PUBLIC NOTICE
SPECIAL Board Meeting of the:
Honey Lake Valley Resource Conservation District
708-770 Sunnyside Road
Janesville, CA 96114
(530) 260-0067
Attachments available 09/21/26 at www.honeylakevalleyrcd.us

Date: Thursday, September 24th, 2026
Location: 708-770 Sunnyside Road, Janesville, CA 96114

Time: 3:30 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 ACCOMMODATION, INCLUDING AUXILIARY AIDS OR SERVICES, TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE DISTRICT OFFICE AT THE TELEPHONE NUMBER AND ADDRESS LISTED ABOVE AT LEAST A DAY BEFORE THE MEETING.

I. CALL TO ORDER, ROLL CALL

II. APPROVAL OF AGENDA

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. Correspondence
B. Financial Reports - attached
C. Meeting Minutes - 08/27/2026 (attached)

Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD Leadership & Organizational Capacity.

V. ITEMS FOR BOARD ACTION AND/OR DISCUSSION - WATERMASTER

A. First reading of the 2026 Watermaster Annual Use Report (attachment)

Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD Leadership & Organizational Capacity & Tie to the Strategic Plan: Strategic Issue 2 –Prioritize the Conservation Needs of the Community

B. Consideration, discussion, and direction to staff regarding correspondence with State Water Resource Control Board

Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD Leadership & Organizational Capacity & Tie to the Strategic Plan: Strategic Issue 2 –Prioritize the Conservation Needs of the Community

VI. ITEMS FOR BOARD ACTION AND/OR DISCUSSION - RCD

A. Consideration and approval of Fiscal Year 25/26 Audit Engagement Letter (attachment)

Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD Leadership & Organizational Capacity.

B. Consideration, discussion, and possible action regarding CDFW funding

Tie to the Strategic Plan: Strategic Issue 2 –Prioritize the Conservation Needs of the Community

VII. REPORTS

A. District Manager Report – Siemer (attachment)

B. Watermaster / WAC Report - Burvant / Griffin

C. CARCD Report - Griffin

D. Unagendized reports by board members

VIII. ADJOURNMENT TO CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION, (Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: M.A. STEINER CONSTRUCTION, INC. v. HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT, et al., Sacramento Superior Court Case No. 26CV000157

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

IX. RETURN TO OPEN SESSION

X. ADJOURNMENT

The next Honey Lake Valley RCD meeting will be **October 22nd at 3:30 PM.** The location is 708-770 Sunnyside Road, Janesville, CA.

I certify that on Monday, September 21st, 2026 agendas were posted as required by Government Code Section 54956 and any other applicable law.

X Kelsey Siemer

Kelsey Siemer
District Manager

PUBLIC NOTICE
SPECIAL Board Meeting of the:
Honey Lake Valley Resource Conservation District
708-770 Sunnyside Road
Janesville, CA 96114
(530) 260-0067
Attachments available 08/24/26 at www.honeylakevalleyrcd.us

Date: Tuesday, August 27th, 2026
Location: 708-770 Sunnyside Road, Janesville, CA 96114

MEETING MINUTES

Votes taken via role call

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 ACCOMMODATION, INCLUDING AUXILIARY AIDS OR SERVICES, TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE DISTRICT OFFICE AT THE TELEPHONE NUMBER AND ADDRESS LISTED ABOVE AT LEAST A DAY BEFORE THE MEETING.

I. CALL TO ORDER, ROLL CALL

Vice Chair Will Johnson called the meeting to order at 3:33 pm. A quorum was noted. Chair Jesse Claypool absent.

II. APPROVAL OF AGENDA

Board member Laurie Tippin made a motion to approve the agenda and correct the typo at V.C to 3205. Board member Caleb Griffin seconded, and the motion passed. All

III. PUBLIC COMMENT - None

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. Correspondence
B. Financial Reports - attached
C. Meeting Minutes - 06/25/2026, 07/01/2026, 07/28/2026 (attached)
D. Policy Updated - Approval of amended Policy 3110. Fixed-Asset Accounting Control, 3140. Cash Disbursement, 3150. Purchasing/Public Contract Bidding/Professional Consultant Selection, and 3155. Grant and Agreement Authority (attachments), which were previously agendized & discussed with the Board in July 2026.

