

**MEMORANDUM**  
OFFICE OF THE  
AUDITOR-CONTROLLER  
COUNTY OF PLACER

**TO:** Honorable Board of Supervisors  
**FROM:** Andrew C. Sisk, Auditor-Controller *ACS*  
**DATE:** May 7, 2013  
**SUBJECT:** State Mandated Audit

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**ACTION REQUESTED**

Approve the use of a five-year audit for the Sierra Coordinated Resources Management Council in lieu of an annual audit.

**BACKGROUND**

The Sierra Coordinated Resources Management Council (Council) was formed using the Joint Exercise of Powers Act under the state laws of California on July 4, 1992. The Placer County Resource Conservation District (District) is one of the members of this joint powers authority and the Council has delegated the duties of Auditor and Treasurer to the District. Accordingly, the District is the lead agency of the Council and thus we are the County of control.

Pursuant to Government Code Section 6505 (b), "the public officer performing the functions of auditor as determined pursuant to Section 6505.5, shall either make or contract with a certified public accountant to make an annual audit of the accounts and records and shall meet the minimum requirements prescribed by the Controller for special districts under Section 26909 and shall conform to generally accepted auditing standards."

California Government Code Section 26909 specifies that "a special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit with an audit conducted at specific intervals, as recommended by the County auditor, that shall be completed at least once every five years."

Pursuant to the requirements above and per the attached resolution of the Council's Board, the Auditor-Controller recommends the use of a five-year audit covering five year periods.

**FISCAL IMPACT**

This action has no fiscal impact to the County. The cost to conduct the five-year audit of the Council will be borne by the District.

Attachment - Sierra Coordinated Resources Management Council's Resolution

**SIERRA COORDINATED RESOURCES  
MANAGEMENT COUNCIL**

*Amador Resource Conservation District – El Dorado County Resource Conservation District  
Georgetown Divide Resource Conservation District – Nevada County Resource Conservation District  
Placer County Resource Conservation District – Tahoe Resource Conservation District*

April 23, 2013

Mr. Andrew Sisk  
Placer County Auditor-Controller  
2970 Richardson Avenue  
Auburn, CA 95603

Re: State Mandated Audit

Dear Mr. Sisk,

I am writing on behalf of the Sierra Coordinated Resources Management Council, a Joint Powers Authority administered by the Placer County Resource Conservation District, to request the Placer County Board of Supervisors consider approving a five year audit cycle for the Sierra Coordinated Resources Management Council (Council).

The Council is administering a Prop 40 funded Fuels Reduction Program for the Central Sierra Nevada region that includes Placer County under an agreement between CALFIRE and the Council. The Council itself has no base funding or staff of its own, thus the Board of the Sierra Coordinated Resources Management Council met on April 19, 2013 and unanimously voted to request the Placer County Board of Supervisors approve a five year audit cycle and request the Placer County Auditor-Controller consider providing audit services to the Council as provided for under CA Government Code #26909

Thank you for your time and assistance with this matter.

Sincerely,



Katie Maloney,  
SCRMC Programs Administrator  
PCRCD Operations Manager

Cc: Carlan Meyer, SCRMC Chair  
Cc: Tom Wehri, SCRMC, Secretary-Treasurer

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SIERRA COORDINATED RESOURCES  
MANAGEMENT COUNCIL

This AGREEMENT is made and entered into this Fourth day of July, 1992, pursuant to the Joint Exercise of Powers Act by and between the El Dorado County Resource Conservation, the Georgetown Divide Resource Conservation District, the Nevada County Resource Conservation District, the Placer County Resource Conservation District, and the Tahoe Resource Conservation District. The Districts are hereinafter collectively referred to as the "Parties".

R E C I T A L S

This AGREEMENT is made with reference to the following facts:

1. Each of the Parties hereto is a resource conservation district created and functioning pursuant to Division 9 (commencing with Section 9001) of the Public Resources Code (hereinafter referred to as "Division 9").

2. Each of the parties to this Agreement is a "public agency" and a "local agency" as such terms are defined in sections 6500 and 6585, respectively, of the Government Code.

3. The Parties have mutual interests in the conservation, stewardship, and wise use of natural resources for present and future generations in the Sierra Nevada region and share mutual goals within such region.

