



PUBLIC NOTICE
Special Meeting of the:
Honey Lake Valley Resource Conservation District
Attachments available 12/17/19 at

www.honeylakevalleyrcd.org

Date: Thursday, December 19, 2019

Location: USDA Service Center
170 Russell Avenue, Suite C
Susanville, Ca. 96130
(530) 257-7271 x100

Time: **3:30 PM**

SPECIAL MEETING 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, PLEDGE OF ALLEGIANCE, ROLL CALL

II. APPROVAL OF AGENDA

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

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. Approval of 11/26/19 meeting minutes (attachments)
- B. Treasurer's Report (attachment)

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

V. REPORTS

- A. District Manager Report (attachment) – Meyer
- B. NRCS Agency Report – Stephens
- C. Lassen SWAT – Meyer/Tippin

- D. WAC Report – Langston
- E. Modoc Regional RCD/CARCD Report – Tippin
- F. Fire Safe Council Report – Johnson
- G. IRWMP Report – Claypool
- H. Unagendized reports by board members

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

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

- A. Consideration and approval of Craig Collins Accountant Engagement Letter for 2019 Audit (attachment)

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

- B. Consideration and approval of Northeastern CSDA Chapter Certificate of Liability (attachment)

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

- C. Consideration and approval of Board Service Thank You letter for Dave Schroder (attachment)

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

VII. ITEMS FOR BOARD ACTION AND/OR DISCUSSION– WATERMASTER

- A. Review and discussion of further District action regarding Dow-Bonomini Trust Motion of Appeal re: Paragraph 17 (attachment)

Tie to the Strategic Plan: Strategic Issue 1.4 – Watermaster services are professionally provided.

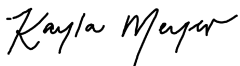
- B. Review and discussion of further District action regarding Dow-Bonomini Trust Motion of Appeal re: Case 3037 (Barham/Kelly) (attachement)

Tie to the Strategic Plan: Strategic Issue 1.4 – Watermaster services are professionally provided.

IX. ADJOURNMENT

The next Honey Lake Valley RCD meeting will be **January 23, 2019 at 3:30PM**. The location is the USDA Service Center, 170 Russell Avenue, Suite C, Susanville, CA.

I certify that on Tuesday, December 17, 2019 agendas were posted as required by Government Code Section 54956 and any other applicable law.



Kayla Meyer – District Manager



PUBLIC NOTICE
Special Meeting of the:
Honey Lake Valley Resource Conservation District
Attachments available 11/22/19 at

www.honeylakevalleyrcd.org

Date: Tuesday, November 26, 2019

Location: USDA Service Center
170 Russell Avenue, Suite C
Susanville, Ca. 96130
(530) 257-7271 x100

Time: **3:30 PM**

MEETING MINUTES

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, PLEDGE OF ALLEGIANCE, ROLL CALL

Board member Jesse Claypool called the meeting to order at 3:40pm, the pledge of allegiance was recited, and a quorum was noted. Board member Wayne Langston not present and a Board member vacancy was noted.

II. APPROVAL OF AGENDA

Board member Laurie Tippin made a motion to approve the agenda, Board member Will Johnson seconded, and the motion passed. All.

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

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

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

A. Approval of 10/24/19 meeting minutes (attachments)

B. Treasurer's Report (attachment)

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

V. REPORTS

- A. District Manager Report (attachment) – Meyer

Board discussion of casting a bigger net for potential to fill Board vacancy.

- B. NRCS Agency Report – Stephens

Stephens updated district that three new NRCS employment positions were posted.

- C. Lassen SWAT – Meyer/Tippin

- D. WAC Report – Langston

- E. Modoc Regional RCD/CARCD Report – Tippin

Tippin discussed 2020 Spring dates for an upcoming Modoc Regional meeting and asked members to plan for an April date. Additionally, Tippin discussed that CARCD is working on baseline funding opportunities.