Board member Laurie Tippin made a motion to approve the consent items. Board member Caleb Griffin seconded, and the motion passed. All

Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD Leadership & Organizational Capacity.

V. ITEMS FOR BOARD ACTION AND/OR DISCUSSION - RCD

A. Consideration and approval of Less-Than-Lethal Training Budget (attachment)

Board member Laurie Tippin made a motion to approve the training. Board member Caleb Griffin seconded, and the motion passed. All

Tie to the Strategic Plan: Strategic Issue 2 –Prioritize the Conservation Needs of the Community

B. Consideration and approval of Memorandum of Understanding between the Honey Lake Valley RCD, Modoc RCD and Pit/Fall River RCD for jointly supporting the administration of the California Department of Fish and Wildlife's Less-Than-Lethal Training for Gray Wolf Management (attachment).

Board member Laurie Tippin made a motion to approve the MOU with the following changes: separate Pit/Fall River RCD as two separate RCDs throughout the document and to name both RCDs in Section IV.. Board member Will Johnson seconded, and the motion passed. All

Tie to the Strategic Plan: Strategic Issue 2 –Prioritize the Conservation Needs of the Community

C. Consideration and approval of draft Policy 3105. Indirect Cost Recovery & Watermaster Administrative Fee (attachment)

Board member Laurie Tippin made a motion to approve the policy. Board member Robin Hanson seconded, and the motion passed. All.

Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD Leadership & Organizational Capacity.

D. Consideration and approval to rescind Policy 3315. Billing and Collection - RCD (attachment)

Board member Laurie Tippin made a motion to approve the policy rescission. Board member Caleb Griffin seconded, and the motion passed. All.

Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD Leadership & Organizational Capacity.

E. Consideration, discussion, and direction to staff on correspondence received from Lassen LAFCO (attachment)

Direction to staff to confer with Chair Claypool on whether there are any HLVRCD comments.

Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD Leadership & Organizational Capacity.

VI. REPORTS

A. District Manager Report – Siemer (attachment)

B. Watermaster / WAC Report - Burvant / Griffin

C. CARCD Report - Griffin

D. Unagendized reports by board members

VII. ADJOURNMENT TO CLOSED SESSION – 5:04 pm

A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION, (Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: M.A. STEINER CONSTRUCTION, INC. v. HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT, et al., Sacramento Superior Court Case No. 26CV000157

