

RECLAMATION DISTRICT 773

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August 4, 2014

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

Ref: Reclamation District 773 Response to 2013-2014 San Joaquin County Civil Grand Jury Report for Case No. No. 0113 "San Joaquin County Reclamation Districts."

Honorable Lesley D. Holland, Presiding Judge;

The Board of Directors for Reclamation District 773 ("District") have reviewed the May 23, 2014 San Joaquin County Civil Grand Jury Report for Case No. No. 0113 "San Joaquin County Reclamation Districts" (hereinafter "Report") and by way of this letter are responding to findings F 1.1, F 1.2, F 1.3, F 2.1, F 2.2 and recommendations R 1.1, R 1.2, R 1.3, R 2 in said Report in accordance with California Penal Code Section 933 and 933.05. The District is located in a rural area commonly known as Fabian Tract north of the City of Tracy.

FINDING F 1.1

While the District does have signed contracts with those that provide professional services for it that may assist it in obtaining reimbursements in case of an emergency, it does not know which, if any, reclamation districts do not.

FINDING F 1.2

While the District already has a contract for legal services that identifies the services that are subject to the contract, it agrees that reclamation districts contracts for legal services should identify the services provided under the contract.

FINDING F 1.3

While the District already has legal and engineering services contracts in place, it agrees that having written professional services agreements may assist reclamation districts in obtaining state and federal funds.

RECOMMENDATION R 1.1

The District has in place a signed legal services contract with District Legal Counsel, and has reviewed the sufficiency of said contract.

RECOMMENDATION R 1.2

In light of the District's response to Recommendation R 1.1, no response is required for this item.

RECOMMENDATION R 1.3

The District has in place a signed engineering services contract with the District Engineer, and has reviewed the sufficiency of said contract.

FINDING F 2.1

While the District maintains and follows generally accepted accounting practices which are audited annually by an independent auditor, it does not know which, if any, reclamation districts do not.

FINDING F 2.2

While the District already prepares annual budgets for each fiscal year which are available to the public, it does not know which reclamation district's do not.

RECOMMENDATION R 2

In light of its response to Finding E 2.2, no response is required for this item.

Thank you for the opportunity to respond to the Report.

Respectfully submitted;

 , President
Reclamation District No 773

C: Board of Directors
Daniel J. Schroeder, Neumiller and Beardslee