYMENT DEVEL EDD EFTPMT_HONEY LAKE VALLEY RESO	5.67		163,598.51
07/12/2018	<a href="#">DEPOSIT</a>		4,132.45	163,604.18
07/12/2018	<a href="#">DEPOSIT</a>		55,669.00	159,471.73
07/10/2018	<a href="#">CHECK 1716</a>	255.90		103,802.73
07/10/2018	INTUIT PAYROLL S QUICKBOOKS_HONEY LAKE VALLEY RESO	5,622.52		104,058.63
07/05/2018	<a href="#">CHECK 1714</a>	85.00		109,681.15
07/03/2018	<a href="#">CHECK 1713</a>	35.99		109,766.15
07/03/2018	<a href="#">CHECK 1712</a>	53.33		109,802.14
Additional items prior to 07/03/2018 may be available in the <a href="#">transaction archive</a> .				

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## **Honey Lake Valley RCD District Manager Report**

Ian Sims – District Manager

August 31, 2018

### **RCD Administration:**

- USFS Whaleback Fire – Lassen County Board of Supervisors Meeting
- Lassen Fire Safe Council Awarded \$16,405,844 for various forest fuel reduction projects
- Communicating with City of Susanville and additional partners to develop proposal for a California River Parkways Grant
- Applying for Carbon Farm Technical Assistance Grant with CDFA

### **Susan River Water Master Service**

- Drafting 2018 SRWSA Annual Use Report
- Public Hearing scheduled for 9/4/18 at 10am

### **DWR: Lahontan Basin IRWM (DACI Grant)**

- Kick-off of MHI survey in Lassen Irrigation Company service area
- Lahontan Basin IRWM plan updated to Prop. 1 planning standards
- DACI Outreach contacts collected, meeting with stakeholders in September
- Prop. 84 Projects reviewed and analyzed for DACI assistance

### **DOC: RCD Accreditation Program**

- Second budget amendment warranted to include hotel accommodations and meal reimbursement specifically

### **SWRCB: Storm Water Resource Planning Grant**

- All project closeout documents submitted, waiting for final review from SWRCB

### **SNC: Lassen Creek Watershed**

- Conversations with SNC regarding the issues with securing contractor, may peruse outside options to complete project

### **CalRecycle: Farm and Ranch Solid Waste Cleanup and Abatement Grant**

- Finalizing project approval documents for Mendes project
- New cycle open for project applications, Bertotti

### **Special Weed Action Team**

- Researching grant funding

### **Plans for Next Month:**

- Continue work on open grants/agreements: SNC, SWRP, DOC, CalRecycle, DACI
- DACI Stakeholder Outreach Meetings
- DACI Website Update
- Project Coordinator – 3 Month Review

Ian Sims

go to ...

<a href="#">Account Inquiry</a>	<a href="#">Electronic Payments/Purchases</a>	<a href="#">Account Services</a>
summary	activity	charges due

### Charges Due

Following is a Running Totals summary by due date of the charges and deposits that you owe. Review either the Details by Due Date table or the Details by Charge table to see the specific charges.

Summary of Charges by Due Date  Find | View All | First 1 of 1 Last

Due Date	Due Amount	Running Total
08/24/2018	3,259.17	3,259.17

First 1 of 1 Last

Currency used is US Dollar.

[Details by Due Date](#)

Currency used is US Dollar.

View By

[Details by Charge](#)  Find | View All | First 1-12 of 12 Last

Charge	Due Date	Term	Amount
Performing Arts	08/24/2018	2018 Fall	5.00
Academic Success Grad	08/24/2018	2018 Fall	5.00
New Student Fee GR	08/24/2018	2018 Fall	35.00
EL Wiegand Fitness Center Fee	08/24/2018	2018 Fall	45.00
Joe Crowley Student Union	08/24/2018	2018 Fall	49.00
Counseling Center	08/24/2018	2018 Fall	50.00
TechnologyFee	08/24/2018	2018 Fall	54.00
Health Center	08/24/2018	2018 Fall	93.00
Health Ins Mandatory - GRAD	08/24/2018	2018 Fall	1,274.67
Graduate Registration	08/24/2018	2018 Fall	1,648.50
<b>Total due for this view</b>			<b>3,259.17</b>
<b>Total due</b>			<b>3,259.17</b>

First 1-12 of 12 Last

Currency used is US Dollar.

[MAKE A PAYMENT](#)

[Account Inquiry](#) [Electronic Payments/Purchases](#) [Account Services](#)

[Summary](#) [Activity](#) [Charges Due](#) [Payments](#)

go to ...