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

VIII. RETURN TO OPEN SESSION – 5:25 pm – No reportable action was taken

IX. ADJOURNMENT – 5:25 pm

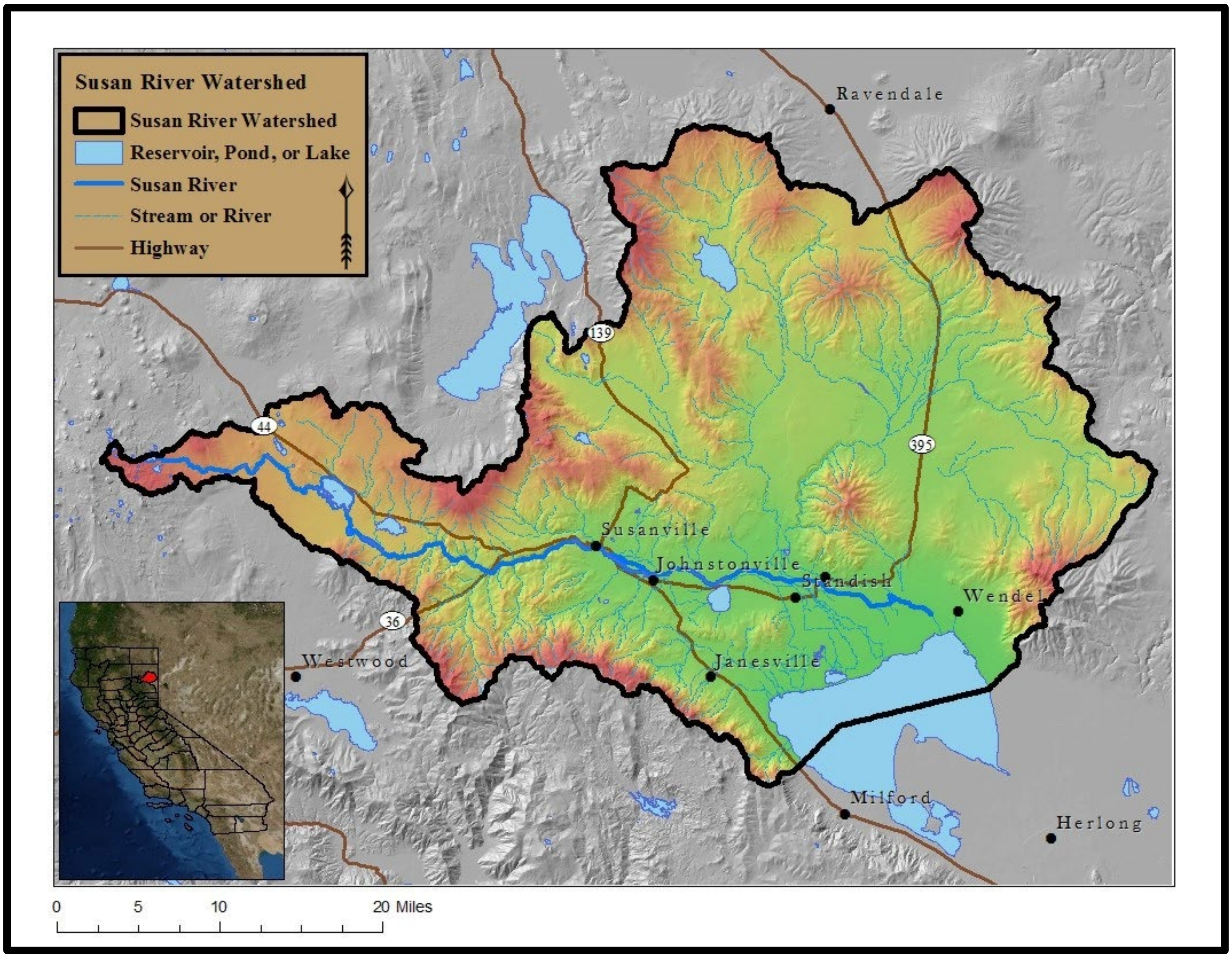
The next Honey Lake Valley RCD meeting will be **September 24th at 3:30 PM.** The location is 708-770 Sunnyside Road, Janesville, CA.

X Kelsey Siemer
Kelsey Siemer
District Manager

APPROVED: ____________________
Laurie Tippin, RCD Board
Secretary/Treasurer
DATE: 09/24/2026

2025-2026 SUSAN RIVER

WATERMASTER SERVICE AREA



ANNUAL USE REPORT - 2025/2026

Susan River

Watermaster Service Area

<u>Annual Use Report- 2025/2026</u>

Fiscal Year:	July 1, 2025 - June 30, 2026
Irrigation Season:	March 1, 2026 - October 31, 2026
Storage Season:	November 1, 2026 - February 28, 2027

Lassen County, California
Decree No.'s 4573, 8174 and 8175
Submitted by December 31, 2026 to
The Presiding Judge, Lassen County Superior Court

HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT

Prepared By:

Honey Lake Valley Resource Conservation District
708-770 Sunnyside rd.
Janesville CA 96114

Contents

General Description

The Susan River service area is located in the southern part of Lassen County in the vicinity of the town of Susanville. There are approximately 246 water right owners in the service area with total continuous allotments of 351.922 cubic feet per second in addition to storage rights held by several users. The source of supply consists of three stream systems as follows: Susan River, Baxter Creek, Parker Creek and their associated tributaries.

Susan River has its sources on the east slope of the Sierra Nevada Mountains in the southwesterly portion of Lassen County immediately east of Lassen National Park at an elevation of about 7,900 feet. Its channel runs easterly from Silver Lake through McCoy Flat Reservoir, through Susanville, and easterly on to Honey Lake.