- F. Fire Safe Council Report – Johnson

- G. IRWMP Report – Claypool

- H. Unagendized reports by board members

Claypool updated board members that a Northeastern Chapter has been formed and that the District will take the lead of facilitating meetings under a 'fee for service' model. Board also discussed having the ability to donate on the website as well as a CARCD toolkit funding resource.

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

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

- A. Consideration and approval of Larry Bain Engagement Letter for 2019 Audit (attachment)

Board member Laurie Tippin made a motion to approve the letter, Board member Will Johnson seconded, and the motion passed. All.

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

- B. Consideration and approval of the 2020 Calendar. (attachment)

Board member Will Johnson made a motion to approve the calendar, Board member Laurie Tippin seconded, and the motion passed. All.

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

- C. Consideration and approval of Thompson Peak WUI Fuel Treatments Project – Letter of Support (attachment)

Board member Laurie Tippin made a motion to approve the letter, Board member Will Johnson seconded, and the motion passed. All.

Tie to the Strategic Plan: Strategic Issue 1 – Build HLVRCD leadership & organizational capacity & 2 – Stay Relevant to the Conservation Needs of the Community & 3 – Capture Conservation Opportunities, as Appropriate.

- D. Discussion of HLV RCD future involvement with RWMG Board.

Board discussion of future IRWMP/RWMG, project and funding opportunities. Board advised to wait for further funding and award announcements from DWR. Announcements to be used as a catalyst to begin conversation with other members of the RWMG board for decision of future activities.

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

- E. Consideration and approval of RCD Employee Handbook (attachment)

Board member Will Johnson made a motion to approve Handbook with proposed corrections, Board member Laurie Tippin seconded, and the motion passed. All.

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

- F. Consideration to cancel December Board Meeting and discussion to reschedule.

Board member Laurie Tippin made a motion to cancel December's regularly scheduled meeting for a special meeting, Board member Will Johnson seconded, and the motion passed. All.

Special meeting scheduled for December 19, 2019 at 3:30 pm.

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

VII. ITEMS FOR BOARD ACTION AND/OR DISCUSSION– WATERMASTER

- A. Consideration and approval of final draft of the 2018/2019 Susan River Watermaster Service Area Annual Use Report (attachment)

Board member Will Johnson made a motion to approve Annual Use Report, Board member Laurie Tippin seconded, and the motion passed. All.

Tie to the Strategic Plan: Strategic Issue 1.4 – Watermaster services are professionally provided.

- B. Consideration and approval of Lozano Smith invoice 209554 and 2095545, totaling \$1,220.50 (attachment)

Board member Will Johnson made a motion to approve invoice amounts, Board member Laurie Tippin seconded, and the motion passed. All.

Tie to the Strategic Plan: Strategic Issue 1.4 – Watermaster services are professionally provided.

IX. ADJOURNMENT

The next Honey Lake Valley RCD meeting will be **December 19, 2019 at 3:30PM**. The location is the USDA Service Center, 170 Russell Avenue, Suite C, Susanville, CA.

