

**MEETING AGENDA FOR
RECLAMATION DISTRICT NO. 1608
BOARD OF TRUSTEES MEETING
8:00 A.M. FEBRUARY 5, 2025**

**NEUMILLER & BEARDSLEE
3121 WEST MARCH LANE, SUITE 100
STOCKTON, CALIFORNIA**

Call to Order.

Roll Call.

Agenda Items.

1. Public Comment. The public may comment on any matter within the District's jurisdiction that is not on the agenda. Matters on the agenda may be commented on by the public when the matter is taken up. All comments are limited to a maximum of 3 minutes for general public comments on items within the District's subject matter jurisdiction and 3 minutes before or during the Board's consideration of each agenda item, subject to the sole discretion of the Board President to allow additional time for a comment in accordance with Resolution 2019-04.
2. Approval of Minutes. Minutes of the regular meeting of January 3, 2025 and special meeting of January 20, 2025.
3. Financial Report. Review, discuss, and accept financial report.
4. Audit. Ratify Special District Financial Transaction Report and Management Representation Letter for the year ended June 30, 2024 and approve final copy of the financial statements and independent auditor's report for the year ended June 30, 2023.
5. Property Assessment for Levee Maintenance and Capital Services. Discussion and direction.
 - a. General discussion and direction for 2025 Assessment Election
6. Engineer's Report. Discussion and Possible Action on Engineer's Report.
7. Newsletter. Discussion and direction.
8. Superintendent Report. Request for directions and approvals.
9. Meetings. Report by Trustees on meetings attended and upcoming meetings. Request for direction.
10. Report and possible action on Progress of Tasks Assigned at Previous Board Meetings.
11. Discussion and direction on Short-Term and Long-Range Goals.
12. District Calendar. Discussion and direction.
 - a. Next Meeting is March 5, 2025.
13. Correspondence.
14. Approval of Bills.

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code §54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact Elvia Trujillo at 209/948-8200 during regular business hours, at least forty-eight hours prior to the time of the meeting.

Materials related to an item on this Agenda submitted to the Trustees after distribution of the agenda packet are available for public inspection in the office of the District Secretary at Neumiller & Beardslee, 3121 West March Lane, Suite 100, Stockton, California during normal business hours.

15. Staff Reports.

(a) Attorney. The Agenda for this meeting was posted on the window outside the meeting room at 3121 West March Lane, Stockton, California, at least seventy-two (72) hours preceding the meeting.

16. Adjournment.

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code §54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact Elvia Trujillo at 209/948-8200 during regular business hours, at least forty-eight hours prior to the time of the meeting.

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**AGENDA PACKET
RECLAMATION DISTRICT 1608
February 5, 2025**

<u>ITEM</u>	<u>COMMENTARY</u>
1.	Self-explanatory.
2.	Please see attached.
3.	Please see attached.
4.	Please see attached.
5.	Self-explanatory.
6.	Self-explanatory.
7.	Self-explanatory.
8.	Self-explanatory.
9.	Self-explanatory.
10.	Self-explanatory.
11.	Please see attached.
12.	Please see attached.
13.	Self-explanatory.
14.	Please see attached.
15.	Self-explanatory.
16.	Self-explanatory.

ITEM 2

**MINUTES OF THE REGULAR MEETING OF BOARD OF TRUSTEES
FOR RECLAMATION DISTRICT 1608
HELD ON FRIDAY, JANUARY 3, 2025**

A Regular Meeting of the Board of Trustees of Reclamation District 1608 was called to order at 8:00 a.m. by President Panzer on January 3, 2025, at the law offices of Neumiller & Beardslee, 3121 W. March Lane, Suite 100, Stockton, California.

TRUSTEES PRESENT

MICHAEL PANZER
DAN MacDONNELL
DOTTIE LOFSTROM

OTHERS PRESENT

ANDY PINASCO
ELVIA TRUJILLO
KIM FLOYD
ADAM RILEY

ABSENT:

CHRIS NEUDECK
JOE BRYSON

1. **Public Comment.** President Panzer expressed his gratitude to the attendees at last month's meeting for their quick and appropriate response to a medical emergency which occurred during that meeting. With Dr. Panzer's permission, his words of appreciation are included in these minutes:

“I have enjoyed being a trustee of this District for 25 years now. Having reviewed what transpired at our last meeting, I have been wondering what I would have done on that day if I hadn't been a Board member. Perhaps I would have been snow skiing in the out-of-bounds at Heavenly Valley, or maybe pheasant hunting at the 4000 acre Hastings Island Pheasant Club outside of Rio Vista, or driving my boat for 30 minutes out to the Berkeley Water Ski Club in the middle of the Delta to ski the slalom course. But no, I thank God that I was sitting in this chair that day when I experienced a cerebral-vascular accident (a blockage of blood vessels in the brain commonly known as a stroke) which affected my speech and the use of hands and fingers. Many of you noticed I was struggling and immediately took steps to provide the care I was going to need – the rapid response to the call for para-medics, the quick ambulance ride to St. Josephs Hospital, and the very early intervention with a clot-busting drug that within 2 hours cleared out the blockage. My voice and function of hands and fingers were completely restored. And so, I am with you today. Thank you for this privilege.”

2. **Approval of Minutes.** Minutes of the regular meeting of December 4, 2024. The Trustees reviewed the draft minutes. Trustee Lofstrom requested the third bullet in Item

11 be edited to add “*as needed*” at the end of the sentence After review and discussion, the December 4, 2024, minutes were approved as amended.

It was moved, seconded (D. MacDonnell/D. Lofstrom) and unanimously carried by the Board Trustees of Reclamation District 1608, that the minutes of the December 4, 2024, Regular Board Meeting, be approved as amended.

3. **Financial Report.** Review, discuss, and accept financial report. District Secretary Elvia Trujillo presented an oral and written report. After review,

It was moved, seconded (D. Lofstrom/D. MacDonnell) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the Financial Report presented at the January 3, 2025, meeting be approved.

4. **Property Assessment for Levee Maintenance and Capital Services.** Discussion and direction. Andy Pinasco reported Kim Floyd and Adam Riley would be giving an update on this item.

- a. Review and approve Official Ballot.

