

Yolo County Flood Control & Water Conservation District

Board Meeting
34274 State Highway 16
Woodland, CA 95695
Tuesday, August 7, 2018
7:00 P.M.

Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting please contact Christina Cobey at (530) 662-0265 or info@ycfwcd.org. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

AGENDA

- 7:00 1. Consideration: Adoption of the July 3, 2018 Regular Board Meeting Minutes
- 7:02 2. Open forum (Limited to five minutes): Guest introductions, unscheduled appearances, opportunity for public comment on non-agenda items
- 7:07 3. Consideration: Adding Items to the Posted Agenda
In order to add an item to the agenda, it must fit one of the following categories:
a) A majority determination that an emergency (as defined by the Brown Act) exists; or
b) A 4/5ths determination that the need to take action that arose subsequent to the agenda being posted.
- 7:10 4. Consideration: Review of 2017/2018 Independent Audit
- 7:30 5. Report: Update to Board Committee Assignments for 2018
- 7:40 6. Consideration: Pawnee Fire Damages and Cost Recovery
- 7:50 7. Consideration: Membership Issues with Sites Project Joint Powers Authority and Northern California Water Association's Joint Defense Agreement
- 8:00 8. Directors' Reports: Report on meetings and conferences attended during the prior month on behalf of the District

- 8:05 9. Attorney's Report: Report on legal matters of concern to the District
- 8:10 10. General Manager's Report: Report regarding current general activities and projects of the District
 - a) Operations, Maintenance, and Water Conditions
 - b) Financial Report
 - c) General Activities
 - d) Upcoming Events
- 8:25 11. General Discussion: Opportunity for clarification or additional information request
- 8:28 12. Consideration: Consider the approval and the payment of bills
- 8:38 13. Closed Session: Under Government Code Section 57957 – Personnel Issue
- 8:28 14. Closed Session Report: Report action and vote, if any taken, in Closed Session
- 8:30 15. Adjourn

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Public comment on items within the Board's jurisdiction is welcome, subject to reasonable time limits for each speaker. Upon request, agenda items may be moved up to accommodate those in attendance wishing to address that item. Times listed for consideration of agenda items are approximate only. The Board may consider any agenda item at any time during the Board meeting.

I declare that the foregoing agenda was posted at the office of the Yolo County Flood Control & Water Conservation District, 34274 State Highway 16, Woodland, CA on August 3, 2018.

By: _____
Christina Cobey, Administrative Assistant

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
AGENDA REPORT

MEETING DATE: August 7, 2018

ITEM #: 1

SUBJECT: Consideration: Adoption of the July 3, 2018 Regular Board Meeting Minutes

INITIATED OR BOARD

COORDINATED OR

REQUESTED BY: STAFF

APPROVED BY: Tim O'Halloran

OTHER _____

ATTACHMENT YES NO

INFORMATION

DIRECTION

ACTION: MOTION

RESOLUTION

BACKGROUND:

Pursuant to Section 54957.5 of the Brown Act, copies of the draft minutes are available to the public at the Board meeting prior to their approval.

Staff request the Directors call the Yolo County Flood Control & Water Conservation District (District) office if a correction is needed to be made to the draft minutes to clarify a substantial point or to correct content. Staff will then have time to make the appropriate change(s) and submit the revised draft for review to the Board and the public at the Board meeting.

RECOMMENDATION:

District staff recommend the adoption of the attached minutes with any corrections.



Y O L O C O U N T Y

**FLOOD CONTROL &
WATER CONSERVATION
DISTRICT**

BOARD MEETING MINUTES

Tuesday, July 3, 2018, 7:00 PM

**YCFCWCD Offices
34274 State Highway 16
Woodland, CA 95695**

The regular meeting of the Board of Directors of the Yolo County Flood Control & Water Conservation District (District) was held at 7:00 p.m. on Tuesday, July 3, 2018, at its regular place of business, 34274 State Highway 16, Woodland, California. Chair Kimball convened the meeting. The following people were in attendance:

District Board

Mary Kimball, Chair

Tom Barth

Jim Mayer

Bruce Rominger

Erik Vink

District Staff

Tim O'Halloran, General Manager

Kristin Sicke, Assistant General Manager

Anthony Lopez, Facilities Supervisor

Ryan Bezerra, Legal Counsel

Members of the Public

Jim Barrett

Christy Barton

David Block

John McKean

Dave Pratt

Don Rominger

Fanny Ye

1. CONSIDERATION: Approval of Minutes

M/S/C approved the minutes of the June 5, 2018 regular Board meeting as submitted.