4. The Parties have expertise and resources available and desire to share the same to promote the effective functioning of the Parties in the implementation of their statutory responsibilities in assisting Counties and other local agencies with responsibility for carrying out state conservation policies.

5. The Parties have agreed that joint action in obtaining contracts and grants to serve the Sierra Nevada region and the sharing of services, facilities, equipment, and materials to serve such region will best achieve the goals of the parties.

6. There is not presently a formal mechanism by which the Parties can jointly carry out their responsibilities under Division 9 to serve the entire Sierra Nevada region within the boundaries of the Parties.

7. Pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code commonly known as the Joint Exercise of Powers Act (hereinafter referred to as the "Act") two or more public agencies may, by agreement, jointly exercise any power common to the Parties.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS HEREINAFTER SET FORTH, THE PARTIES AGREE AS FOLLOWS:

#### ARTICLE I

##### DEFINITIONS

Section 1.1 Definitions: As used in this Agreement, unless the context otherwise requires, the meaning of the terms hereinafter set forth shall be as follows:

(a) "Council" shall mean the Sierra Coordinated Resources Management Council, the joint powers agency created by this Agreement.

(b) "Board of Directors" shall mean the governing body of the Council established in Section 3.1 of this Agreement.

(c) "El Dorado", "Georgetown", "Nevada", "Placer", and "Tahoe", refer to the individual resource conservation districts of that name.

(d) "Act" shall mean the Joint Exercise of Powers Act referred to above.

(e) "Project" shall mean the carrying out of the purposes of Division 9 by the Council.

(f) "Task" shall mean the performance of specific contracts or acceptance of specific grants or other specific cooperative efforts to carry out this Agreement by the Council alone or in cooperation with one or more of the parties as generally described in Article V to serve the Region.

(g) "Region" shall mean the Sierra Nevada region within the boundaries of the Parties.

(h) "Parties" shall mean the districts executing this Agreement. It is contemplated that other resource conservation districts may join in this Agreement if they serve the Sierra Nevada region in which case "Parties" shall include such districts and the "Region" shall include the territory within the boundaries of such additional districts.

## ARTICLE II

### CREATION OF THE SIERRA COORDINATED RESOURCE MANAGEMENT COUNCIL

Section 2.1 Creation: There is hereby created, pursuant to the Act, a public entity to be known as the "Sierra Coordinated Resources Management Council."

Section 2.2 Term: This Agreement shall be effective from the date first above written (the date of approval by all Parties) and shall remain in effect until terminated by mutual agreement of all Parties or notice to the Council of withdrawal of a majority of the Parties to the Agreement.

Section 2.3 Purpose: The purpose of the Agreement is to provide for the joint exercise, through the Council, of powers common to each of the parties and to participate in specific tasks and to do all acts related and incidental to such purposes, either by the Council alone or in cooperation with the United States or other entities.

Section 2.4 Powers: The Council shall have the power to plan and implement the Project and Tasks either itself or through one or more Parties. The Council shall have the power to do all acts related and incidental to its powers to carry out the project and specific Tasks. Acts of the Council which will affect one or more specific Parties shall be subject to approval by such Party or Parties.

## ARTICLE III

INTERNAL ORGANIZATION

Section 3.1 Governing Body: The business of the Council shall be conducted by a Board of Directors consisting of one director from the governing board of each Party appointed by the Board of each Party. The directors and alternates for such directors shall be designated in writing by the governing board of each Party. If more than one alternate is appointed the order in which alternates serve shall be designated. The role of an alternate director shall be to assume the duties of the director appointed by a Party in the case of the absence or unavailability of such director. The directors and alternates shall serve at the pleasure of the appointing Party and shall continue to serve until a successor is appointed by a party.

Section 3.2 Meetings:

(a) The Board shall hold at least one regular meeting each quarter and may provide for the holding of regular meetings at more frequent intervals. The date upon which, and the hour and place at which, each such regular meeting shall be held shall be fixed by the Board. Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the California Government Code. All meetings of the Board shall be called, held, noticed and conducted subject to the provisions of the Ralph M. Brown Act (Sections 54950, et seq., of the California Government Code). Directors shall serve without compensation other than that approved and paid by the party which the director represents.

(b) A quorum of the Board for the transaction of business shall consist of a majority of all directors, except that less than a quorum may adjourn from time to time. The concurring vote of a majority of directors shall be required for any action of the Board of Directors.