Kim Floyd and Adam Riley distributed a copy of the revised Official Ballot and the Official Notice & Ballot Information Guide. They reported a barcode will be included in the Official Ballot once ready for printing and mailing. In reviewing the Official Notice & Ballot Information Guide, minor edits were suggested for clarification purposes. Discussion was held on the procedure of processing and counting of the ballots. Employees of LWA and Kim Floyd Communications will be doing the tabulating of the assessment ballots in public view. LWA will do further quality control and an unofficial report will be prepared. After further discussion,

It was moved, seconded (D. Lofstrom/D. MacDonnell) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the Official Ballot and the Official Notice & Ballot Information Guide be approved as amended.

- b. General discussion and direction for 2025 Assessment Election.

Kim Floyd and Adam Riley presented this item. There was general discussion regarding the sunset of the current assessment and the 2025 assessment election. A preliminary webpage has been created on the District’s website on the proposed property assessment. For the convenience of property owners, an assessment calculator will also be added to the webpage. The next newsletter will be drafted early next week and mailed out in January. Ballots will be mailed out in February. Community presentations and speaking engagements are being organized to ensure property owners receive the necessary information and are well-informed. The first community meeting will be held on February 5, 2025,

and the second meeting on February 19, 2025, at 6:30 p.m. at Mabel Barron Elementary School.

5. **Engineer's Report.** Discussion and Possible Action on Engineer's Report.
 - a. Abandoned and derelict vessels impacting the levee slope.

District Engineer Chris Neudeck was not present at the meeting. Discussion was held regarding contacting the appropriate person or agency to remove the derelict vessel, a task that Mr. Neudeck and Mr. Bryson were handling. The possibility of an encroachment violation and its procedure for legal action was also discussed. Further, the cost associated with the removal of the abandoned vessel was considered, including charging the responsible party to reduce District expenses. As there are several items to consider, Mr. Pinasco will direct Mr. Neudeck and Mr. Bryson to pause their efforts on the removal of the abandoned vessel and bring this item back to the next meeting.
6. **Newsletter.** Discussion and direction.

Andy Pinasco remarked on the well-organized, easy to understand, and effective communication being provided by Kim Floyd Communications on the newsletters.
7. **Superintendent Report.** Request for directions and approvals.

Levee Superintendent Joe Bryson was not present at meeting. President Panzer reported receiving a notification from the Department of Pesticide Control regarding the newly prohibited rodenticides. Andy Pinasco said he and Chris Neudeck are fully aware of these notices, and applicators are also fully aware. Renewal of the spraying permit will be necessary and President Panzer offered to handle this.
8. **Meetings.** Report by Trustees on meetings attended and upcoming meetings. Request for direction.
 - No additional meetings attended by Trustees.
 - Upcoming meeting will be the February 5, 2025, Community Meeting.
9. **Report and Possible Action on Progress of Tasks Assigned at Previous Board Meetings.** No report.
10. **Discussion and direction on Short-Term and Long-Range Goals.** No discussion.
11. **District Calendar.** Discussion and direction.

Trustee Lofstrom requested the following edits to Page 2 of the District Calendar: *Emergency Operation Plan Review – June ~~2022~~ 2025.*

 - a. Next Meeting February 5, 2025.

On February 5, 2025, the regular Board Meeting will be taking place in the morning and the Community Meeting will be taking place in the evening.

12. **Correspondence.** None of note.
13. **Approval of Bills.** District Secretary Elvia Trujillo presented an oral and written report on District expenses. After review,

It was moved, seconded (D. MacDonnell/D. Lofstrom) and unanimously carried by the Board of Trustees of Reclamation District 1608 that the list of Bills for Approval provided at the January 3, 2025, Board Meeting be approved as presented.

14. **Staff Reports.** None.
- (a) **Attorney.** The agenda for this meeting was posted on the window outside the meeting room at 3121 West March Lane, Stockton, California, at least seventy-two (72) hours preceding the meeting.
15. **Adjournment.** The meeting adjourned at 8:44 a.m.

Respectfully submitted,

Elvia C. Trujillo
District Secretary

Acronyms Frequently Used

AC Repairs = Asphalt Concrete Repairs
CEQA = California Environmental Quality Act
CVFPDB = Central Valley Flood Protection Board
District= Reclamation District 1608
DWR = Department of Water Resources
KSN = Kjeldsen, Sinnock & Neudeck
LWA = Larsen Wurzel & Associates
MCSA = Maintenance and Capital Services Assessment District
N&B = Neumiller & Beardslee
Prop 218 = Proposition 218
RD 1608 = Reclamation District 1608
SJAFCFA = San Joaquin Area Flood Control Agency
San Joaquin OES = San Joaquin Office of Emergency Services
USACE = United States Army Corps of Engineers

Reclamation District 1608
Bills for Approval - January 3, 2025, Board Meeting

NAME	Date	INVOICE #	AMOUNT	TOTAL \$	WARRANT #	CHECK #	RATIFICATION
Michael Panzer (1/3/25 Board Mtg)	1/3/2025	Trustee Fee	\$299.92				
				\$299.92	6870		
Dan MacDonnell (1/3/25 Board Mtg)	1/3/2025	Trustee Fee	\$299.92				
				\$299.92	6871		
Dottie Lofstrom (1/3/25 Board Mtg)	1/3/2025	Trustee Fee	\$299.92				
				\$299.92	6872		
Elvia Trujillo (December Services)	1/3/2025	Secretary Fee	\$1,409.58				
				\$1,409.58	6873		
PG&E (Stone River)	12/19/2024	2999432760-8	\$9.49				
				\$9.49	6874		
Kjeldsen Sinock & Neudeck	12/20/2024	39311	\$1,410.75				
	12/20/2024	39312	\$827.25				
	12/20/2024	39313	\$9,411.21				
	12/20/2024	38314	\$2,871.25				
	12/20/2024	39315	\$99.00				
				\$14,619.46	6875		
SJC Mosquito & Vector Control District	Dec-24	SJ10038	\$39.25				
				\$39.25	6876		
Kim Floyd Communications	12/8/2024	V43355-12	\$19,919.50				
				\$19,919.50	6877		
Reclamation District 1608	1/3/2024	Transfer to Checking Acct	\$40,000.00				
				\$40,000.00	6878		
State Compensation Insurance Fund	11/30/2024	1002202595	\$1,197.58	\$1,197.58		e-Check	
Bank of Stockton Visa	12/16/2024	10/28/24-11/26/24	\$2,468.18	\$2,468.18		Online	

**MINUTES OF THE SPECIAL MEETING OF BOARD OF TRUSTEES
FOR RECLAMATION DISTRICT 1608
HELD ON MONDAY, JANUARY 20, 2025**

A Special Meeting of the Board of Trustees of Reclamation District 1608 was called to order at 3:00 p.m. by President Panzer on January 20, 2025, at the law offices of Neumiller & Beardslee, 3121 W. March Lane, Suite 100, Stockton, California.