**HONEY LAKE VALLEY RESOURCE  
CONSERVATION DISTRICT**

**AUDIT REPORT  
JUNE 30, 2017**

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2017**

**TABLE OF CONTENTS**

<b><u>FINANCIAL SECTION</u></b>	<b><u>Page No.</u></b>
Independent Auditors' Report on Financial Statements	1
<b><u>Basic Financial Statements:</u></b>	
Government-Wide Statement of Net Position	3
Government-Wide Statement of Activities	4
<b><u>Fund Financial Statements:</u></b>	
Balance Sheet-Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	6
Statement of Revenue, Expenditures and Changes in Fund Balances-Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances of Governmental Funds To the Statement of Activities	8
Notes to Financial Statements	9
<b><u>OTHER SUPPLEMENTARY INFORMATION</u></b>	
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	17
Combined Schedule of Findings and Questioned Costs	19
Summary Schedule of Prior Year Audit Findings	22
Corrective Action Plan	23



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Honey Lake Valley Resource Conservation District  
Susanville, CA

Board of Directors:

We have audited the accompanying financial statements of the governmental activities, and each major fund of Honey Lake Valley Resource Conservation District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, 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.

### **Auditor's 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. Those standards require that we plan and perform the audit 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 auditor's 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.

### **Opinions**

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 the Honey Lake Valley Resource Conservation District, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, 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 the 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.

Respectfully submitted,

SingletonAuman PC  
Susanville, CA  
May 11, 2018

## **FINANCIAL SECTION**

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

		<u>Governmental Activities</u>
<b>Assets</b>		
Cash in Banks	\$	134,237
Prepaid Expenses		-
Accounts Receivable		-
Capital Assets:		
Vehicles and Equipment, Net		4,002
Total assets	\$	<u>138,239</u>
<b>Liabilities</b>		
Accounts Payable	\$	<u>68,210</u>
Total liabilities	\$	<u>68,210</u>
<b>Net Position</b>		
Net Investment in Capital Assets	\$	4,002
Restricted		125,805
Unrestricted		<u>(59,778)</u>
Total Net Position	\$	<u>70,029</u>

The accompanying notes are an integral part of this statement.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

<b><u>Governmental Activities</u></b>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
Resource Conservation	\$ 152,478	\$ -	\$ 32,739	\$ (119,739)
Watermaster	150,648	39,008	-	(111,640)
<b>Total Governmental Activities</b>	<b><u>\$ 303,126</u></b>	<b><u>\$ 39,008</u></b>	<b><u>\$ 32,739</u></b>	<b><u>(231,379)</u></b>
 <b>General Revenues:</b>				
Property Taxes				115,433
Interest				34
Other Income				184
<b>Total General Revenue</b>				<b><u>115,651</u></b>
 <b>Special Items:</b>				
Insurance Reimbursement				55,000
Legal Settlement				(53,890)
				<u>1,110</u>
 Change in Net Position				 <u>(114,618)</u>
 Net Position Beginning				 <u>184,647</u>
Net Position Ending				<u><u>\$ 70,029</u></u>

The accompanying notes are an integral part of this statement.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
GOVERNMENTAL FUNDS BALANCE SHEET  
JUNE 30, 2017**

	<u>General Fund</u>	<u>Watermaster Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash in Banks	\$ 1,198	\$ 133,039	\$ 134,237
Prepaid Expenses	-	-	-
Accounts Receivable	-	-	-
Total Assets	<u>\$ 1,198</u>	<u>\$ 133,039</u>	<u>\$ 134,237</u>
 <b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts Payable	\$ 60,976	\$ 7,234	\$ 68,210
Total Liabilities	<u>60,976</u>	<u>7,234</u>	<u>68,210</u>
 Fund Balance:			
Restricted	-	125,805	125,805
Unassigned	(59,778)	-	(59,778)
Total Fund Balance	<u>(59,778)</u>	<u>125,805</u>	<u>66,027</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,198</u>	 <u>\$ 133,039</u>	 <u>\$ 134,237</u>

The accompanying notes are an integral part of this statement.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE STATEMENT OF NET POSITION  
JUNE 30, 2017**

Total Fund Balances - Governmental Funds	\$ 66,027
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds	4,002
Total Net Position - Governmental Activities	<u>\$ 70,029</u>