Ayes: Directors Barth, Kimball, Mayer, and Rominger

Noes: None

Absent: Director Vink

Abstain: None

2. OPEN FORUM

There were no comments.

3. CONSIDERATION: Adding Items to the Posted Agenda

There were no changes made to the agenda.

4. CONSIDERATION: Pawnee Fire Impacts to Indian Valley Reservoir Facilities

General Manager O'Halloran discussed the impacts of the Pawnee Fire to the Indian Valley Reservoir Hydroelectric Facility (Facility) and reported that a few Board members had joined him in performing an incident and safety inspection via helicopter. O'Halloran discussed the loss of hydropower revenue due to the disaster and the financial implications to the 2018/2019 Fiscal Year Budget.

Facilities Supervisor Anthony Lopez provided an overview of the fire response activities that had taken place and damages found during the safety inspections. Lopez reported that 39 power poles and associated stretches of power lines had burned from the Pawnee Fire. Lopez also discussed the impacts of the 2015 Rocky Fire and compared the footprint to the Pawnee Fire. Lopez noted that the Rocky Fire Recovery Project installed steel poles and recommended steel poles also be installed for those damaged in the Pawnee Fire.

Assistant General Manager Kristin Sicke reported on the estimated cost of recovering from the damages and reestablishing power to and transmission from the Facility. It is anticipated that restoring the power poles and associated lines and recovering from other damages from the Pawnee Fire will cost approximately \$2 to \$2.5 million and could take approximately four to six months to complete. Sicke reported that the California Disaster Assistance Act (CDAA) funds were available through the Governor's Office of Emergency Services (Cal OES) and could potentially reimburse up to 75% of the District's eligible costs. The remaining 25% would be paid for out of District funds.

Since the disaster was solely in Lake County, District staff were working closely with Yolo County Office of Emergency Service (OES) to apply for CDAA funds through Lake County OES. Sicke reported that as of Monday, July 2, 2018, Lake County OES had not received an update on CDAA funds and O'Halloran had proclaimed an emergency on behalf of the District to request disaster assistance directly.

Director Rominger asked how they install the poles and Lopez stated that they dig a hole that is 10% plus two feet the length of the pole, set the poles, and fill the hole with rock bags to the top.

Director Mayer asked whether any permits would be required for the project and District staff reported that they did not think so but would investigate.

Directors Mayer and Vink recommended contacting the U.S. Bureau of Land Management to discuss fire prevention activities on property since the District is renting their property.

District staff recommended the Board adopt Resolution 18.04 Confirming Existence of Local Emergency and ratifying the emergency proclamation for replacement of the Facility power poles and lines to provide power to and transmission from the Facility and restore full operational capabilities in preparation for winter storms. District staff also recommended the Board affirm O'Halloran to represent the District as needed for state and federal cost recovery, if available.

M/S/C approved Resolution 18.04 Confirming Existence of Local Emergency and ratifying the emergency proclamation for replacement of the Facility power poles and lines to provide power to and transmission from the Facility and to restore full operational capabilities in preparation for winter storms.

Ayes: Directors Barth, Kimball, Mayer, Rominger, and Vink

Noes: None

Absent: None

Abstain: None

M/S/C approved affirming General Manager O'Halloran to represent the District as needed for state and federal cost recovery, if available.

Ayes: Directors Barth, Kimball, Mayer, Rominger, and Vink

Noes: None

Absent: None

Abstain: None

5. DIRECTORS' REPORTS

Directors Kimball and Rominger reported on the helicopter trip with General Manager O'Halloran for the Pawnee Fire safety inspection of Indian Valley Reservoir Hydroelectric Facility. Director Barth reported on the celebratory dinner for Ann Brice's retirement from the Board.

6. ATTORNEY'S REPORTS

Legal Counsel Bezerra reported on Assembly Bill 2649 (Arambula) that would address temporary permitting program for groundwater recharge and extend the temporary permitting program.