Respectfully Submitted,

APPROVED: _____
Jesse Claypool, RCD Board Chairperson



DATE: **December 19th, 2019**

Kayla Meyer
District Manager

Honey Lake Valley Resource Conservation District

PROFIT AND LOSS DETAIL

November 2019

PTO Accrual: 293

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	SPLIT	AMOUNT	BALANCE
Ordinary Income/Expenses							
Income							
40070 Grant Proceeds							
40075 IRWMP							
11/04/2019	Deposit			Invoice 6 Proceeds	10000 Tri-Co 639	30,600.00	30,600.00
Total for 40075 IRWMP						\$30,600.00	
Total for 40070 Grant Proceeds						\$30,600.00	
40180 Watermaster Fees							
11/21/2019	Deposit			Direct Billings	11600 Tri-Co WM 218	9,257.00	9,257.00
Total for 40180 Watermaster Fees						\$9,257.00	
Total for Income						\$39,857.00	
Expenses							
60005 Dues and subscriptions							
11/12/2019	Expense		CSDA	CSDA - 2020 Renewal Dues	10000 Tri-Co 639	186.00	186.00
Total for 60005 Dues and subscriptions						\$186.00	
60065 Conference							
11/13/2019	Expense			CARCD Conference - Meal expense	10000 Tri-Co 639	12.89	12.89
11/18/2019	Expense			POS PUR 1106 SHERATON_SHERATON_530-3642800 CA	10000 Tri-Co 639	5.00	17.89
11/18/2019	Expense			Annual CARCD Conference	10000 Tri-Co 639	468.07	485.96
Total for 60065 Conference						\$485.96	
60110 EQUIPMENT							
11/07/2019	Expense			POS PUR 5193 TRACTOR SU_142 ROBS WAY_SUSANVILLE CA	11600 Tri-Co WM 218	127.58	127.58
Total for 60110 EQUIPMENT						\$127.58	
60240 Office							
11/01/2019	Expense		Intuit	REC POS 2581 Intuit *Qu_Intuit *QuickBooks_800-446-8848 CA	10000 Tri-Co 639	40.00	40.00
11/01/2019	Expense		Google SV Google SVCsapps	POS PUR 2581 GOOGLE *GS_GOOGLE *GSUITE_hone_cc@google.com CA	10000 Tri-Co 639	54.00	94.00
11/07/2019	Expense		U.S. Cellular	PRE AUT 2732 U.S. CELLU	11600 Tri-Co WM 218	57.51	151.51
11/07/2019	Expense		Frontier	REC POS 7410 CTS*FRONTI_CTS*FRONTIER ONLINE_800-921-8101 CT	10000 Tri-Co 639	75.98	227.49
11/07/2019	Expense		Walmart	WM - Office Supplies	11600 Tri-Co WM 218	16.37	243.86
11/12/2019	Expense		U.S. Cellular	REC POS 2732 USCELL REC_USCELL RECURRING_WWW.USCELLULA IL	11600 Tri-Co WM 218	57.51	301.37
11/29/2019	Expense		Adobe Pro Software	REC POS 2581 ADOBE ACRO_ADOBE ACROPRO SUBS_800-833-6687 CA	10000 Tri-Co 639	14.99	316.36
Total for 60240 Office						\$316.36	
60375 SNC							
11/29/2019	Expense		Hulsman Ranch	SNC 901 - Invoice 3 Payment	10000 Tri-Co 639	37,143.60	37,143.60
Total for 60375 SNC						\$37,143.60	
62000 Bank charges and Fees							
11/12/2019	Expense		Intuit		11600 Tri-Co WM 218	3.50	3.50
11/26/2019	Check		Intuit		11600 Tri-Co WM 218	3.50	7.00
Total for 62000 Bank charges and Fees						\$7.00	
66000 Payroll Expenses							
11/30/2019	Journal Entry	SA-11-2019		Total Due from RCD - Taxes November	-Split-	341.40	341.40
11/30/2019	Journal Entry	SA-11-2019		Total Due from RCD - Gross November	-Split-	2,812.00	3,153.40
11/30/2019	Journal Entry	SA-11-2019		Watermaster A/C November Payroll Gross	-Split-	7,338.00	10,491.40
11/30/2019	Journal Entry	SA-11-2019		Watermaster A/C November Payroll Taxes	-Split-	687.67	11,179.07
Total for 66000 Payroll Expenses						\$11,179.07	
Total for Expenses						\$49,445.57	
Net Income						\$ -	
						9,588.57	

HONEY LAKE VALLEY RESOURCE
CONSERVATION DISTRICT
170 RUSSELL AVE STE C
SUSANVILLE CA 96130

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365 days a year! 1-800-922-8742**

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Not for Profit Business Chkg

Account: XXXXXXXX2639

Account #	XXXXXXXX2639	Statement Dates	10-31-19 thru 11-30-19
Beginning Balance	112,476.82		
2 Deposits/Credits	56,998.66		
9 Checks/Debits	38,000.53		
Total Service Charges	0.00		
Interest Paid	0.00		
Ending Balance	131,474.95		

