

**PESCADERO RECLAMATION DISTRICT # 2058**  
**3650 W Canal Blvd.**  
**Tracy CA 95304**  
**(209) 835 2293 FAX: (209) 835 2337**

August 11, 2014

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

Re: Pescadero Reclamation District 2058's Response to Grand Jury Findings  
and Recommendations regarding San Joaquin County Reclamation  
Districts 2013-2014 - Case No. 0113

Dear Judge Holland,

The Board of Trustees (Board) of Pescadero Reclamation District No. 2058 (District), has reviewed the 2013-2014 Civil Grand Jury Final Report concerning San Joaquin County Reclamation Districts (Case No. 0113) and submits the following responses.

**GRAND JURY FINDINGS**

Finding 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.*

**District Response:**            **The District currently has signed contracts in place for the professional services it receives.**

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

**District Response:**            **The District's current contract identifies all of the services provided by its legal firm. The District's legal firm acts as general counsel for the District. As such, the firm provides legal counsel, representation, research, and opinions to the District's Board of Trustees on various legal matters as needed. The firm does not provide general or financial administrative support to the District.**

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Finding 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.*

**District Response:**           **The District currently has approved professional services contracts with legal and engineering firms in place.**

Finding 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.*

**District Response:**           **The District maintains and follows generally accepted accounting practices. The District's financial statements are audited annually by an independent auditor and are available to the public.**

Finding 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.*

**District Response:**           **The District prepares and adopts annual budgets outlining its proposed expenditures for each fiscal year. These budgets are available to the public.**

#### **GRAND JURY RECOMMENDATIONS**

Recommendation R 1.1: *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 emergency.*

**District Response:**           **As stated above, the District currently has an approved professional services contract with its legal counsel. This agreement is reviewed and updated as necessary.**

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Recommendation 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.*

**District Response:**            **The District has a current written contract for legal services in place.**

Recommendation 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.*

**District Response:**            **As stated above, the District currently has an approved professional services contract with its engineering firm. This agreement is reviewed and updated as necessary.**

Thank you for the opportunity to respond to the report.

Respectfully submitted,



Nat Bacchetti  
President  
Pescadero Reclamation District No. 2058

NB:AKS:mb