7. GENERAL MANAGER’S REPORT

General Manager O’Halloran provided reports on the following:

- a) Operations, Maintenance, and Water Conditions – The Water Conditions Report and hydrographs of real-time groundwater monitoring wells were reviewed.
- b) Financial Report Summary – Highlights from the June 30, 2018 financial statements report were reviewed and the actual FY 2018/2019 Budget was compared to the projected FY 2018/2019 Budget.
- c) General Activities – A list of outreach activities and projects both in-house and coordinating with other agencies was reviewed.
- d) The following upcoming events were announced:
 - 1. July 23: Water Resources Association of Yolo County (WRA)/Yolo Subbasin Groundwater Agency (YSGA) Executive Committee Meeting, Woodland
 - 2. August 15: Association of Water Agencies (ACWA) Water Management Committee Meeting, Sacramento
 - 3. August 28: NCWA Water Managers’ Meeting, Nelson
 - 4. September 9: Yolo Land Trust’s 2018 A Day in the Country, Clarksburg
 - 5. September 10: NCWA Groundwater Management Task Force Meeting, Grimes
 - 6. September 18: WRA/YSGA Board Meeting, Woodland

8. GENERAL DISCUSSION

There was no discussion.

9. CONSIDERATION: Payment of Bills

M/S/C approved the following claims for payment – Yolo County Flood Control & Water Conservation District Checks # 055723 – 055736.

Ayes: Directors Barth, Kimball, Mayer, Rominger, and Vink

Noes: None

Absent: None

Abstain: None

10. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

Mary Kimball, Chair

ATTEST:

Tim O’Halloran, Secretary

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: August 7, 2018

ITEM #: 4

SUBJECT: Consideration: Review of 2017/2018 Independent Audit

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Barbara McGriff
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

The 2017/2018 Independent Audit (Audit) Management Report and table of contents are attached. The complete Independent Audit is available upon request. This is the second year of the District's contract with the firm Richardson & Company, LLP.

Brian Nash, Partner with Richardson & Company, LLP will review and answer questions regarding the Audit.

Financial staff have reviewed the Audit Report and consider it to be an accurate representation of the District financial records. The Audit Report was sent to the Finance Committee for their review and comment.

RECOMMENDATION:

Staff recommend acceptance of the filing of the 2017/2018 Audit.



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To Management and the Board of Directors
Yolo County Flood Control and Water Conservation District
Woodland, California

In planning and performing our audit of the financial statements of the Yolo County Flood Control and Water Conservation District (the District) as of and for the year ended April 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The following other matters have been included in this letter for your consideration:

Documentation of Controls

Controls generally appear to be appropriate to prevent error and to safeguard the District's assets, but the small number of Finance Department staff makes separation of duties difficult. Many duties that should be separated are able to be performed by a single District employee to provide necessary flexibility in case of absences. Consequently, we recommend the preparer and reviewer of important controls initial and date the supporting documentation as an audit trail indicating which staff were involved in the preparation and review to provide evidence that a single employee did not perform duties that should be separated. Dating the documentation indicates whether the review performed was timely. The preparer and reviewer of the following controls should be formally documented: entering new vendors into the payable system, entering new employees into the payroll system, entering new customers into the water billing system, entering new billing rates into the water billing system, generation and review of the billing register, posting and approval of journal entries, inventory list, retirement plan census data, etc. More detail follows:

- The use of computer passwords to approve transactions with output reports that indicate the preparer and reviewer and date of approval is a best practice that we encourage for all transactions wherever possible, especially for posting of receivables, payables and payroll batches to the general ledger. Manual sign-offs would be necessary only when electronic sign-offs are not apparent on the output report.

- Consider separating the entry of new employees, vendors, P.O.s and customers into the subsidiary systems from the employee that processes the transactions as a preventive control to avoid the possibility of unauthorized transactions being processed.
- A management level employee not involved in billing customer accounts and handling receipts should approve customer account write-offs to avoid employees handling receipts having the ability to conceal an unauthorized transaction by writing-off a customer account.

Other enhancements we recommend include the following:

Policies and Procedures

We understand Employee Handbook and Purchasing Rules and Regulations updates are in progress and we encourage completion of these policies. We recommend enhancing the credit card and expense reimbursement sections of the employee handbook to define acceptable and unacceptable expenses for reimbursement (alcohol, recreation expenses, excessive travel expenses, etc.). Purchasing policies also typically include language about the size of a purchase where informal bids are acceptable and expectations about obtaining those informal bids vs. when a formalized request for proposal is required.

Consider having employees document accounting procedures so new employees would have procedures to follow in case of employee turnover.

Consider performing regular employee evaluations, especially for employees that have performance issues to protect the District during a termination.

The Capital item vs. Expense policy indicates \$5,000 will be used to capitalize capital assets, but it appears \$2,500 is being used in practice. We recommend revisiting this policy to ensure it conforms with current practice. The policy should provide language indicating that improving the capacity of an existing facility is a reason to consider a project capital instead of maintenance expense and that feasibility studies do not meet the capitalization criteria.