Transactions

<u>Date</u>	<u>Description</u>	<u>Amount</u>
11-01	Rec POS 2581 Intuit *Qu Intuit *Quickbooks 800-446-8848 CA	40.00 -
11-01	POS Pur 2581 Google *Gs Google *Gsuite_hone Cc@google.com CA	54.00 -
11-04	Deposit	30,600.00
11-07	Rec POS 7410 Cts*Fronti Cts*Frontier Online 800-921-8101 Ct	75.98 -
11-13	POS Pur 1106 Tst* From Tst* From The Heart Redding CA	12.89 -
11-18	POS Pur 1106 Sheraton Sheraton Redding CA	468.07 -
11-18	POS Pur 1106 Sheraton Sheraton 530-3642800 CA	5.00 -
11-21	Cm Xfer Fr DDA XXXXXXXX6331	26,398.66
11-29	Rec POS 2581 Adobe Acro Adobe Acropro Subs 800-833-6687 CA	14.99 -

Checks

<u>Check #</u>	<u>Date</u>	<u>Amount</u>	<u>Check #</u>	<u>Date</u>	<u>Amount</u>	<u>Check #</u>	<u>Date</u>	<u>Amount</u>
2987	11-12	186.00	2988	11-29	37,143.60			

* Indicates a Gap in Check Number Sequence

Continued on Next Page

HONEY LAKE VALLEY RESOURCE
CONSERVATION DISTRICT
170 RUSSELL AVE, STE C
SUSANVILLE, CA 96150

DATE 11/4/19

2987

FAY TO THE ORDER OF California Special Districts Association \$ 186.⁰⁰
ONE hundred Eighty Six and 00/100 DOLLARS

tri counties bank

FOR 2020 membership renewal

#002987# ⑆12⑆135045⑆ 250382639#

check #: 2987 - Amt: \$186.00

HONEY LAKE VALLEY RESOURCE
CONSERVATION DISTRICT
170 RUSSELL AVE, STE C
SUSANVILLE, CA 96150

DATE 11/21/2019

2988

FAY TO THE ORDER OF Hulsman Ranch Partnership \$ 37,143.⁶⁰
Thirty Seven thousand one hundred forty three and 60/100 DOLLARS

tri counties bank

FOR SING MTD HUSTON RANCH

#002988# ⑆12⑆135045⑆ 250382639#

check #: 2988 - Amt: \$37,143.60

HONEY LAKE VALLEY RESOURCE
CONSERVATION DISTRICT
170 RUSSELL AVE STE C
SUSANVILLE CA 96130

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Not for Profit Business Chkg

Account: XXXXXXXX4218

Account #	XXXXXXXX4218	Statement Dates	10-31-19 thru 11-30-19
Beginning Balance	71,786.31		
1 Deposits/Credits	9,257.00		
7 Checks/Debits	13,602.39		
Total Service Charges	0.00		
Interest Paid	0.00		
Ending Balance	67,440.92		

Transactions

<u>Date</u>	<u>Description</u>	<u>Amount</u>
11-07	POS Pur 5193 Tractor Su 142 Robs Way Susanville CA	127.58 -
11-07	POS Pur 5193 Wal-Mart S 1616 Wal-Sams Susanville CA	16.37 -
11-12	Rec POS 2732 Uscell Rec Uscell Recurring Www.uscellula IL	57.51 -
11-12	Intuit Payroll S Quickbooks Honey Lake Valley Reso	4,156.14 -
11-15	Employment Devel Edd Eftpmt Honey Lake Valley Reso	992.42 -
11-15	Irs Usataxpymt Honey Lake Valley Reso	4,694.32 -
11-21	Deposit	9,257.00
11-26	Intuit Payroll S Quickbooks Honey Lake Valley Reso	3,558.05 -

End of Statement

Honey Lake Valley RCD District Manager Report

Kayla Meyer – District Manager

December 19, 2019

RCD Administration:

- 2019 Audit to be initiated January 2020
- Board vacancy
- Board Member compliance requirements 2020 (Sexual Harassment, Ethics, 700)
- Winter office clean-up/file archive