The accompanying notes are an integral part of this statement

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	Watermaster Fund	Total
Revenue:			
Charges for Services		\$ 115,433	\$ 115,433
Property Taxes		39,008	39,008
Grant Revenue	\$ 32,739	-	32,739
Interest & Other Income	-	218	218
Total Revenue	<u>32,739</u>	<u>154,659</u>	<u>187,398</u>
Expenditures:			
Salaries	21,209	130,844	152,053
Office Supplies	2,581	2,341	4,922
Project Costs	118,150	-	118,150
Professional Fees	5,795	13,885	19,680
Liability Insurance	305	305	610
Other Expenditures	3,294	3,273	6,567
Total Expenditures	<u>151,334</u>	<u>150,648</u>	<u>301,982</u>
Revenue Over (Under) Expenditures Before Special Item:	(118,595)	4,011	(114,584)
Special Item Income (Expense)	-	1,110	1,110
Revenue Over (Under) Expenditures	(118,595)	5,121	(113,474)
Fund Balance, July 1	<u>58,817</u>	<u>120,684</u>	<u>179,501</u>
Fund Balance, June 30	<u>\$ (59,778)</u>	<u>\$ 125,805</u>	<u>\$ 66,027</u>

The accompanying notes are an integral part of this statement.



**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE AND EXPENDITURES AND  
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2017**

Net Changes in fund balances - total governmental funds \$ (113,474)

Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:

The depreciation of capital assets used in governmental activities is not reported in the funds. (1,144)

Changes in net position of governmental activities - statement of activities \$ (114,618)

The accompanying notes are an integral part of this statement

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Honey Lake Valley Resource Conservation District (District) is a special district established in 1954 in Lassen County by the State of California under provisions of Division 9 Chapter 3 of the California Public Resource Code. The District is responsible for soil conservation, water conservation, water distribution, flood control, erosion control, erosion prevention, or erosion stabilization projects, within or adjacent to the District's boundaries. The District was appointed as Watermaster effective January 1, 2007. Substantial funding for the District is from State and Federal Grants, and from property taxes levied on landowners within the District's Boundaries. Lassen County bills and collects the property taxes and subsequently remits the monies to the District.

The District accounts for its financial transactions in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14 "The Financial Reporting Entity" and GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units," include whether:

- The organization is legally separate (can sue and be sued in its name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government
- The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization
- The economic resources received or held by an individual organization that the specific primary government is entitled to, or has the ability to otherwise access, are significant to that primary government

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the district except those required to be accounted for in another fund.

Watermaster Fund: This is the program fund of the District. It represents resources restricted for the administration and management of the Watermaster Service, which was transferred from the Department of Water Resources.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

b. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include county assessments, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Assets, Liabilities, and Equity

a. Deposits & Investments

Cash and investments are composed of the following amounts as of June 30, 2017:

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Cash on hand and in banks	\$ 133,039	\$ 1,198	\$ 134,237

Cash balances held in banks are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

b. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. It is the Districts policy to capitalize all assets that have an expected useful of five years or more, and a cost of \$5,000 or more.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
General Plant/Structures	50
Vehicles	10
Office Equipment	5-7
Field Equipment	5-7

Gain or loss is recognized when assets are retired from service or are otherwise disposed.

c. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

d. Budgetary Accounting

The District adopts its budget by July 1<sup>st</sup> of each year. Supplemental appropriations are adopted throughout the year as necessary.

e. Use of Estimates

The preparation of financial statements in conformity with Accounting Principles Generally Accepted in the United States of America requires the use of management's estimates. Actual results could differ from those estimates.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

f. Components of Net Position

For Government-Wide Financial Statements, equity is classified in three components as follows:

Net Investment in Capital Assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of debt borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position consists of net assets with restrictions placed on the use either by external groups such as contributors, grantors or regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted Net Position consists of all other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

The District can assign balances for specific future uses; however, these assignments are not disclosed on the Statement of Net Position.

g. Equity Classifications

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debts service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

**NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Net Assets of Individual Funds

Following are funds having deficit fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None	n/a	n/a

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 3 – CAPITAL ASSETS**

A summary of changes in fixed assets follows:

	Balance 6/30/16	Additions	Dispositions	Balance 6/30/17
Equipment	\$ 25,987	\$ -	\$ -	\$ 25,987
Vehicles	11,435	-	-	11,435
	<u>37,422</u>	<u>-</u>	<u>-</u>	<u>37,422</u>
Accumulated Depreciation	<u>(32,276)</u>	<u>(1,144)</u>	<u>-</u>	<u>(33,420)</u>
Property, Plant and Equipment, Net	<u>\$ 5,146</u>	<u>\$ (1,144)</u>	<u>\$ -</u>	<u>\$ 4,002</u>

Depreciation was charged to funds as follows:

General Fund	<u>\$ 1,144</u>
Total	<u>\$ 1,144</u>

**NOTE 4 – COMMITMENTS AND CONTINGENCIES**

Litigation

The District is currently not involved in any litigation, however any adverse outcomes are expected to be covered by the Districts liability insurance. In the opinion of management and legal council, the disposition of all litigation pending will not have a material effect on the financial statements.