(c) The Board shall select a chair from among the directors who shall be the presiding officer of all Board meetings and a vice chair from among the directors who shall serve in the absence of the chair. The terms of office of the chair and vice chair shall be set by the Board; provided, however, that the office shall be declared vacant if the person serving dies, resigns, or is removed by a Party hereto as its representative of the Council. The Board shall also appoint a secretary, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Council, and the Board may also appoint or employ such other officers and employees as it deems necessary to carry out the purposes of this

Agreement. To the extent possible and with the consent of the affected Party the Council will utilize existing staff of the Parties or may hire staff with funds made available for such Purposes.

(d) At the first meeting of the Board following the execution of this Agreement, or as soon thereafter as practical, the Board may adopt an official seal for the Council and may adopt such bylaws it deems necessary to regulate the affairs of the Council in accordance with this Agreement. The bylaws may be amended from time to time by the Board as it may deem necessary.

Section 3.3 Principal Office: The principal office of the Council shall be the same as the office of the Chairman. The Board of Directors may change the principal office from one location to another.

#### ARTICLE IV

##### FINANCIAL PROVISIONS

Section 4.1 Fiscal Year: The fiscal year of the Council shall be established by resolution of the Board of Directors as soon as practical after the effective date of this AGREEMENT.

Section 4.2 Depositary; Auditor:

(a) The Treasurer of the County of \_\_\_\_\_ shall be the Treasurer of the Council, and such County shall be the depositary and have custody of all money of the Council, from whatever source. The Treasurer shall perform the duties specified in Government Code Section 6506.5.

(b) The officer performing the functions of Auditor/Controller of the county of \_\_\_\_\_ shall be Auditor/Controller of the Council, and shall perform the duties specified in Government Code Sections 6505 and 6506.5.

(c) At the request of a majority of the Parties, the Board of Directors shall transfer the responsibility of Treasurer/Depositary and Auditor/Controller to some other entity, officer, or employee as the law may provide. The Board of Directors, on its own may, transfer the responsibility of Treasurer/Despositary and Auditor/Controller to some other entity, officer or employee as the law may provide.

(d) All funds of the Council shall be strictly, and separately, accounted for; and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Council shall be open to inspection by the public and the Parties. The Auditor/Controller shall either make or, upon the approval of the Board, contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Council, which shall be conducted, at a minimum, in accordance with the requirements of the State Controller under Section 26909 of the California Government Code, and shall conform to generally accepted auditing standards.

Section 4.3 Property Bonds: The Board of Directors shall from time to time designate the officers and persons, in addition to those specified in Section 4.2, who shall have charge of, handle, or have access to, any property of the Council. Each such officer and person, including those specified in Section 4.2, shall file a bond in an amount designated by the Board of Directors. Such designations shall be subject to ratification by the Parties, in compliance with Government Code Section 6505.1.

Section 4.4 Budget: As soon as practical after the execution of this Agreement, and thereafter on an annual basis not later than September 30th each year, the Board of Directors shall adopt a budget for the Council for the ensuing fiscal year.

Section 4.5 Contributions for Operating Expenses:

(a) Prior to obtaining financing for the Project or any Task, the revenues for the expenses of the Council shall be those funds designated and paid over by the respective parties in conjunction with their adoption of a final budget for the particular fiscal year. Any additional funds needed for the expenses of the Council prior to obtaining such financing shall be approved by the Parties and shall be provided by the Parties on an equal basis unless otherwise agreed in writing by the Parties.

(b) The Board of Directors may arrange for the payment of the expenses of the Council through other satisfactory sources, including, but not limited to, state or federal grants.

Section 4.6 Liability of the Council and Parties:

(a) Each party shall be solely responsible for liability arising from the acts or omissions of that party's staff assigned to or working for the Council unless the parties have entered into an agreement that specifies otherwise pursuant to Section 6508.1 of the Government Code. Each party with staff contracted to the Council shall provide a certificate of insurance or self-insurance showing coverage in amounts satisfactory to the Board for personal injury, property damage, and workers compensation. The Council shall be named additional insured on such insurance.

(b) Liability relating to each task shall be the subject of a separate agreement relating to that task.