TRUSTEES PRESENT

MICHAEL PANZER
DAN MacDONNELL
DOTTIE LOFSTROM

OTHERS PRESENT

CHRIS NEUDECK
ANDY PINASCO
JOE BRYSON
KIM FLOYD

ABSENT:

ELVIA TRUJILLO

1. **Public Comment.** No public comment.
2. **Derelict Vessel.** Discussion and possible action to provide authorization to District Superintendent to remove derelict vessel from District's levee slope.

It was moved, seconded (Lofstrom/MacDonnell) and unanimously carried by the Board Trustees of Reclamation District 1608, that the District proceed with removal of the derelict vessel with an authorized budget of not to exceed \$10,000.

3. **Closed Session.**
 - a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) case.
4. **Adjourn from Closed Session.** Open Session Disclosure of Reportable Action. No Reportable Action.
5. **Adjournment.** The meeting adjourned at 4:12 p.m.

Respectfully submitted,

Elvia Trujillo
District Secretary

Acronyms Frequently Used

AC Repairs = Asphalt Concrete Repairs

CEQA = California Environmental Quality Act

CVFPDB = Central Valley Flood Protection Board

District= Reclamation District 1608

DWR = Department of Water Resources

KSN = Kjeldsen, Sinnock & Neudeck

LWA = Larsen Wurzel & Associates

MCSA = Maintenance and Capital Services Assessment District

N&B = Neumiller & Beardslee

Prop 218 = Proposition 218

RD 1608 = Reclamation District 1608

SJAFCA = San Joaquin Area Flood Control Agency

San Joaquin OES = San Joaquin Office of Emergency Services

USACE = United States Army Corps of Engineers

ITEM 3

RECLAMATION DISTRICT 1608
FINANCIAL REPORT - FEBRUARY 5, 2025
% OF FISCAL YEAR ELAPSED THROUGH END OF JANUARY 2025 - 58.33%

Budget Item	Budget Amount	Expended MTD	Expended YTD	% YTD
Operations & Maintenance Expenses				
O1 Levee Superintendent	\$80,000.00	\$8,184.96	\$59,048.64	73.81%
O2 Part Time Employees	55,000.00	5,408.75	39,335.06	71.52%
O3 Payroll Taxes and Expenses	10,000.00	1,121.12	5,018.55	50.19%
O4 Fences & Gates	25,000.00	0.00	0.00	0.00%
O5 Locks & Signs	1,000.00	0.00	0.00	0.00%
O6 Weed and Rodent Control & Clean up	10,000.00	0.00	7,039.25	70.39%
O7 Levee Repair Fund (General Operations & Maintenance)	30,000.00	3,687.39	44,637.90	148.79%
O8 Levee Repair Fund (Levee Capital Improvement Projects)	50,000.00	0.00	0.00	0.00%
O9 Pump System Maintenance	1,000.00	38.68	135.86	13.59%
O10 Wireless Services (Cell and Mobile Computer)	1,000.00	527.73	3,820.98	382.10%
O11 Garbage Service	5,000.00	1,112.06	2,626.01	52.52%
O12 District Vehicle (Fuel, Maintenance and Repairs)	5,000.00	261.18	20,324.99	406.50%
TOTAL	\$273,000.00	\$20,341.87	\$181,987.24	66.66%
General Expenses				
G1 Trustee Fees	\$13,000.00	\$1,799.52	\$8,997.60	69.21%
G2 Secretary Fees	12,500.00	1,577.05	9,203.54	73.63%
G3 Office Expenses (includes storage facility)	1,000.00	0.00	432.00	43.20%
G4 General Legal	30,000.00	3,879.95	23,621.32	78.74%
G5 Audit	5,500.00	6,915.00	6,915.00	125.73%
G6 County Administration Costs	6,000.00	4,469.46	4,469.46	74.49%
G7 Property and Liability Insurance	24,000.00	100.00	100.00	0.42%
G8 Workers Compensation Insurance	10,000.00	1,197.58	9,685.04	96.85%
G9 Election Costs	0.00	0.00	0.00	0.00%
G10 Newsletters & Public Communications	0.00	0.00	0.00	0.00%
TOTAL	\$102,000.00	\$19,938.56	\$63,423.96	62.18%
Debt Service				
D1 Registered Warrant Expense	\$112,000.00	\$0.00	\$112,085.11	100.08%
	\$112,000.00	\$0.00	\$112,085.11	100.08%
Engineering Expenses				
E1 General Engineering	\$20,000.00	\$3,059.50	\$23,698.28	118.49%
E2 Plan Review Engineering	25,000.00	0.00	4,688.60	18.75%
E3 Administration of Delta Levee Subventions Program	20,000.00	2,178.50	15,759.46	78.80%
E4 Periodic Levee Property Inspections and Surveys	7,500.00	0.00	0.00	0.00%
E5 Routine Levee Maintenance Consultation	3,500.00	0.00	2,435.60	69.59%
E6 Engineering, Mgmt & Inspection of Capital Imp. Projects	10,000.00	0.00	0.00	0.00%
E8 Assessment Engineering	4,000.00	148.50	3,199.36	79.98%
E9 Assesment Development	250,000.00	21,471.45	78,654.01	31.46%
TOTAL	\$340,000.00	\$26,857.95	\$128,435.31	37.78%
TOTAL EXPENDITURES	\$827,000.00	\$67,138.38	\$373,846.51	45.21%