Susan River has four major tributaries: Paiute Creek (entering from the north at Susanville), Gold Run and Lassen Creeks (entering from the south between Susanville and Johnstonville), and Willow Creek (entering from the north above Standish). Gold Run Creek and Lassen Creek rise on the north slope of Diamond Mountain at an elevation of about 7,600 feet. The watersheds of Paiute Creek and Willow Creek are lower and they rise on the south slopes of Round Valley Mountains.

A short distance below the confluence of Willow Creek and Susan River the river channel divides into three branches known as Tanner Slough Channel on the north, Old Channel in the middle, and Dill Slough Channel on the south. Two channels which take off Dill Slough on the south are known as Hartson Slough and Whitehead Slough.

The Baxter Creek stream system is situated in Honey Lake Valley on the east slope of the Sierra Nevada about 10 miles southeast of Susanville in the southern portion of Lassen County. The principal streams in the Baxter Creek stream system are Baxter Creek (which rises in the extreme western portion of the basin and flows in an easterly direction), Elysian Creek, Sloss Creek, and Bankhead Creek (a tributary to Baxter Creek from the south). Elysian Creek has three tributaries: North Fork Elysian Creek, South Fork Elysian Creek, and Kanavel Creek.

Parker Creek is situated in Honey Lake Valley on the east slope of the Sierra Nevada about 15 miles southeast of Susanville in the southern portion of Lassen County. Its source is on the east slope of Diamond Mountain and flows in an easterly direction for about 5 miles into Honey Lake. The primary area of water use in the Susan River service area is in Honey Lake Valley between Susanville and the northwest shore of Honey Lake, 25 miles in length. The valley floor is at an elevation of about 4,000 feet.

Water Supply

The water supply in the Susan River service area comes from two major sources: snowmelt runoff and springs. The snowpack on the Willow Creek Valley and Paiute Creek watersheds, which embrace more than half of the Susan River stream system, melts early in the spring and usually is entirely depleted by the first of May. The irrigation requirements from this portion of the stream system after the first of May are almost entirely dependent upon the flow of perennial springs which remain constant throughout the year. Under normal conditions, the flows of Lassen Creek, Gold Run Creek, Baxter Creek, Parker Creek, and the Susan River above Susanville are well sustained by melting snows until early June. The flow from perennial springs in this portion of the water system is comparatively small. The Lassen Irrigation Company stores supplemental water in Hog Flat Reservoir and McCoy Flat Reservoir, located on the headwaters of the Susan River. This stored water is released into the Susan River, which is used as a conveyance and commingled with the natural flow usually during June and July. It is then diverted into the A and B Canal leading to Lake Leavitt for further distribution by the irrigation district.

Precipitation Outlook for 2026-2027

The National Ocean and Atmospheric Administration (NOAA) has predicted, as of August 2026, a stronger chance of wet weather than average. Our area, being isolated from the rest of the region, should have an average to above average winter season. The forecast from NOAA for our area includes an above average snowpack for this winter. As no long-term forecast can be 100 percent accurate, this outlook could be only used as a guide. However, weather predictions from different sources agree that this winter will be above average for rain and snow.

Methods of Distribution:

Irrigation in the Susan River service area is accomplished by placing diversion dams in the main channel of the stream system, to raise the water to the level required to divert into the canals, sloughs and ditches. These dams for diversion are relatively large on the Susan River compared to those on the smaller tributaries. Various methods of irrigation are practiced; the most common approach is by flooding. With this technique, water is transported by a main conveyance channel along the high point of the lands to be irrigated. It is then dispersed by laterals along the higher ridges of the tract from which it can be distributed over the area to be irrigated by the smaller laterals of the ditch system. Sub-irrigation occurs in some areas incidental to surface irrigation or because of seepage from ditches or creek channels. During the past several years, numerous users have increased the usage of sprinkler irrigation by wheel lines to improve the efficiency of their irrigation systems.

