

# RECLAMATION DISTRICT NO. 524

Middle Roberts Island  
7540 Shoreline Drive  
Stockton, CA 95219  
Tel. (209) 478-2000

Trustees:  
Mario A. Jaques, Pres.  
Rudy Mussi  
Loren Ohm

Secretary:  
Allison Cherry Lafferty,  
Kroloff, Belcher, Smart, Perry & Christopherson

Assistant Secretary:  
Dennis Donald Geiger,  
Kroloff, Belcher, Smart, Perry & Christopherson

*Via First Class Mail*

March 30, 2015

Honorable Lesley D. Holland, Presiding Judge  
San Joaquin County Superior Court  
P.O. Box 201022  
Stockton, CA 95201

**Re: Grand Jury Response to *Limited Resources for a Big Task*, 2013-2014 Case No. 0113**

Dear Honorable Lesley D. Holland:

Please find enclosed the requested response to the above stated matter.

Sincerely,



TAMARA N. DUSENBURY

Assistant to the Secretary

ACL.tnd

Enclosures

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To: Judge Abdallah  
4-2-15  
LDH

## RECLAMATION DISTRICT NO. 524

### RESPONSE TO REPORT OF SAN JOAQUIN COUNTY GRAND JURY REGARDING SAN JOAQUIN COUNTY'S RECLAMATION DISTRICTS: LIMITED RESOURCES FOR A BIG TASK

#### FINDINGS

**F 1.1** A number of Reclamation Districts do not have signed contracts for some of their professional services which may affect reimbursement for costs incurred in an emergency.

**RESPONSE:**

Reclamation District No. 524 evaluated its contracts with all professional services.

**F 1.2** Some Reclamation District contracts do not identify all of the services provided by the legal firm.

**RESPONSE:**

Reclamation District No. 524 requested legal firm prepare contract identifying services; which was reviewed and executed on September 10, 2014.

**F 1.3** Having professional services contracts with legal and engineering firms in place and approved may assist Districts to recover funds from federal and state agencies following an emergency.

**RESPONSE:**

Reclamation District No. 524 received, reviewed, and executed new contracts with its law firm and engineering firm.

#### RECOMMENDATIONS

**R1.1** No later than November 1, 2014, the Board of Trustees of each Reclamation District is to review their current legal services contract to assure it contains all services provided by the law firm and that the contract contains all relevant information required under Federal and State laws and regulations to assure reimbursement of permitted costs in the event of an emergency.

**RESPONSE:**

Reclamation District No. 524 executed new contract with Kroloff, Belcher, Smart, Perry & Christopherson on September 10, 2014, that includes a section on services provided, to assure reimbursement of permitted costs in the event of an emergency.

**R 1.2** No later than November 1, 2014, the Board of Trustees of each Reclamation District without a current written contract for legal services adopt a legal services contract that contains all services provided by the law firm and all relevant information required under Federal and State laws and regulations to assure reimbursement of permitted costs in the event of an emergency.

**RESPONSE:**

Reclamation District No. 524 executed new contract with Kjeldsen, Sinnock & Nuedeck on September 10, 2014, which provides a scope of work to assure reimbursement of permitted costs in the event of an emergency.

**R 1.3** No later than November 1, 2014, the Board of Trustees of each Reclamation District is to review their current engineering services contract to assure it contains all relevant information required under Federal and State laws and regulations to assure reimbursement of permitted costs in the event of an emergency.

**RESPONSE:**

Reclamation District No. 524 executed new contract with Kjeldsen, Sinnock & Nuedeck on September 10, 2014, which provides a scope of work to assure reimbursement of permitted costs in the event of an emergency.

**FINDINGS**

**F 2.1** Many small Districts are unable to maintain the separation of financial duties that are recommended by generally accepted accounting practices due to their size and lack of financial resources.

**RESPONSE:**

Finding reviewed.

**F 2.2** Some Districts do not prepare and adopt annual budgets which outline its proposed expenditures for the forthcoming fiscal year and which results in diminished transparency about the District's finances.

**RESPONSE:**

Finding reviewed.

**RECOMMENDATIONS**

**R 2** No later than December 31, 2014, all Districts that do not have an adopted annual operating budget are to prepare the framework for an annual budget and utilize it for all subsequent fiscal years.

**RESPONSE:**

Reclamation District No. 524 has prepared, approved, and submitted its annual budget per Government Code Section 53901.

## **FINDINGS**

**F 3.1** LAFCo has not conducted the Municipal Services Review for Reclamation Districts in the County due to personnel and financial constraints, limiting objective information on how well Reclamation Districts are performing their mandated services.

**RESPONSE:**

Finding reviewed.

**F 3.2** Trustees of Reclamation Districts have been hesitant to dissolve existing districts, consolidate activities or share operations and responsibilities with other districts because of the cost of the dissolution, concern with personal liability and the ability to continue providing flood control services.

**RESPONSE:**

Finding reviewed.

## **RECOMMENDATIONS**

**R 3.1** No later than November 1, 2014, as the agency responsible for addressing Reclamation Districts' level of services provided, LAFCo is to hold a meeting for all Reclamation Districts in the County to jointly discuss how the Districts can better provide services within current financial constraints.

**RESPONSE:**

To the best of our knowledge, this meeting was held on Wednesday, October 22, 2014.

**R 3.2** Upon completion of its Municipal Services Report for Reclamation Districts in San Joaquin County, LAFCo is to prepare a summary report for all Districts proposing actions that could provide better services through dissolution, consolidation or shared operations.

**RESPONSE:**

Reclamation District No. 524 submitted its response to the Municipal Services Review on August 20, 2014. To our knowledge, the summary report has not yet been published.