* \$6,661.24 KSN Invoice + \$14,810.21 KFC Invoice

Budget Item	Anticipated Income	Income MTD	Income YTD	% YTD
Income				
Property Taxes	\$260,000.00	\$157,326.66	\$162,975.13	62.68%
Interest Income	4,000.00	0.00	12,306.00	307.65%
Assessments	298,000.00	142,107.38	142,107.38	47.69%
Subvention Reimbursement	306,000.00	0.00	0.00	0.00%
Other	0.00	0.00	1,004.00	0.00%
Totals	\$868,000.00	\$299,434.04	\$318,392.51	36.68%

Cash On Hand

Cash Balance as of July 1, 2024	\$625,605.58
Revenues (YTD), as of December 31, 2024	319,142.51
Expenses (YTD), as of December 31, 2024	388,661.68

Fund Balance as of January 29, 2024	\$484,367.26
Proposed Warrants for 2/5/2025 Board Meeting	\$71,160.15
TOTAL CASH	\$413,207.11

Checking Account Balance as of January 31, 2025	\$28,276.23
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TOTAL CASH ON HAND	\$441,483.34
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Reserves

Board-Designated Reserve (For District Operations Only)	100,000.00
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ITEM 4



CROCE, SANGUINETTI, & VANDER VEEN^{INC}

CERTIFIED PUBLIC ACCOUNTANTS

January 21, 2025

Board of Trustees and Ms. Elvia Trujillo
Reclamation District No. 1608
Post Office Box 4857
Stockton, California 95204

We are pleased to confirm our acceptance and understanding of the services we are to provide for **Reclamation District No. 1608** for the year ended June 30, 2024.

You have requested that we prepare the Special Districts Financial Transactions Report of **Reclamation District No. 1608** for the year ended June 30, 2024.

Our Responsibilities

The objective of our engagement is to prepare the Special Districts Financial Transactions Report in accordance with the requirements of the Controller of the State of California, which differ from accounting principles generally accepted in the United States of America. We will conduct our engagement in accordance with Statement on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

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 a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the Special Districts Financial Transactions Report.

Our engagement cannot be relied upon to identify or disclose any misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Special Districts Financial Transactions Report in accordance with the requirements of the Controller of the State of California. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your Special Districts Financial Transactions Report in accordance with SSARS:

- a. The prevention and detection of fraud.
- b. To ensure that the entity complies with the laws and regulations applicable to its activities.

- c. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare the Special Districts Financial Transactions Report.
- d. To provide us with:
 - i. Documentation, and other related information that is relevant to the preparation and presentation of the Special Districts Financial Transactions Report,
 - ii. Additional information that may be requested for the purpose of the preparation of the Special Districts Financial Transactions Report; and
 - iii. Unrestricted access to persons within **Reclamation District No. 1608** of whom we determine necessary to communicate.

As part of our engagement, we will issue a disclaimer that will state that the Special Districts Financial Transactions Report was not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, conclusion, nor provide any assurance on them.

Other Relevant Information

Pauline Sanguinetti is responsible for supervising the engagement.

We expect our fees for the services set forth in this letter for the fiscal year ended June 30, 2023 not to exceed \$600. Our invoices for the services outlined in this letter are payable on presentation. The fee estimate 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 discuss it with you and arrive at a new fee estimate before we incur the additional costs.

It is our policy to keep records related to this engagement for seven years. However, Croce, Sanguinetti, & Vander Veen, Inc. does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Croce, Sanguinetti, & Vander Veen, Inc. shall be free to destroy our records related to this engagement.

Should any litigation or adverse action (such as audits by outside organizations and/or threatened litigation, etc.) by third parties arise against **Reclamation District No. 1608** or its officers subsequent to this engagement, which results in the subpoena of documents from Croce, Sanguinetti, & Vander Veen, Inc. and/or requires additional assistance from us to provide information, depositions, or testimony, **Reclamation District No. 1608** hereby agrees to compensate Croce, Sanguinetti, & Vander Veen, Inc. (at our standard hourly rates then in effect) for additional time charges and other costs (copies, travel, etc.) and to indemnify us for any attorney's fees to represent Croce, Sanguinetti, & Vander Veen, Inc.

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 Association or other organization under its applicable rules for professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to **Reclamation District No. 1608** 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 where indicated and return it to us. A copy of this engagement letter is enclosed for your files.

Very truly yours,

Croce, Sanguinetti, & Vander Veen, Inc.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of **Reclamation District No. 1608**.

Secretary signature: *Elvira Inzullo*

Title: *District Secretary*

Date: *1-22-2025*

Trustee signature: *Michael Wanyer*

Title: *President*

Date: *1-22-2025*

SIGN HERE



CROCE, SANGUINETTI, & VANDER VEEN^{INC}

CERTIFIED PUBLIC ACCOUNTANTS

January 21, 2025

Board of Trustees and Ms. Elvia Trujillo
Reclamation District No. 1608
Post Office Box 4857
Stockton, California 95204

We are pleased to confirm our understanding of the services we are to provide **Reclamation District No. 1608** for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of **Reclamation District No. 1608** as of and for the year ended June 30, 2024. 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 **Reclamation District No. 1608'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. After a thorough review of the reporting standards and the costs associated with implementation; we propose to exclude the required supplementary information, such as management's discussion and analysis. The reporting methodology proposed will minimize district accounting fees. As part of our engagement, we will apply certain limited procedures to **Reclamation District No. 1608's** remaining 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 evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Governmental Funds.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP. 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, 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 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 may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets that comes 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. 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, and may include direct confirmation of cash and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

Our audit of the 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 the system of internal control, 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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. 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.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of **Reclamation District No. 1608's** compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing and maintaining 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 monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is also responsible for making drafts of financial statements, 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); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the twelve months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with 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, additional information that we may request for the purpose of the audit, and 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 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 management, employees who have significant roles in internal control, and 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, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to publishing the financial statements on your website, you understand that websites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Other Services

We will also prepare standard, adjusting, or correcting journal entries and assist in preparing the financial statements of **Reclamation District No. 1608** in conformity with U.S. generally accepted accounting principles based on information provided by you. We will also prepare the Special Districts Financial Transactions Report and the Government Compensation in California Report of **Reclamation District No. 1608**. We will perform the services in accordance with applicable professional standards. The other services are limited to the 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 any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

Pauline Sanguinetti is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

It is our policy to keep records related to this engagement for seven years. However, Croce, Sanguinetti, & Vander Veen, Inc. does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Croce, Sanguinetti, & Vander Veen, Inc. shall be free to destroy our records related to this engagement.