Watermaster Service Fiscal Information:

The Fiscal Year 2025/2026 Watermaster Service budget was adopted on May 22nd, 2025 in the amount of $174,210.60. The Fiscal Year 2026/2027 Watermaster Service budget was adopted on May 21, 2026 om the amount of $1643,558.34. Fiscal Year 26/27 saw a 6.2% decrease from FY 25/26 which was a 40% decrease from FY 24/25. This is due to the Watermaster Service successfully building and maintaining a contingency fund, to allow the operational budget to operate at lower than net zero for the upcoming fiscal year. The required notification regarding the budget, apportionment, and individual assessments were mailed to the users and filed with the Lassen County Superior Court before June 15, 2026. There were no filed objections to the budget or apportionment within 15 days or thereafter; and thus, deemed approved by the Court without further hearing. The approved budget, apportionment, and individual assessments were certified to the Lassen County Auditor and the Lassen County Board of Supervisors prior to August 10, 2026.

2024/2025 Water Allocation and Distribution:

The Susan River Watermaster Service Area experienced below average precipitation compared to the previous year's rainfall. With below average snowfall, the water available to users was only average for part of the season. After which, the water available to users dropped off significantly by mid-May. The general availability of water for the various stream systems is described below.

Susan River Watermaster Service Area – Annual Use Report
2025/2026

Lassen Creek: Lassen Creek provided water through the end of June of 2026 at less than 50 percent water availability, dropping off to almost no flow by the beginning of July 2026.

Hills Creek: Hills Creek has prorated water availability. Diversions that were in good maintenance were able to access above average water right, when taken in turn. Some diversions are in the process of being repaired after washouts. A small amount of flow was still able to return to Gold Run Creek.

Gold Run Creek: Water was available in prorated amounts for irrigation until late June. Flows then receded to an average of 1.5 cubic feet per second, still flowing into the month of August 2026, providing a small percentage of water rights to users on Gold Run Creek.

Upper Susan River: Flows for the Upper Susan allowed for 100 percent water right till late April. Water availability dropped progressively till June, when only stock water was available. Flows decreased to less than 12cfs by mid-August 2026, providing only a small percentage of water right at the time of this report.

Lower Susan River Below the Confluence of Willow Creek: The Lower Susan had irrigation water available for Schedule 3, 3rd priority users until mid-June 2026 and was nearly sufficient for Schedule 3, 2nd priority users until mid-late June. Stock water was available to most users until mid-August. Past this point, users were able to exercise stock watering rights at a percentage of water rights depending on the flow at Colony Dam.

Willow Creek: Willow Creek flow remained consistent throughout the season. The Flows were sufficient for regular stock watering of the second priority until September. Stock water to downstream users continues at the time of this report.

Bankhead/Sloss Creek At the time of this report, these creeks are dry. Prorated water was available till mid-May 2026. No water flow is expected to return till after the season ends.

Lassen Irrigation Company Storage Reservoirs: LIC began diverting water from McCoy on May 30th, 2026. Water release from Hog Flat reservoir began on June 30th, 2026. Water flows decreased to zero by the end of August 2026.

Baxter Creek: Upper Baxter Creek had consistent flow till the beginning of June 2026, but only at a percentage of right. The lower end of Baxter Creek flows fell off during the month of May and will not supply water again till after the season ends.

Miscellaneous Notable Events:

1. The Watermaster Service moved offices to 708-770 Sunnyside Road in Janesville.
2. The Watermaster Service installed cellphone-based cameras throughout the system to allow for remote monitoring.

LARRY BAIN, CPA
AN ACCOUNTING CORPORATION

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894

lpbain@sbcglobal.net

August 11, 2026

Board of Directors
Honey Lake Valley Resource Conservation District
170 Russell Ave., Suite C.
Susanville, CA 96130

We are pleased to confirm our understanding of the services we are to provide Honey Lake Valley Resource Conservation District for the fiscal year ended June 30, 2026.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Honey Lake Valley Resource Conservation District as of and for the fiscal year ended June 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Honey Lake Valley Resource Conservation District's basic financial statements. Such 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. As part of our engagement, we will apply certain limited procedures to Honey Lake Valley Resource Conservation District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) General Fund and Watermaster Fund Budget to Actual Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies Honey Lake Valley Resource Conservation District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