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

**NOTE 5 – RISK MANAGEMENT AND LITIGATION**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and customers; and natural disasters. The District has managed these risks by obtaining coverage from commercial insurance



**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

companies as well as providing employee education and prevention programs. All risk management activities are accounted for in the General Fund. Expenses and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported are considered.

The District's attorney estimates that the amount of actual or potential claims against the District as of June 30, 2017 will not materially affect the financial condition of the District. Therefore, the funds contain no provision for estimated claims. Information relating to an analysis of claims activities for the year was not available.

**NOTE 6 – SPECIAL ITEM**

During the year the District settled its ongoing litigation with the Lassen Irrigation Company in relation to actions by the prior Watermaster. The total settlement paid by the District was \$53,890.41. This expenditure was covered by the District's liability insurance which paid the District \$55,000 to cover this claim.

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 11, 2018, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**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***

Board of Directors  
Honey Lake Valley Resource Conservation District  
Susanville, CA 96130

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, each major fund, and the aggregate remaining fund information of the Honey Lake Valley Resource Conservation District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 11, 2018.

**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 opinions 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.

*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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section 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 were not identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned cost that we consider to be material weaknesses. See findings 2017-1 and 2017-2.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether District's financial statements are free of 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 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 the Report**

This 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

SingletonAuman PC  
Susanville, CA  
May 11, 2018

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
COMBINED SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2017**

**EXECUTIVE SUMMARY**

The Honey Lake Valley Resource Conservation District (District) is a special district established in 1954 in Lassen County by the State of California under provisions of Division 9 Chapter 3 of the California Public Resource Code. The District is responsible for soil conservation, water conservation, water distribution, flood control, erosion control, erosion prevention, or erosion stabilization projects, within or adjacent to the District's boundaries. The District was appointed as Watermaster effective January 1, 2007.

The quality of the District's internal controls is highly dependent upon involvement in the day to day operations by the District employees. Also, due to the limited number of employees of the District, there is an inability to segregate the custody of and accountability for District assets in the manner generally required for model systems of internal accounting controls. A summary of the auditors' results follows:

1. **Type of Auditors' Report on Financial Statements:** Unmodified
2. **Internal Control Findings:** 2 Material Weaknesses.
3. **Material Noncompliance Noted:** None.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2017**

**YELLOW BOOK SECTION  
Internal Control – Material Weakness**

**Finding 2017-1: Lack of Segregation of Duties**

Criteria upon which audit finding is based (Legal Citation):

Yellow Book paragraphs 5.10 – 5.14 and Appendix I, SAS No. 122.

Finding (Condition):

An inadequate segregation of duties exists.

Amount of Questioned Cost, How Computed and Prevalence:

None.

Effect:

The Honey Lake Valley Resource Conservation District has exposure to risk of financial statement misstatement and the potential risk for fraud.

Cause:

Due to the number of personnel assigned to duties that involve access to the general ledger and other accounting records and who also have custody of and responsibility for handling cash and other assets, an inadequate segregation of duties exists.

Recommendation:

We recommend that the Honey Lake Valley Resource Conservation District employees and board maintain diligence for the potential risks of not having an adequate segregation of duties.

District's Response:

Due to the number of employees of the District it is not possible for the District to cost effectively mitigate this finding. The District cannot, with its current budget hire an adequate number of employees to ensure that custody of assets and accountability for assets is separated.

The District does however believe that being aware of this weakness will insure that existing employees and District members will maintain diligence to potential risks of not having an adequate segregation of duties.

Expected Completion Date

Ongoing.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2017**

**YELLOW BOOK SECTION  
Internal Control – Material Weakness**

**Finding 2017-2 Financial Reporting**

**Criteria Upon Which Audit Finding is Based (Legal Citation)**

Statement on Auditing Standards No. 122.