We expect our fees for the audit services set forth in this letter for the fiscal year ended June 30, 2024 not to exceed \$6,525. Our invoices for the services outlined in this letter are payable on presentation. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

In the event that the District requires a single audit due to the expenditure of federal funds, we will perform such an audit in accordance with auditing standards generally accepted in the United States of America and *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. Services rendered in order to meet the aforementioned requirements will be billed to you separately.

Should any litigation or adverse action (such as audits by outside organizations and/or threatened litigation, etc.) by third parties arise against **Reclamation District No. 1608** or its officers subsequent to this engagement, which results in the subpoena of documents from Croce, Sanguinetti, & Vander Veen, Inc. and/or requires additional assistance from us to provide information, depositions, or testimony, **Reclamation District No. 1608** hereby agrees to compensate Croce, Sanguinetti, & Vander Veen, Inc. (at our standard hourly rates then in effect) for additional time charges and other costs (copies, travel, etc.) and to indemnify us for any attorney's fees to represent Croce, Sanguinetti, & Vander Veen, Inc.

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 Association or other organization under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Reporting

We will issue a written report upon completion of our audit of **Reclamation District No. 1608's** financial statements. Our report will be addressed to those charged with governance of **Reclamation District No. 1608**. 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 withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We appreciate the opportunity to be of service to **Reclamation District No. 1608** 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 where indicated and return it to us. A copy of this engagement letter is enclosed for your files.

Very truly yours,

Croce, Sanguinetti, & Vander Veen, Inc.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of **Reclamation District No. 1608**.



Secretary signature: ~~X~~ *Clara Injillo*
Title: *District Secretary*
Date: *1-22-2025*

Trustee signature: ~~X~~ *Michael Roney*
Title: *President*
Date: *1-22-2025*

RECLAMATION DISTRICT NO. 1608

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2023



CROCE, SANGUINETTI, & VANDER VEEN

INC.

CERTIFIED PUBLIC ACCOUNTANTS

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CROCE, SANGUINETTI, & VANDER VEEN^{INC.}

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Trustees
Reclamation District No. 1608
Stockton, California

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Reclamation District No. 1608** (the District) as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **Reclamation District No. 1608**, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Reclamation District No. 1608**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Reclamation District No. 1608's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Reclamation District No. 1608's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Reclamation District No. 1608's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

The District has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the statement of revenues, expenditures and changes in fund balance - budget and actual - governmental funds on pages 22 through 24 be presented to supplement the 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. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Croce, Sanguinetti, & Vander Veen, Inc.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants
Stockton, California
June 30, 2024

RECLAMATION DISTRICT NO. 1608

Statement of Net Position

June 30, 2023

	<u>Governmental activities</u>
Assets	
Cash and investments	\$ 359,356
Cash and investments - restricted	220
State assistance receivable - subventions	388,452
Prepaid insurance	14,882
Capital assets, net of accumulated depreciation of \$118,173	<u>46,778</u>
Total assets	<u>809,688</u>
Deferred outflows of resources	<u>-</u>
Liabilities	
Accounts payable	102,292
Interest payable	37,001
Registered warrants payable	<u>475,000</u>
Total liabilities	<u>614,293</u>
Deferred inflows of resources	<u>-</u>
Net position	
Net investment in capital assets	46,778
Unrestricted	<u>148,617</u>
Total net position	<u>\$ 195,395</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

Statement of Activities

For the year ended June 30, 2023

	<u>Expenses</u>	<u>Program revenues Operating grants and contributions</u>	<u>Net (expenses) revenues and changes in net position</u>
Governmental activities			
Operations	\$ 681,048	\$ 277,047	\$ (404,001)
Interest on registered warrants	18,060	-	<u>(18,060)</u>
Net program (expenses) revenues			<u>(422,061)</u>
General revenues			
Assessments			277,763
Property taxes			271,660
Interest			7,900
Miscellaneous			<u>550</u>
Total general revenues			<u>557,873</u>
Change in net position			135,812
Net position, beginning of year			<u>59,583</u>
Net position, end of year			<u><u>\$ 195,395</u></u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

Balance Sheet - Governmental Funds

June 30, 2023

	<u>General Fund</u>
Assets	
Assets	
Cash and investments	\$ 359,356
Cash and investments - restricted	220
State assistance receivable - subventions	133,352
Prepaid insurance	<u>14,882</u>
Total assets	<u>\$ 507,810</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	<u>\$ 102,292</u>
Total liabilities	<u>102,292</u>
Fund balance	
Nonspendable:	
Prepaid insurance	14,882
Assigned to capital improvement	100,000
Unassigned	<u>290,636</u>
Total fund balance	<u>405,518</u>
Total liabilities and fund balance	<u>\$ 507,810</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

June 30, 2023

Total fund balance - governmental funds \$ 405,518

Amounts reported for governmental activities in the statement of net position are different from those reported in the governmental funds because of the following:

State assistance receivable are not available to pay current period expenditures and, therefore, not reported in the governmental funds balance sheet. 255,100

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.

Capital assets	\$ 164,951	
Less accumulated depreciation	<u>(118,173)</u>	
	<u>\$ 46,778</u>	46,778

Interest payable on registered warrants payable does not require current financial resources, therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (37,001)

Registered warrants payable are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (475,000)

Net position of governmental activities \$ 195,395

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

**Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Funds**

For the year ended June 30, 2023

	<u>General fund</u>
Revenues	
Assessments	\$ 277,763
Property taxes	271,660
State assistance - subventions	133,352
Interest	7,900
Miscellaneous	<u>550</u>
Total revenues	<u>691,225</u>
Expenditures	
Levee repairs and maintenance	240,238
Salaries and wages	171,167
Engineering	114,231
Legal and accounting fees	38,968
Insurance	27,745
Public relations	26,445
Trustee fees	14,417
Secretary fees	13,935
Payroll taxes	12,131
County tax administration	4,389
Fuel	4,241
County office expense	3,782
Special projects	2,364
Storage	1,000
Telephone	536
Office expense	369
Utilities	175
Miscellaneous	100
Debt service	
Principal	225,000
Interest	<u>14,703</u>
Total expenditures	<u>915,936</u>
Net change in fund balance	(224,711)
Fund balance, beginning of year	<u>630,229</u>
Fund balance, end of year	<u><u>\$ 405,518</u></u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance -
Governmental Funds to the Statement of Activities**

For the year ended June 30, 2023

Net change in fund balance - governmental funds \$ (224,711)

Amounts reported for governmental activities in the statement of activities are different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until such time as they are considered a current financial resource. 143,695

Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds. (4,815)

Changes in interest payable are recorded as an expense in the statement of activities, but are not reported in the funds. (3,357)

The repayment of principal related to registered warrants payable is recorded as an expenditure in the governmental funds, and reduces registered warrants payable in the statement of net position. 225,000

Change in net position of governmental activities \$ 135,812

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies

This summary of significant accounting policies of Reclamation District No. 1608 (the District) is presented to assist in understanding the District's financial statements.