1) Schedule of expenditures of federal awards.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Honey Lake Valley Resource Conservation District's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Honey Lake Valley Resource Conservation District's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Honey Lake Valley Resource Conservation District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Honey Lake Valley Resource Conservation District in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes to the financial statements, services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on October 20, 2026.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Board of Directors; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Larry Bain, CPA, An Accounting Corporation and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an authorized regulatory agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Larry Bain, CPA, An Accounting Corporation personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal agency providing direct or indirect funding, or the U.S. Government Accountability Office, or the California State Controllers Office. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Larry Bain, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately January 6, 2027, and to issue the report by March, 2027.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $19,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to management and the governing board of Honey Lake Valley Resource Conservation District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to Honey Lake Valley Resource Conservation District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Larry Bain, CPA
An Accounting Corporation

RESPONSE:

This letter correctly sets forth the understanding of Honey Lake Valley Resource Conservation District.

Management signature: ________________________

Title: ________________________

Date: ________________________

Governance signature: ________________________

Title: ________________________

Date: ________________________

<u>Honey Lake Valley RCD District Manager Report</u>

Kelsey Siemer - District Manager
September 24, 2026

RCD Administration:

- Bookkeeping
  - Monthly reports attached

Watermaster:

- County apportionment discussions ongoing, no significant updates, trying to schedule a meeting with the County Auditor
- Annual Use Report draft - first reading tonight

Grant Updates:

- **<u>DWR: Lahontan Basin IRWM Implementation - Rounds 1 and 2</u>**
  - COMPLETE!!!

- **<u>USFS: Post Fire Recovery - Sheep, Hog and Dixie Fire Scar</u>**
  - White: Site Prep Planned for Early October
  - Milford biomass: Complete
  - Barr FMP ongoing.
  - Donovan is a small private landowner mastication project ~ 30 acres. Waiting on archaeology.
  - Attended Forests and Mountain Meadows NBS Summit

- **<u>USFS 2: Post Fire Recovery - Dixie Fire Scar</u>**
  - Cone Collection: SPI will allow collections.

- **<u>NACD: TA2024</u>**
  - Tiffany is wrapping up final deliverables
  - Extension was granted through September 30th

- **<u>CAL FIRE Workforce Development Grant:</u>**
  - No new updates

- **<u>BLM GNA: Restoration Projects</u>**
  - Laura 2 fire recovery
    - 3500 antelope bitterbrush plugs will be ready for planting in Fall 2026.
    - Tovar's Reforestation will plant in October/November 2026.
  - Low-Tech Process Based Restoration
    - Rush Creek - Contractor completed the 15 required structures in Spring 2026.
      - Six structures burned in the Biscar Fire. Potential for future funding/work.

        - Deep Cut - Contractor has built 16 of the required 40 structures. They will be out Sep. 28 - Oct 2 focusing on the remaining structures.
        - Contractor will perform maintenance on all structures in Spring 2027.
    - Sagebrush Growouts
        - 3000 wyoming sage and low sage plugs will be ready in Fall 2026.
        - Planting will occur near Greater Sage Grouse leks on BLM land: Chaulk Bulf, Hall Spring, and Gilman.
        - Tovar's Reforestation will plant in October/November 2026.
    - Cottonwood Salvage Planting
        - Completed planting!
        - Working with BLM to do a release treatment this fall

- **Wildlife Conservation Network: Southern Lassen County Habitat Restoration**
    - Juniper Removal
        - Finalizing contract with RGZ Forestry, waiting on Washoe Tribe review for cultural resource monitor.
        - The Bug Fire partially burned one of the lower-density juniper treatment polygons, should not impact planned work.
        - Work to begin ASAP when the contract is finalized, hopefully starting October 2026.
    - Antelope Bitterbrush Planting
        - Planting contract signed by Walker Basin and HLVRCD. Walker Basin is currently growing bitterbrush plugs. 25000 PUTR plugs will be ready for this Fall 2026. Walker Basin professional crews will plant.
        - Elephant Fire partially burned one of the planting polygons at Hallelujah Junction. The fire seemed to burn low severity and clear out the on-site cheatgrass. We will capitalize and move the entire planting polygon within the burn footprint.
        - Plug Planting begins early November 2026 by Walker Basin and will continue to Thanksgiving.