**Finding (Condition)**

Similar to many other small special districts, the District does not have accounting processes in place to ensure that complete and accurate financial statements, MD&A and footnote disclosures are prepared in accordance with GAAP prior to the annual audit. Management relies upon the auditor to recommend footnote disclosures for the financial statements and to prepare adjusting journal entries for approval in order to report financial information in accordance with GAAP on the accrual basis.

**Amount of Questioned Cost, How Computed and Prevalence**

None.

**Effect**

There is a risk that a material financial statement misstatement may exist and not be prevented or detected by the District's system of internal control.

**Cause**

This condition has always existed at the District and is being reported in accordance with Statement on Auditing Standards No. 122 (SAS 122).

**Recommendation**

We recommend that the District consider the cost benefit of hiring an accountant familiar with GAAP or hiring an independent CPA firm to compile financial statements in conformity with GAAP on the accrual basis.

**District's Response**

The District will continue to prepare financial statements on the cash basis for interim periods. The District will rely on the auditor to report in accordance with GAAP on the accrual basis.

**Expected Completion Date**

Ongoing.

**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
(FINDINGS FROM THE JUNE 30, 2016 AUDIT REPORT)  
JUNE 30, 2017**

**Finding 2016-1: Lack of Segregation of Duties**

An inadequate segregation of duties exists

Status

Not Implemented. See current year Finding 2017-1

**Finding 2016-2: Accounting Processes and Financial Statement Preparation**

The District does not have policies and procedures in place to ensure that complete and accurate financial statements, footnote disclosures, and management's discussion and analysis are prepared in accordance with GAAP prior to the annual audit. Management relies upon the auditor to recommend footnote disclosures for the financial statements and to prepare significant and numerous adjusting journal entries for approval in order to report financial information in accordance with GAAP.

Status

Not Implemented. See current year finding 2017-2



**HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT  
CORRECTIVE ACTION PLAN  
JUNE 30, 2017**

**Persons Monitoring Corrective Action Plan**

Board of Directors

**Finding 2017-1: Lack of Segregation of Duties**

Finding (Condition)

Due to the number of employees an inadequate segregation of duties exists.

Corrective Action Planned

Due to the number of employees of the District it is not possible for the District to cost effectively mitigate this finding. The District cannot, with its current budget hire an adequate number of employees to ensure that custody of assets and accountability for assets is separated.

The District does however believe that being aware of this weakness will insure that existing employees and District members will maintain diligence to potential risks of not having an adequate segregation of duties.

Expected Completion Date

Ongoing.

**Finding 2017-2: Financial Statement Preparation**

Finding (Condition)

Similar to many other small special districts, the District does not have accounting processes in place to ensure that complete and accurate financial statements, MD&A and footnote disclosures are prepared in accordance with GAAP prior to the annual audit. Management relies upon the auditor to recommend footnote disclosures for the financial statements and to prepare adjusting journal entries for approval in order to report financial information in accordance with GAAP on the accrual basis.

Corrective Action Planned

The District will continue to prepare financial statements on the cash basis for interim periods. The District will rely on the auditor to report in accordance with GAAP on the accrual basis.

Expected Completion Date

Ongoing.

# Honey Lake Valley Resource Conservation District

170 Russell Ave., Suite C.  
Susanville, CA 96130  
(530)252-7271

[www.honeylakevalleyrcd.org](http://www.honeylakevalleyrcd.org)



August 31, 2018

To: Interested Accounting Firms  
From: Honey Lake Valley Resource Conservation District  
RE: Request for Proposal (RFP)

The Honey Lake Valley Resource Conservation District (HLVRCD) is requesting proposals to perform audit services by a Certified Public Accounting Firm for their Fiscal Year 2017-2018. The audit shall be performed according to Governmental Accounting Standards Board protocols and submitted electronically to the California State Controller's Office when appropriate.

The proposal shall contain the minimum following information;

1. The work tasks necessary to complete the audit;
2. The time frame to complete the audit;
3. Total cost to complete the audit;
4. Previous work history related to the preparation of governmental business audits;
5. Listing of the Staff and their qualifications that will work on the audit.

Proposals will be accepted until 3:00 pm September 28, 2018.

Send Proposals to:  
Honey Lake Valley Resource Conservation District  
170 Russell Ave, Suite C.  
Susanville, CA 96130

## **About Honey Lake Valley Resource Conservation District**

HLVRCD is a special district of the state of California, located in Lassen County and set up under California law to be a locally governed agency with their own locally appointed or elected, independent board of directors. The HLVRCD implement projects on public and private lands and educate landowners and the public about resource conservation.