Description of the reporting entity

The District was formed in 1914 under Section 50000 et. seq. of Division 15 of the California State Water Code to provide drainage, irrigation and complete reclamation of lands within District boundaries. It is governed by a three-member board of trustees, each elected by the landowners to a four-year term.

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

Government-wide financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activity of the primary government.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, assessments, and other receipts not classified as program revenues are presented as general revenues.

Fund financial statements

The fund financial statements provide information about the District's funds. The District has one type of fund (governmental), which is comprised of one major fund as follows:

General fund - This fund is established to account for resources devoted to financing the general services that the District performs. Property taxes, assessments and other sources of revenue used to finance the fundamental operations of the District are included in this fund. This fund is charged with all costs of operating the District for which a separate fund has not been established.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period and apply to the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures to the extent that they have matured.

Assessments and state assistance are considered to be susceptible to accrual and, therefore, have been recognized as revenues provided they were collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Budgetary accounting

The District does not adopt an appropriated budget and is not required to adopt such a budget by law. However, the District does adopt a non-appropriated budget annually, which is approved by the Board of Trustees.

Cash and investments

For the purpose of financial reporting “cash and investments” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Restricted cash and investments consist of project funding agreements with the Department of Water Resources of the State of California.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

Capital assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The District's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years. The District has elected not to retroactively capitalize infrastructure capital assets acquired prior to July 1, 2003, as allowed by GASB Statement No. 34.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets.

Buildings and structures	20 years
Improvements	20 years
Equipment	7-20 years
Vehicles	5 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

Net position

Equity in the financial statements is classified as net position and displayed in three components as follows:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.
- c. Unrestricted - Amounts not required to be reported in the other components of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision-making authority.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

Assigned - Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Trustees, District manager or their designee.

Unassigned - Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Assessments

Assessments are levied at the discretion of the Board of Trustees. The assessments are approved by a vote of the land owners pursuant to the requirements of the California Constitution Article XIII.C and XIII.D.

Property taxes

Property taxes were levied January 1, 2022, and were payable in two installments on December 10, 2022 and April 10, 2023. The County of San Joaquin bills and collects property taxes on behalf of the District.

Demand warrants

The District is authorized under the California State Water Code to issue demand warrants.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

The state assistance receivable in the amount of \$388,452 as reported on the statement of net position and \$133,352 as reported on the balance sheet - governmental funds as of June 30, 2023 represents management's estimates of reimbursable state assistance for subvention eligible expenses relative to the fiscal year ended June 30, 2023. Although considerable variability is inherent in this estimate, management believes that the accruals for state assistance receivable are adequate.

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note B - Cash and Investments

Cash and investments of the District as of June 30, 2023, consist of the following:

	<u>Carrying amount</u>	<u>Bank balance</u>	<u>Fair value</u>
Unrestricted			
<u>Deposits in commercial accounts</u>			
Public checking	\$ 21,615	\$ 21,615	\$ -
<u>Investment in external investment pool</u>			
San Joaquin County Treasurer	<u>337,741</u>	<u>-</u>	<u>337,741</u>
	<u>\$ 359,356</u>	<u>\$ 21,615</u>	<u>\$ 337,741</u>
Restricted			
<u>Investment in external investment pool</u>			
San Joaquin County Treasurer	<u>\$ 220</u>	<u>\$ -</u>	<u>\$ 220</u>
	<u>\$ 220</u>	<u>\$ -</u>	<u>\$ 220</u>

Deposit and Investment Policy

California statutes authorize special districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. As specified in Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of the District's investment policy shall be (1) safety, (2) liquidity, and (3) yield. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600-53609 (authorized investments), 53630-53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. The table below identifies the investment types that are authorized for the District by the California Government Code, Section 53600 (or District's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note B - Cash and Investments (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Notes, and Bonds	5 years	None	None
U.S. Government Agency Obligations	5 years	None	None
Repurchase Agreements	1 year	None	None
State Registered Warrants, Notes or Bonds	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	30%	10%
Time Deposit	1 year	30%	None
Medium Term Corporate Notes	3 years	30%	None
Mutual Funds	N/A	20%	10%
Bank Deposits	N/A	10%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investment Pools	N/A	None	None
Capital Asset Management Program	N/A	10%	None

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statuses pertaining to public deposits and investments. The District does not maintain a formal investment policy.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note B - Cash and Investments (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment type</u>	<u>Total</u>	<u>Remaining maturity (in months)</u>					
		<u>12 months or less</u>	<u>13 - 24 months</u>	<u>25 - 36 months</u>	<u>37-48 months</u>	<u>49-60 months</u>	<u>More than 60 months</u>
San Joaquin County							
Treasurer	\$ 337,961	\$ 337,961	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 337,961</u>	<u>\$ 337,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
San Joaquin County							
Treasurer	\$ 337,961	N/A	\$ -	\$ -	\$ -	\$ -	\$ 337,961
Total	<u>\$ 337,961</u>	<u>N/A</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337,961</u>

Concentration of Credit Risk

The District had no investment policy limiting the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District's investments are concentrated in external investment pools which are not subject to investment limits.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that

(Continued)

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note B - Cash and Investments (Continued)

would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, the District's bank balance was \$21,615 and \$21,615 of that amount was insured by the Federal Deposit Insurance Corporation and collateralized as required by state law.