- **Wildlife Connectivity Working Group Coordinator**
        - **Lassen County Fish & Game Commission Raptor Project**
            - Lassen HS Kestrel boxes completed and picked up. Westwood HS boxes in progress.
            - Contract with Dan Lipp finalized for installation with monitoring in the 2027 breeding season and cleaning/repairing boxes after 2027 breeding season.
            - 3rd party use agreement for installation at Mountain Meadows Reservoir signed.
            - Additional sites selected on Collins Pine property outside of Westwood, permit being drafted.
            - 12-15 boxes planned installation this fall across Feather River Lands Trust and Collins Pine properties

        - **Pollinator Grant!- AWARDED**
            - Monarch Joint Venture's Monarchs and More Western Habitat Program will provide native seeds and plant plugs for pollinator restoration plantings in and around Susanville.
            - Additional site recommendations welcome.
        - **Modoc Line Biodiversity Study**
            - Collaboration with Lassen Lands and Trails Trust and UC Davis Museum of Fish and Wildlife to conduct a vertebrate biodiversity study along the Modoc Line (85 mile long property owned by LLTT).
            - Project development in progress. Funding needed.
        - **Working Group Updates**
            - In-person meeting tentatively scheduled for March 8th - 9th in Susanville. Including half day of structured discussion sessions including a poster session and a half day field tour. Planning in-progress.

- **USFS: Lassen Resource Advisory Committee (RAC)**
    - Bryan has been working with Trout unlimited to close out the season
    - Maddie has been assigned to work on the interpretive panels

- **Trout Unlimited: Pine Creek Monitoring**
    - Stream Health Trip completed
    - One winterization trip scheduled in October
    - RCD to order replacement equipment before October

- **CDFA: Weed Management Area**
    - Looking to host a fall WMA meeting at LLTT property off Richmond Road

- **Watershed Center: PBA Capacity Funds**
    - Support staff obtaining fire quals, one demonstration burn, and some more equipment for fire program
    - Bryan and Maddie have been signing up for trainings to take this fall.

NEW AND UPCOMING:

- **NFF Capacity Funds - REQUESTED**
    - Kelsey applied for ~$50k to help with Pine Creek monitoring next season through National Forest Foundation
- **NFWF Conservation Partners Program - REQUESTED**
    - Cross jurisdictional regional proposal for sagebrush biome conservation practices including invasive annual grasses
    - Working with Modoc RCD, Vya RCD, and potential Lava Beds, Washoe, and Goose Lake to bring TA to producers.
    - Support from Point Blue and potentially CARCD, leveraging potential HSP funds

- **CalFire Wildfire Resilience Grant - REQUESTED**
    - $950K
    - Applied for CalFire funding for Ranch Park / SIR parcels north of town to do some thinning / fuel break work.
    - Heard from CalFire and the award is looking probable! We made it to the final round!
- **CDFA Prop 4 Invasive Species - APPLYING**
    - Kelsey, Tiffany, BLM, UCCE, CDFW partnering to try and get some funds to target invasive annual grasses in NE CA on working lands and in prime habitat for Sage Grouse, mule deer, and pronghorn.
- **BLM Plant Conservation and Restoration Management Grant - APPLYING**
    - $207K for bitterbrush, sagebrush, and riparian/wetland seed collection
- **CalFire Cone Collection Funds - REQUESTED**
    - $70k to further cone collection efforts across private lands in tandem with CalFire
        - CalFire and CARCD are working to finalize the agreement.
    - RCD would do outreach / sign landowners up and monitor cone crop
    - RCD / CalFire would oversee CalFire contracted climbers for collection.
- **Foundation for America’s Public Lands (FAPL) - APPLYING/REQUESTED**
    - ~$204k originally allocated to BLM Eagle Lake Field Office designed for juniper work, however, FAPL/BLM would like RCD to administer funds instead.