If your firm is interested in preparing the FY 2017-2018 audit or would like more information please contact HLVRCD District Manager, Ian Sims, at (775) 313-1222 or via email at [isims@honeylakevalleyrcd.us](mailto:isims@honeylakevalleyrcd.us).

Thank you,

Ian Sims  
District Manager  
Honey Lake Valley RCD





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HONEY LAKE VALLEY RCD

Complete Legal Business Name

---

170 RUSSELL AVE STE C SUSANVILLE CA 96130

Street Address

---

Mailing Address, if Different

---

City, State Zip

By your signature below, you hereby acknowledge that there are inherent risks in financial transactions conducted over the Internet. Tri Counties Bank uses industry standard practices to ensure the security of your transactions and data. However, the Bank cannot directly monitor your electronic systems and network connections for which you agree to accept the entire responsibility. Any electronic transactions submitted through the Business Online Banking system which are deemed authorized by using the accepted login, password, security challenge and ID token(s) are deemed transactions authorized by you, whether or not such transactions were in fact initiated by you. The Bank's ability to reverse electronic transactions which are initiated by fraudulent means is extremely limited (and in many instances is impossible). Even if you immediately inform the Bank of an unauthorized debit to your account(s), the Bank may not be able to reverse such debit, and unless the Bank's systems are at fault, the financial loss will be entirely yours. The Bank's ability to determine the source of such fraudulent activity is also extremely limited. You are advised to be certain of the integrity of your systems before using Business Online Banking and also determine whether you should obtain appropriate insurance coverage to protect against unrecoverable losses. We remind you that the Business Online Banking User Terms and Conditions contains, in part, the following provisions which govern your Business Online Banking use: "You agree to be solely responsible for your security procedures using the Business Online Banking System. You will adopt internal control procedures to protect the integrity and security of your access to the system and you acknowledge that you have not relied on Tri Counties Bank for advice with respect to such internal controls. You hereby assume full responsibility for any unauthorized access to the Business Online Banking System that resulted from a failure of your internal controls. We will provide initial training to set up access to the Business Online Banking System. We can assist with implementing your internal controls by setting Account access limits for specific Designated Users, if requested. You agree that transactions conducted under the passwords and User IDs you provide together with applicable token codes shall be deemed authentic payment orders binding on you and us. You will be responsible for all transactions made through the User ID, password and token security system, regardless of whether such transactions were authorized. We are not liable for unauthorized use of the Business Online Banking System or for any losses that may result. You will notify us immediately in the case of a lost or stolen token, or if you believe that a User ID and/or password has been used without your permission, or under any other circumstances where access rights need to be changed or terminated."

Accepted and agreed.

Dated: \_\_\_\_\_

Internal Use Only

Business Online Banking Customer:

Tri Counties Bank Representative

X  
\_\_\_\_\_  
Authorized SignatureX  
\_\_\_\_\_  
Authorized Signature

Printed Name: IAN SIMS \_\_\_\_\_

Dated: \_\_\_\_\_



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HONEY LAKE VALLEY RCD  
Complete Legal Business Name

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Fees for the Business Online Banking System access are debited monthly from the account identified in your Business Online Banking Authorization. These fees are in addition to any fees and service charges otherwise applicable to your Account(s). Applicable Fees are described in the Bank's current Business Fee Schedule as may be modified from time to time.

You agree to the Business Fee Schedule as modified from time to time and hereby authorize us to deduct these charges directly from the account designated on Page 1 of this Business Online Banking Authorization and Agreement. You also agree to pay any additional reasonable charges for Features you request that are not covered by this Agreement and which we may provide.

***Business Online Banking***  
***Schedule 4 – QuickBooks™ Export***

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**QuickBooks™ Export**

You may use the QuickBooks™ Export feature of Business Online Banking to import your Business Online Banking data file into the Intuit QuickBooks program. This function can be initiated from within QuickBooks or the Business Online Banking System. In either case, your copy of QuickBooks must be running on your PC. It is your responsibility to make a backup of your QuickBooks data file before you use the export function. Failure to do so could cause data loss in the event the export function fails. You cannot export a file more than once in order to prevent duplication. To use this feature you must have a current installed version of QuickBooks on your PC. We cannot provide QuickBooks support for any other feature other than the export function.

***Business Online Banking***  
***Schedule 5 – Business Bill Pay***

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**Business Bill Pay**

Tri Counties Bank Business Bill Pay service can be accessed via the Bill Pay button in the Business Online Banking System. "Cut-Off Time" is 1:00 PM Pacific Time. Use of the Business Bill Pay Service is subject to the terms and conditions of the Tri Counties Bank Online Access Agreement and the Business Fee Schedule, as modified from time to time.