Investment in External Investment Pool

The District's investment in the San Joaquin County investment pool is managed by the San Joaquin County Treasurer and is stated at fair value or amortized cost, which approximates fair value. Cash held by the San Joaquin County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at <http://www.sjgov.org/treasurer/>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained by the Pool. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. In accordance with applicable State laws, the San Joaquin County Treasurer may invest in derivative securities. However, at June 30, 2023, the San Joaquin County Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Fair value hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District's investment in the County of San Joaquin Treasury Pool is classified as Level 2 and its value is based on the fair value factor provided by the Treasurer of the County of San Joaquin, which is calculated as the fair value divided by the amortized cost of the investment pool.

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note C - Capital Assets

Capital asset activity for the year ended June 30, 2023 is as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2023</u>
Depreciable capital assets				
Buildings and structures	\$ 22,897	\$ -	\$ -	\$ 22,897
Improvements	88,632	-	-	88,632
Equipment	26,103	-	-	26,103
Vehicles	<u>27,319</u>	<u>-</u>	<u>-</u>	<u>27,319</u>
Total depreciable capital assets	164,951	-	-	164,951
Less accumulated depreciation	<u>(113,358)</u>	<u>(4,815)</u>	<u>-</u>	<u>(118,173)</u>
Total depreciable capital assets, net	<u>51,593</u>	<u>(4,815)</u>	<u>-</u>	<u>46,778</u>
Total capital assets, net	<u>\$ 51,593</u>	<u>\$ (4,815)</u>	<u>\$ -</u>	<u>\$ 46,778</u>

Note D - Registered Warrants Payable

The following is a summary of registered warrant transactions during the year ended June 30, 2023:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2022</u>	<u>Issued</u>	<u>Redeemed</u>	<u>June 30, 2023</u>
Registered warrants	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ (225,000)</u>	<u>\$ 475,000</u>

Registered warrants payable outstanding as of June 30, 2023 are drawn in favor of Bank of Stockton as follows:

<u>Warrant No.</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Collateral</u>
Various	\$ 475,000	3.25%	Unsecured

Registered warrant debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	
2024	\$ -
2025	<u>475,000</u>
Total	<u>\$ 475,000</u>

RECLAMATION DISTRICT NO. 1608

Notes to Financial Statements

June 30, 2023

Note E - State Assistance

The District is participating in the California Delta Levee Maintenance Subventions Program. This program provides funding on a cost-share basis to local levee maintaining agencies for rehabilitation and maintenance of levees in the Delta. In addition, the District entered into a project funding agreement with the State of California Department of Water Resources for preparation of the five-year plan for the District.

Note F - Joint Venture (Joint Powers Agreement)

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; risk of loss to employees; and natural disasters. In order to insure for risks of loss, the District participates in a joint venture under a joint powers agreement with the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA). The relationship between the District and the JPRIMA is such that the JPRIMA is not a component unit of the District for financial reporting purposes. The JPRIMA arranges for and provides property, liability, crime, auto, and worker's compensation coverage for its member districts. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPRIMA. The District's share of surpluses and deficits cannot be determined, although District management does not expect such amounts, if any, to be material in relation to the financial statements. As of June 30, 2023, the District's insurance coverage includes general liability insurance with liability limits of \$1,000,000 per occurrence and \$10,000,000 in the aggregate and commercial excess coverage with liability limits of \$3,000,000 per occurrence and \$3,000,000 in the aggregate.

Note G - Governing Board

As of June 30, 2023, the three members of the District's Board of Trustees were as follows:

<u>Trustee</u>	<u>Term expires</u>
Dan MacDonnell	December 2025
Michael Panzer	December 2023
Dot Lofstrom	December 2023

REQUIRED SUPPLEMENTAL INFORMATION

RECLAMATION DISTRICT NO. 1608

**Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Governmental Funds**

Year ended June 30, 2023

	General fund		
	Budgeted amounts <u>original/final</u>	<u>Actual amounts</u>	Variance with final budget positive/ (negative)
Revenues			
Assessments	\$ 298,000	\$ 277,763	\$ (20,237)
Property taxes	260,000	271,660	11,660
State assistance - subventions	125,000	133,352	8,352
Interest	2,000	7,900	5,900
Reimbursement/miscellaneous	<u>-</u>	<u>550</u>	<u>550</u>
Total revenues	<u>685,000</u>	<u>691,225</u>	<u>6,225</u>
Expenditures			
Levee repairs and maintenance	180,000	240,238	(60,238)
Salaries and wages	110,000	171,167	(61,167)
Engineering	187,500	114,231	73,269
Legal and accounting fees	35,000	38,968	(3,968)
Insurance	25,000	27,745	(2,745)
Public relations	6,000	26,445	(20,445)
Trustee fees	13,000	14,417	(1,417)
Secretary fees	12,000	13,935	(1,935)
Payroll taxes	25,000	12,131	12,869
County tax administration	3,500	4,389	(889)
Fuel	-	4,241	(4,241)
County office expense	2,500	3,782	(1,282)
Special projects	-	2,364	(2,364)
Storage	-	1,000	(1,000)
Telephone	1,200	536	664
Office expense	1,000	369	631
Utilities	4,000	175	3,825
Miscellaneous	-	100	(100)
Repairs and maintenance	34,250	-	34,250
Weed control	10,000	-	10,000
Debt service			
Principal	175,000	225,000	(50,000)
Interest	<u>-</u>	<u>14,703</u>	<u>(14,703)</u>
Total expenditures	<u>824,950</u>	<u>915,936</u>	<u>(90,986)</u>

(Continued)

RECLAMATION DISTRICT NO. 1608

**Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Governmental Funds (Continued)**

Year ended June 30, 2023

	General fund		
	Budgeted amounts <u>original/final</u>	<u>Actual amounts</u>	Variance with final budget positive/ (negative)
Net change in fund balance	(139,950)	(224,711)	(84,761)
Fund balance, beginning of year	<u>630,229</u>	<u>630,229</u>	-
Fund balance, end of year	<u>\$ 490,279</u>	<u>\$ 405,518</u>	<u>\$ (84,761)</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 1608

Notes to Required Supplemental Information

June 30, 2023

The District prepares a budget annually which is approved by the Board of Trustees setting forth the contemplated fiscal requirements. The District's budget is maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual budget as originally adopted and the final adopted amounts. There were no amendments to the budget during the year ended June 30, 2023. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for certain line items may vary significantly from the budget due to timing of such expenditures.