Other Suggestions

- We recommend the District pursue with the County of Yolo and State Controller's Office whether an appropriations limit calculation should be prepared and reviewed as part of the audit.
- If the District has not had an information technology review by an external expert recently, we recommend the District consider having a review performed.

* * * * *

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

July 27, 2018

YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

AUDITED FINANCIAL STATEMENTS

April 30, 2018 and 2017

TABLE OF CONTENTS

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
<u>Basic Financial Statements</u>	
Statements of Net Position.....	9
Statements of Revenues, Expenses and Changes in Net Position.....	10
Statements of Cash Flows.....	11
Notes to the Basic Financial Statements.....	13
<u>Supplementary Information</u>	
Statement of Net Fiduciary Net Position – Retirement Plan.....	26
Statement of Changes in Net Fiduciary Net Position – Retirement Plan.....	26
Number of Participants in Retirement Plan	26
<u>Compliance Report</u>	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: August 7, 2018

ITEM #: 5

SUBJECT: Report: Update to Board Committee Assignments for 2018

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Tim O'Halloran
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

Each year, the new Chair appoints the Board's representation to various groups and committees. Given the retirement of Ann Brice and appointment of Jim Mayer, the Chair has updated the Board Committee assignments as listed below.

Standing Committees

Finance	Vink and Barth
Infrastructure	Rominger and Kimball
Environmental Issues	Mayer and Rominger
Personnel	Mayer and Kimball
Lake Communications	Rominger and Vink
Public Education	Mayer and Vink
Yolo County 2X2	Vink and Kimball

Other Appointments

NCWA Director/Alternate	TBD/Vink
ACWA/JPIA Director/Alternate	Barth/Sicke
WRA/YSGA Director/Alternate	Barth/O'Halloran

RECOMMENDATION:

This agenda item is for informational purposes only. No Board action is required.

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: August 7, 2018

ITEM #: 6

SUBJECT: Consideration: Pawnee Fire Impacts to Indian Valley Reservoir Facilities

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Kristin Sicke
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

The Pawnee Fire started on June 23, 2018 in the Spring Valley area of Lake County and burned 15,185 acres. While largely sparing the facilities at Indian Valley Reservoir, the Pawnee Fire damaged approximately 39 of the District's power poles, which provide electricity to and transmission from the Hydroelectric Facility (Facility). The Facility requires electric power to make operational changes to the penstock, hydropower turbines, 60" butterfly valve, 60" hollow jet valve, spillway gates, accelerographs, water treatment plant, and critical infrastructure.

On June 25, 2018, Governor Jerry Brown issued an emergency proclamation for Lake County due to the effects of the Pawnee Fire and allowed Federal Emergency Management Agency's Fire Management Assistant Grant (FMAG) to assist with mitigation, management, and control of the Pawnee Fire. On June 24, 2018, Lake County proclaimed a state of emergency and coordinated with the District on an initial damage estimate for requesting California Disaster Assistance Act (CDAA) funds. On July 2, 2018, the District General Manager proclaimed an emergency on behalf of the District to request state disaster assistance directly. At the July 3, 2018, Board meeting the Board confirmed and ratified the local emergency and authorized General Manager O'Halloran to represent the District as needed for state and federal cost recovery, if available.

The power poles and associated power lines need to be restored as soon as possible to bring power and hydropower back online. District staff will provide the Board with an update on the estimated cost and timeline for repair and replacement of the damaged infrastructure.

RECOMMENDATION:

District staff recommend the Board declare continuation of emergency conditions related to the Pawnee Fire damage recovery.

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: August 7, 2018

ITEM #: 7

SUBJECT: Consideration: Membership Issues with Sites Project Joint Powers Authority and Northern California Water Association's Joint Defense Agreement

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Tim O'Halloran
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

Two invoices have been received recently that deserve special consideration from the Board. The first is an invoice from the Sites Project Joint Powers Authority (JPA) for \$13,000 that they claim is for membership dues that are owed for Fiscal Year 2015. Staff have been reviewing financial and administrative records regarding the timetable of the District's membership in the JPA and will present these findings to the Board. The second invoice is from the Northern California Water Association (NCWA) for the work done under the Joint Defense Agreement. Since the focus of this work in the past has been primarily on Sacramento River issues the District has chosen not to participate. However, given recent developments involving the State Water Resources Control Board, which staff will discuss, the Board will be asked to decide if it is appropriate to participate in the Joint Defense Agreement process going forward and to approve the invoice.

RECOMMENDATION:

After hearing the staff report, staff recommend the Board decide whether to pay these invoices.