Accept Bill Pay Service  Decline Bill Pay Service

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Dated: \_\_\_\_\_

Business Online Banking Customer:

X \_\_\_\_\_

Authorized Signature

Printed

Name: IAN SIMS \_\_\_\_\_

# 2018 Climate Smart Agriculture Technical Assistance GRANT APPLICATION

## Name of Applicant Organization

<b>Name of Applicant Organization</b>	Honey Lake Valley Resource Conservation District
<b>Organization Address</b>	170 Russell Ave, Suite C. Susanville CA 96130
<b>Organization Type (check one)</b>	<input type="checkbox"/> Non-Profit <input type="checkbox"/> Academic Institution <input checked="" type="checkbox"/> RCD

## Technical Assistance Lead\* & Contact Person

<b>Technical Assistant Contact Person(s)</b>	Ian Sims
<b>Technical Assistant Contact Person E-mail</b>	isims@honeylakevalleyrcd.us
<b>Technical Assistant Contact Person Phone</b>	775-313-1222

\*Technical assistance lead person must submit a resume with this application

## Funding Request (no more than \$60,000 with a maximum of \$20,000 per CSA program)

<b>CSA Incentive Program (check all that TA will be provided for)</b>	<input checked="" type="checkbox"/> AMMP <input checked="" type="checkbox"/> HSP <input checked="" type="checkbox"/> SWEEP
<b>Amount of Funding Requested</b>	\$ 50,000

## Technical Assistance Requirements

**TO BE CONSIDERED FOR FUNDING APPLICANT MUST:**

- > ***Agree to all*** requirements
- > Read and complete Description of Resources column in Table below

Minimum Requirements	Description of Resources
<input checked="" type="checkbox"/> Provide computers with internet access to complete and submit applications	<i>Computer access for applicants shall be made available for the duration of the application periods for submittal</i>
<input checked="" type="checkbox"/> If conducting workshop(s), provide workshop information to CDFA.	<i>Workshop time, date and location (full street address of venue) must be provided to CDFA to be posted on program website no later than 5:00 p.m. PT one week before an application submission period begins.</i>
<input checked="" type="checkbox"/> Provide one-on-one technical expertise program-specific management practice (non-digester manure management for AMMP, soil health for HSP and irrigation for SWEEP)	<i>Provide management practices expertise to growers, to field technical questions and assist in submitting applications for the duration of the application period.</i>
	<b>Name, email and phone number for AMMP Technical Expert(s):</b> Kayla Meyer, kmeyer@honeylakevalleyrcd.us, 530-257-7271
	<b>Name, email and phone number for HSP Technical Expert(s):</b> Ian Sims, isims@honeylakevalleyrcd.us, 775-313-1222
<input checked="" type="checkbox"/> Provide summary report to CDFA for each CSA program	<b>Name, email and phone number for SWEEP Technical Expert(s):</b> Mitch Otto, watermaster@honeylakevalleyrcd.us, 530-260-1690
	<i>Provide a summary document to CDFA on total number and details (e.g. names, addresses, contact information) of applicants assisted, photographs of workshops, locations of the workshops and any other pertinent information to CDFA 60 days after providing assistance or holding workshops.</i>



<input checked="" type="checkbox"/> <b>Review Application Materials</b>	<i>CDFA will provide technical assistance providers with relevant application materials which must be reviewed prior to providing assistance.</i>
<input checked="" type="checkbox"/> <b>Attend mandatory program-specific training provided by CDFA</b>	<i>CDFA will provide technical assistance providers with program-specific training prior to the first solicitation period of each program.</i>

August 09, 2018

Ian Sims  
Honey Lake Valley Resource Conservation District  
170 Russell Avenue, Suite C  
Susanville, CA 96130

Client: 001839

For Professional Services Rendered Through July 31, 2018

**ACCOUNT SUMMARY**

Matter	Invoice #	Previous Balance	Current Charges	Less Payments	Total Due
000001	2060091	<del>-\$464.00</del>	\$348.00	\$0.00	\$812.00
000002	2060092	\$0.00	\$2,610.00	\$0.00	\$2,610.00

Total Current Charges

\$2,958.00

Previous Balance

~~-\$464.00~~

**Total due**

**\$3,422.00**

August 09, 2018

Ian Sims  
Honey Lake Valley Resource Conservation District  
170 Russell Avenue, Suite C  
Susanville, CA 96130