CROCE, SANGUINETTI, & VANDER VEEN^{INC}

CERTIFIED PUBLIC ACCOUNTANTS

January 20, 2025

Board of Trustees
Reclamation District No. 1608
Post Office Box 4857
Stockton, California 95204

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Reclamation District No. 1608** for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to planned scope and timing of our audit. We have communicated such information to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by **Reclamation District No. 1608** are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the state assistance receivable - subventions in the amount of \$388,452 as reported on the statement of net position and \$133,352 as reported on the balance sheet - governmental funds as of June 30, 2023, is based on calculations and assessments by the District's engineers of the proceeds to be received for subvention eligible expenses for the fiscal year ended June 30, 2023.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. We did not identify any sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not identify any material misstatements during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 30, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Funds, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Trustees of **Reclamation District No. 1608** and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Croce, Sanguinetti, & Vander Veen, Inc.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants

ITEM 11

SHORT TERM GOALS 2025

1. Renewal of District Assessment.
2. Participate in stakeholder groups. Status: Ongoing.
3. Work on slumping areas.
4. Monitor San Joaquin Feasibility Project.
5. Vegetation encroachments.
6. Annual Levee Inspection.
7. Repair/Maintenance of Gates on Crown of Southwest Levee.
8. Central Valley Flood Protection Plan.
9. Revise District Website.
10. Approve Emergency Operations Plan Update.
11. All-Weather Road Resurfacing.
12. Review and analysis of Levee Standards.

LONG TERM GOALS

1. Raising Elevation of Southwest Levee.
2. Sediment Removal Project.

ITEM 12

RD 1608: MASTER CALENDAR

JANUARY

FEBRUARY

- Annual Review of Trustee Compensation
- Send out Form 700s, remind Trustees of April 1 filing date

MARCH

- Yearly Employee Evaluations
- Spring Newsletter
- Review Insurance Proposal (Renews April)

APRIL

- April 1: Form 700s due
- Notify School District of Vegetation Control

MAY

- Draft Budget
- Planning of Levee Tour
- Annual CEQA Exemption
- Subventions Resolution

JUNE

- June 15: Provide notice/make available to the public, documentation/materials regarding determination of Appropriations (15 days prior to meeting at which Appropriations will be adopted) (*Government Code §7910*).
- Approve Audit Contract for expiring fiscal year
- Adopt the Final Budget

JULY

- Adopt Resolution for setting Appropriations and submit to County Assessor's Office.

AUGUST

- August 1: Deadline to certify assessments for tax-roll and deliver to County (duration of current assessment: FY 2025).
- Send handbills for collection of assessments for public entity-owned properties
- In election years, opening of period for secretary to receive petitions for nomination of Trustees (75 days from date of election.) (*Cal. Wat. Code §50731.5*)
- Submit End of the Year Financial Report.

SEPTEMBER

- In election years, last legal deadline to post notice that petitions for nomination of Trustees may be received (7 days prior to close of closure.) (*Cal. Wat. Code §50731.5*).
- In election years, closing of acceptance of petitions for nomination of Trustees (54 days from date of election.) (*Cal. Wat. Code §50731.5*).
- Letter to Property owners on levee regarding levee standards and permit requirements
- Review Local Agency Biennial Notice – Due early October (even years)

OCTOBER

- Publish Notice of Election, odd numbered years (once per week, 4 times, commencing at least 1 month prior to election.)
- Fall Newsletter.
- Update District Information Sheet.
- Review District Emergency Supplies
- Emergency Plan Review in 2022 (every three years thereafter)
- Deadline to Notify Insurance of Non-Participation in JPRIMA for Subsequent Year

NOVEMBER

- Election: to be held first Tuesday after first Monday of each odd-numbered year.

DECEMBER

- New Trustee(s) take office, outgoing Trustee(s) term(s) end on first Friday of each odd-numbered year.
- Provide updated version of electronic copies of properties within District

Term of Current Board Members:

Name	Term Commenced	Term Ends
Dan MacDonnell	2021	First Friday of Dec 2025
Dottie Lofstrom	2023	First Friday of Dec 2027
Michael Panzer	2023	First Friday of Dec 2027

Assessment Expires 6/30/2025

Emergency Operation Plan Review – June 2025

Reclamation District Meetings

- **First Wednesday of each month, at 8:00 A.M.
at the offices of:
Neumiller & Beardslee
3121 W. March Lane, Suite 100
Stockton, California 95219**

ITEM 14

Reclamation District 1608
Bills for Approval - February 5, 2025, Board Meeting

NAME	Date	INVOICE #	AMOUNT	TOTAL \$	WARRANT #	CHECK #	RATIFICATION
Michael Panzer (2/5/25 Board Mtg)	2/5/2025	Trustee Fee	\$299.92				
1/20/2025 Special Meeting	1/20/2025		\$299.92				
				\$599.84	6879		
Dan MacDonnell (1/3/25 Board Mtg)	2/5/2025	Trustee Fee	\$299.92				
1/20/2025 Special Meeting	1/20/2025		\$299.92				
				\$599.84	6880		
Dottie Lofstrom (1/3/25 Board Mtg)	1/3/2025	Trustee Fee	\$299.92				
1/20/2025 Special Meeting	1/20/2025		\$299.92				
				\$599.84	6881		
Elvia Trujillo (January Services)	2/5/2025	Secretary Fee	\$1,577.05				
				\$1,577.05	6882		
PG&E (Stone River)	1/18/2025	2999432760-8	\$30.68				
				\$30.68	6883		
Neumiller & Beardslee	1/6/2025	351702	\$3,879.95				
				\$3,879.95	6884		
Kjeldsen Sinock & Neudeck	1/31/2025	39554	\$60.00				
		39555	\$2,178.50				
		39556	\$148.50				
		39557	\$6,661.24				
		39558	\$2,999.50				
				\$12,047.74	6885		
Croce Sanginetti & Vander Veen	1/21/2025	21742	\$6,915.00				
				\$6,915.00	6886		
Kim Floyd Communications	12/1-31/2024	V43355-13	\$6,692.70				
	1/1-24/2025	V43355-14	\$8,117.51				
				\$14,810.21	6887		