ARTICLE V

THE PROJECT AND TASKS

Section 5.1 Description of the Project: The project in which the Council intends to participate is the cooperative planning and implementation of the functions of resource conservation districts as defined in Division 9 for the Region. Both the public, the California Legislature and various California State Agencies have expressed concern for the proper utilization and conservation of natural resources in the Region. It is the intent of the Parties to provide services within the authority of Division 9 to assist in the proper utilization and conservation of such natural resources in the Region.

Section 5.2 Tasks: Tasks shall consist of specific contracts to be performed by the Council alone or in cooperation with one or more Parties, specific grants for projects to be carried out by the Council alone or in cooperation with one or more parties or other efforts by the Council to accomplish the functions defined in Division 9.

Section 5.3 Administration of Contracts and Grants: It is the intent of the Parties that the Council shall be directly responsible for executing, performing and completing tasks unless otherwise provided in the contract, grant or other document defining the Task.

## ARTICLE VI

RELATIONSHIP OF THE COUNCIL AND THE PARTIES

Section 6.1: Separate Entity: The Council shall be a public entity separate from the Parties to this Agreement. The liabilities and obligations of the Council shall be borne equally by all Parties unless all Parties agree otherwise. All property, equipment, supplies, funds and records of the Council shall be owned by the Council, except as otherwise provided in this Agreement.

Section 6.2: Termination of Party's Participation in the Council: This Agreement may be terminated by the withdrawal of a majority of the Parties from this Agreement; provided, that such withdrawal does not in any way impair any contracts, resolutions, or other obligations of the Council then in effect. Withdrawal shall be accomplished by any party giving written notice of its election to do so, which notice shall be given to the Board of Directors and to the other Parties.

Section 6.3 Disposition of Property Upon Termination:

(a) Upon termination of this Agreement, any surplus money on hand shall be returned to the Parties in proportion to their cash contributions to the Council. The Board of Directors shall first offer any property, rights and interests of the Council for sale to the Parties. If no such sale is consummated, then the Board of Directors shall offer the property, rights and interests of the Council for sale to any governmental agency, private entity or persons for good and adequate consideration, which in no event shall be less than the sale price offered to the Parties. The net proceeds from any sale shall be distributed among the Parties in the proportions set forth above.

(b) If no such sale is consummated, then all property, rights, and interests of the Council shall be allocated to the Parties in the same manner as the allocation of the net proceeds from a sale, unless otherwise agreed to by all of the Parties.

## ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.1 Amendment of this Agreement: This Agreement may be amended by a written agreement approved by all Parties. Approval of the Board shall not be required for the amendment of this Agreement.

Section 7.2 Assignment; Binding on Successors: Except as otherwise provided in this Agreement, the rights and duties of a party to this Agreement may not be assigned or delegated without the advance written consent of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts or resolutions of the Council then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties hereto.

Section 7.3 Notices: Any notice authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours to the following addresses, or to such changed addresses as are communicated to the Council and the Parties in writing.

El Dorado County Resource Conservation District  
415 Placerville Drive, Suite M  
Placerville, CA 95667

Georgetown Divide Resource Conservation District  
415 Placerville Drive, Suite M  
Placerville, CA 95667

Nevada County Resource Conservation District  
113 Presley Way, #1  
Grass Valley, CA 95945

Placer County Resource Conservation District  
251 Auburn Ravine Road, #201  
Auburn, CA 95603

Tahoe Resource Conservation District  
P.O. Box 10529  
South Lake Tahoe, CA 96158

AMADOR

Section 7.4 Withdrawal by Operation of Law: If participation of any Party to this Agreement is made or determined to be unlawful or in excess of that party's authority, or in conflict with the law, this Agreement shall be terminate with respect to that Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first aboye written.

*Robert L. Beagle*

El Dorado County Resource Conservation District

*Louis de Fays*

Georgetown Divide Resource Conservation District

*J. J. M. J.* 7/28/92

Nevada County Resource Conservation District

*Susan C. Spaulding*

Placer County Resource Conservation District

*William F. Maters*

Tahoe Resource Conservation District

ADDENDUM TO:  
SIERRA COORDINATED RESOURCES MANAGEMENT COUNCIL  
JOINT EXERCISE OF POWERS ACT

In accordance with the provisions set forth in the JOINT EXERCISE OF POWERS ACT, Article I, Section 1.1(b), the ACT will be amended to include the "AMADOR" county Resource Conservation District as a party to this agreement.

*Beth Arnold*

For the Amador County Resource Conservation District

4-27-93

Date