Client: 001839  
Matter: 000001  
Invoice # 2060091

Page: 1

RE: General Legal Matters

For Legal Services Rendered Through July 31, 2018

**Legal Services**

Date	Person	Description of Legal Services	Time	Rate	Amount
07/05/2018	WPC	Check status of judgment; review J. Mend's analysis.	0.40	\$290.00	\$116.00
07/12/2018	WPC	Confer with J. Montoya regarding status of analysis; update and give direction.	0.30	\$290.00	\$87.00
07/30/2018	WPC	Review underlying decree controls/orders.	0.50	\$290.00	\$145.00
Total Legal Services			1.20		\$348.00

**Legal Services Recap**

Person	Time	Rate	Amount
WPC William P. Curley III	1.20	\$290.00	\$348.00

**Invoice Summary**

	<b><u>Totals</u></b>
Total Legal Services	\$348.00
<b>Total Current Charges</b>	<b>\$348.00</b>
Previous Balance	\$464.00
<b>Total Due</b>	<b><u>\$812.00</u></b>

August 09, 2018

Ian Sims  
Honey Lake Valley Resource Conservation District  
170 Russell Avenue, Suite C  
Susanville, CA 96130

Client: 001839  
Matter: 000002  
Invoice # 2060092

Page: 1

RE: Water Master - Water Matters

For Legal Services Rendered Through July 31, 2018

**Legal Services**

Date	Person	Description of Legal Services	Time	Rate	Amount
07/02/2018	JM	Legal review and analysis of Jay Dow Watermaster dispute.	2.10	\$290.00	\$609.00
07/03/2018	JM	Continue legal review and analysis of Jay Dow Watermaster dispute and review and analysis of Board's rules and regulations.	1.30	\$290.00	\$377.00
07/05/2018	JM	Further legal review and analysis of Jay Dow Watermaster dispute and complaint; draft memorandum regarding same.	2.80	\$290.00	\$812.00
07/06/2018	JM	Continue drafting memorandum regarding validity of Jay Dow Watermaster dispute complaint,.	2.80	\$290.00	\$812.00
Total Legal Services			9.00		\$2,610.00

**Legal Services Recap**

Person	Time	Rate	Amount
JM Jose Montoya	9.00	\$290.00	\$2,610.00

**Invoice Summary**

	<b><u>Totals</u></b>
Total Legal Services	\$2,610.00
<b>Total Current Charges</b>	<b>\$2,610.00</b>

**Total Due** \$2,610.00



**PUBLIC NOTICE**  
**Closed Session Meeting of the:**  
**Honey Lake Valley Resource Conservation District**

**Date:** Friday, August 31, 2018

**Location:** USDA Service Center  
170 Russell Avenue, Suite C  
Susanville, Ca. 96130  
(530) 257-7271 x100

**Time:** **12:00 PM**

**AGENDA**

NOTE: THE HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT MAY ADVISE ACTION ON ANY OF THE AGENDA ITEMS SHOWN BELOW.

NOTE: IF YOU NEED A DISABILITY-RELATED MODIFICATION OR ACCOMODATION, INCLUDING AUXILIARY AIDS OR SERVICES, TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE DISTRICT OFFICE AT THE TELEPHONE NUMBER AND ADDRESS LISTED ABOVE PRIOR TO THE MEETING.

- I. **CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL**
- II. **APPROVAL OF AGENDA**
- III. **PUBLIC COMMENT ON CLOSED SESSION ITEM**

Per RCD Board Policy No. 5030.4.1, during this portion of the meeting, any member of the public is permitted to make a brief statement, express his/her viewpoint, or ask a question regarding matters related to the District. Five (5) minutes may be allotted to each speaker and a maximum of twenty (20) minutes to each subject matter.

- IV. **ADJOURNMENT TO CLOSED SESSION**

A. Personnel – Certain personnel matters pursuant to Government Code Section 54957 – District Manager Ian Sims Performance Evaluation – Claypool.


- V. **RECONVENE IN OPEN SESSION**

A. Reportable action:

- VI. **ADJOURNMENT**

The next regular Honey Lake Valley RCD meeting will be **Wednesday, September 26, 2018 at 5:30 pm.** The location is the USDA Service Center, 170 Russell Avenue, Suite C, Susanville, CA.

*I certify that on Friday, August 30, 2018 agendas were posted as required by Government Code Section 54956 and any other applicable law.*

  
Ian Sims  
District Manager