Susan River Water Master Service

- Usage report draft 9/12/19 – First WAC reading 9/26/19
 - Approved at 11/14/2019 WAC meeting
 - Final submission – 12/31/2019
- DOW appeals received 12/09/2019

DWR: Lahontan Basin IRWM (DACI Grant)

- Invoice 7 submitted 10/15/2019 – Awaiting payment
- Needs Assessment requirement due to DWR – before 12/25/2019
- LIC – IRWMP Application submitted 10/21/2019
- Mapping application for region near completion
 - KM to review draft application with GIS technician

DOC: RCD Accreditation Program

- Pending final invoice payment

SNC: Lassen Creek Watershed

- Progress report submitted 7/31/19
- Work has been completed on both properties
 - Check issued for 3rd invoice, advance request submitted, 4rd invoice and advance request to follow
 - Final report and invoice due end of December 2019

CalRecycle: Farm and Ranch Solid Waste Cleanup and Abatement Grant

- Dave Schroder finished work on Mendes project in June – Grant close-out work complete
 - Issued final payment check
- Schroder has finished work on Bertotti site
 - Final report submitted and approved
 - Awaiting payment
- Work plan to be developed for Doyle sites
- Grant applications for further sites due February 2020

CDFG: Carbon Farming Technical Assistance Grant / Carbon Farming Initiatives

- NRCS CIG Funding Opportunity for RCD – 50k annually for 5 years
 - Grant awards will be announced December 2019

Special Weed Action Team

- 3 SWAT grants (~60k each)
- First invoice submitted – 10/30/2019
- All CEQA due and reported by 12/30/2019

Plans for Next Month:

- Continue work on open grants/agreements: SNC, CalRecycle, DACI, SWAT, Carbon Farming Initiatives

COLLINS ACCOUNTANCY COMPANY

620 THIRD STREET, SUITE 120
POST OFFICE BOX 426
LINCOLN, CALIFORNIA 95648-0426
TELEPHONE: (916) 626-4984

LINDA FOSTER, CPA, MS TAX
CRAIG D. COLLINS, CPA

WEBSITE: [HTTP://WWW.COLLINSACCT.COM/](http://www.collinsacct.com/)

December 14, 2019

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

Dear Ms. Meyer:

We are pleased to confirm our understanding of the services you have requested that we provide to the Honey Lake Valley Resource Conservation District (the "District") for the period from December 2019 through June 2020 (or later, if requested by the District and confirmed by us) and to clarify the nature and extent of this engagement.

Objectives of the Engagement

The objectives of the engagement are to assist management in preparing for the upcoming audit of the District's financial statements by addressing specific aspects of the District's books identified by the District and the District's external auditor and other areas that may be identified as the engagement progresses and as agreed to by us. The purpose of the assistance will be to provide support to management in performing certain aspects of the District's accounting functions, but not to assume overall responsibility for the District's accounting operations. We anticipate performing the following types of tasks, which may be adjusted or modified as the engagement progresses:

1. Compare the District's QuickBooks balances with the prior year audited balances and prepare adjustments as needed to reconcile QuickBooks balances to the previous audit.
2. Review the activity in the interfund asset/liability accounts (due to/from other funds), request any additional needed information from management, and propose adjustments to agree the interfund asset/liability accounts where the information provided enables us to do so.
3. Prepare an adjusting entry based on review of the General Ledger activity to adjust the accrued payroll liability to the actual balance as of June 30, 2019, based on information you provide.
4. Perform bank reconciliations as necessary based on the bank statements you provide and the QuickBooks information and based on your responses to our questions where applicable.

5. Scan the general ledger detail for a period of time after June 30, 2019 and make inquiries based on known information to identify possible receivables and payables and prepare adjusting entries to the extent such are not already recorded in the books. Compare grant revenue during the 2018-2019 fiscal year to associated expenses as shown in QuickBooks to determine the extent of deferred revenue that may need to be recorded.
6. Create separate self-balancing trial balances for the General Fund and Watermaster fund based on the QuickBooks data you provide and any additional information you provide.
7. Update the depreciation schedule based on your responses to our inquiries and our review of the QuickBooks general ledger.

The objectives are subject to revision, depending on funding priority and availability to perform work. During the engagement, circumstances could arise that may cause us to discontinue work on this engagement. In such an event, we will notify you in writing.

Our Responsibilities

These services are limited to the objectives described above. The engagement involves review of the documents you submit to us, discussions with you, e-mails to you, and preparation of documents for your review. Due to the limited information presented to us from you and the limited amount of time we will spend together, our consulting services are general in nature, based on limited facts, circumstances and documents, and are not intended to provide assurance like the assurance provided with an audit, examination, or review engagement. We will not audit, examine, or review your financial statements, prospective financial information including cash flow forecasts, or the underlying financial data.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or conclusion. Accordingly, we will not express an opinion or conclusion or provide any assurance on the financial statements, cash flow forecasts, other prospective financial information, or the District's internal control.

Because the District receives funding from multiple sources, it is necessary for the District to allocate its personnel cost among the funding sources to determine how much funding from each source is used to pay for District personnel. The allocation of personnel cost has a significant impact on the District's financial statements, and we intend to perform our procedures based on the District's current practices of staff time allocation without attempting to verify that those allocation practices are in compliance with applicable legal requirements or whether the allocation represents an accurate distribution of staff time devoted to each

Kayla Meyer, District Manager
Board of Directors
Honey Lake Valley Resource Conservation District
December 14, 2019
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activity. Inaccuracies could exist, such as the District's allocation of 50% of personnel cost to the Watermaster fund or its allocations to grant-funded activities, many of which require an after-the-fact actual distribution of staff time spent. You acknowledge the risk of noncompliance and inaccuracy present in this area and agree that we will communicate that risk to the District's independent auditor.

In the District's case, the very small size of the operation and a District Manager that works primarily off-site create risk of paying for hours not worked and billing hours to activities that are not eligible. We have been informed that the District has a process in place for the Board President to oversee the activities of the District Manager, which should reduce this risk. In performing our procedures, we will rely on the hours worked recorded in your payroll system absent clear and definite evidence beyond a reasonable doubt that it is incorrect. However, we do so having communicated this risk to you. You agree that we may also communicate this risk to the District's independent auditor.

Management agrees that each page of the financial statements, cash flow forecasts, or other prospective financial information prepared without a compilation report will contain a statement that no assurance is expressed. Without this statement, we will be required to issue a disclaimer to the same effect to be attached to the financial statements, cash flow forecast, or other prospective financial information. When prepared under these requirements, we are responsible for conducting the engagement in accordance with the Statements of Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and complying with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care. Management acknowledges and understands that our role in the financial statement preparation engagement is to prepare financial statements, cash flow forecasts, and/or other prospective financial information in accordance with the desired accounting framework, Generally Accepted Accounting Principles, unless otherwise agreed. Management has overall responsibilities that are essential to our undertaking the engagement for preparation of your financial statements, as defined under "Your Responsibilities," below.

Management has knowledge about the nature of procedures applied and the basis of accounting and assumptions used in the financial statements, cash flow forecasts, and any other prospective financial information. You have also been informed of the limitations on the engagement in this letter.

Because of the limitations of our consulting and accounting services, our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or

noncompliance with laws and regulations. Consequently, there is a risk that that material errors, irregularities, or illegal acts, including fraud or defalcation, may exist and may not be detected by us. We need not report any matters regarding illegal acts that may have occurred that are clearly inconsequential and may reach agreement in advance with you on the nature of any such matters to be communicated.

Your Responsibilities

You understand and accept your responsibility for

- The selection of the financial reporting framework to be applied in the preparation of financial statements and for purposes of cash flow forecasts or other prospective financial information.
- The preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- Designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements and cash flow forecasts or other prospective financial information that are free from material misstatement, whether due to fraud or error, including but not limited to the implementation of any corrective actions necessary to resolve audit findings.
- Preventing and detecting fraud.
- Identify and ensuring that the entity complies with the laws and regulations applicable to its activities
- Ensuring the accuracy and completeness of the records, documents, explanations, and other information, including the significant judgments provided by management for the preparation of financial statements, cash flow forecasts, and any other prospective financial information.
- Providing us with
 - access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, cash flow forecasts, and any other prospective financial information, such as records, documentation, and other matters;
 - additional information that we may request from management for the purpose of the engagement, and;
 - unrestricted access to the persons within the entity of whom we determine it necessary to ask questions.

Our services may assist you in fulfilling the responsibilities noted above, but the responsibility for deciding whether or not they are sufficient rests with you.

Kayla Meyer, District Manager
Board of Directors
Honey Lake Valley Resource Conservation District
December 14, 2019
Page 5 of 6

Although we may propose journal entries and make other recommendations during the course of our engagement, our services are not intended to be a substitute for management. You acknowledge your responsibility for evaluating our services, making all management decisions and performing management functions, and for approving the results of the services and taking responsibility for them. Our involvement in performing the functions as described above could impair our independence with respect to the District. Independence is required for performing audits or other attest services.

Engagement Administration

In the course of performing our duties under this agreement, it may be necessary for us to release information about the District to external parties, including but not limited to oversight authorities and external auditors. You authorize us to release information about the District where we deem it appropriate in our professional judgment or at your request.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail and otherwise transmit information about the District via the Internet, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Our firm may transmit confidential information that you provided us to third parties that we retain in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to providing information for outside services by data processing and professional staff who work as independent contractors for us. With the exception of internet providers subject to the risks discussed in the preceding paragraph, we will ensure we have a confidentiality agreement with any service providers we have retained to assist us in delivering service to you and with whom we share your confidential information, and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

Craig D. Collins, CPA is the engagement partner and is responsible for supervising the engagement. Our fee for the services described above will be \$85 per hour. We will render our invoices not more than monthly. Payment will be due within 30 days of the invoice date.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration District under its

Kayla Meyer, District Manager
Board of Directors
Honey Lake Valley Resource Conservation District
December 14, 2019
Page 6 of 6

Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

The District and Collins Accountancy Company both agree that any dispute over fees charged by us to the District will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration District. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

We appreciate the opportunity to be of service to the District. We 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 a copy and return it to us.

Very cordially yours,

Craig D. Collins, CPA
Partner

RESPONSE:

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

Signature: _____
Kayla Meyer
District Manager
Honey Lake Valley Resource Conservation District

Signature: _____
Board President
Honey Lake Valley Resource Conservation District

Honey Lake Valley Resource Conservation District

170 Russell Ave., Suite C.
Susanville, CA 96130
(530)252-7271

www.honeylakevalleyrcd.org



December 19, 2019

RE: Certificate for Liability Coverage

The undersigned, being duly authorized to execute this Certificate on behalf of the Board of Directors of Honey Lake Valley Conservation District (hereinafter the "District") hereby affirm the following:

1. That the participation by employees and members of the Board of Directors of the District in the meetings and activities conducted by the Northeastern Chapter of the California Special Districts Association have been authorized by the District's Board of Directors; and that the Board of Directors has found such activities constitute activities in the course and scope of such individual's employment with or position of director with the District.

Sincerely,

Jesse Claypool
Board Chair
Honey Lake Valley Resource Conservation District

Honey Lake Valley Resource Conservation District

170 Russell Ave., Suite C.
Susanville, CA 96130
(530)252-7271

www.honeylakevalleyrcd.org



December 19, 2019

Dave Schroder
709-650 Saddleback Lane
Janesville, CA 96114

RE: Board Member Service

Dear Mr. Schroder,

On behalf of the Board of Directors of the Honey Lake Valley RCD, I would like to thank you and your efforts in serving on the District's Board. We are indeed grateful to you for your passionate support and service, which helps us assist those in our community.

Thank you once again.

Sincerely,

Jesse Claypool
Board Chair
Honey Lake Valley Resource Conservation District