

Yolo Subbasin Groundwater Agency

34274 State Highway 16, Woodland, CA 95695

(530) 662-3211

YSGA Executive Committee

August 10, 2020, 1:15 p.m. – 2:00 p.m.

YCFC&WCD Board Room, 34274 State Highway 16, Woodland, CA

NOTE: This meeting is being agendaized to allow Board Members, staff, and the public to participate in the meeting via teleconference, pursuant to the Governor's Executive Order N-29-20 ([March 17, 2020](#)).

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- One-touch: <tel:+16467493112,,889114149#>

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AGENDA

1. **Call to Order**
2. **Approve Agenda and Adding Items to the Posted Agenda**- In order to add an item to the agenda, it must fit into one of the following categories: a) A majority determination that an emergency (as defined by the Brown Act) exists; or b) A 4/5ths determination that the need to take action that arose subsequent to the agenda being posted.
3. **Public Comment** - The public may address the Committee relating to matters within the YSGA's jurisdiction.
4. **Administrative Items** (Gentile)
 - a) Approve July 8, 2020 meeting minutes, pages 3 - 5
 - b) Review financials: FY2020-2021: July 2020, pages 6 - 9
 - c) Update on year-end financial reporting:
 - FY2019-2020 audit by Richardson & Company, tentative review by EC in early September, present to Board at September 21 meeting; final Fiscal Year End 2019-2020 financials will be presented when the audit is completed.
 - Yolo County FY End 2019-2020 reporting & FY2020-2021 budget submission
 - d) Payments to approve*

5. Subcommittee Update - Draft Board Policies – Review proposed draft policies, pages 10 - 18

- a) 1000 - Adoption/Amendment of Policies (no changes)
- b) 2105 - Asset Protection and Fraud in the Workplace (no changes)
- c) 2125 - Expense Authorization and Reimbursement Guidelines (clean-up edit)
- d) 2130 - Investment Policy Guidelines (no changes)
- e) 2115 - Capital Assets Policy (1st review updated draft)

6. Update on YSGA Activities - discussion item (Sicke/O'Halloran)

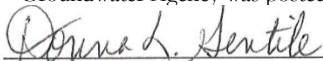
- a) Groundwater Sustainability Plan (GSP) Development Update
 - TAC Process, next meetings
 - Working Group, next meeting
 - Sustainable Management Criteria Workshops – fall
- b) Establishment of Subcommittee for Reconsideration of Voting Structure and Expense Allocation
- c) YSGA Board Meeting: September 21, 2020; 3:15 to 5 p.m. - Discuss agenda items
 - Executive Officer Report
 - Consent Items:
 - ♦ Minutes & Financial Reports
 - ♦ Adopt 2021 Board meeting dates
 - ♦ Biennial Review Conflict of Interest Code, FPPC filing deadline October 1
 - ♦ FY2019-2020 Audit Final Report
 - Legislative & Regulatory Update: NCWA
 - GSP Development Update

7. Other Updates & Future Executive Committee Agenda Items

8. Next Executive Committee Meeting Date: September/October ____, 2020; via teleconference, YCFC&WCD Board Room

9. Adjourn

I declare under penalty of perjury that the foregoing agenda for this meeting of the Executive Committee for the Yolo Subbasin Groundwater Agency was posted by August 7, 2020 in the office located at 34274 State Highway 16, Woodland, CA and was



Donna L. Gentile
 Board Secretary & Administrative Coordinator

* PAYMENTS:	WRA Administrative Services invoice through 6/30/20 - \$10,700.80
Pending invoices for 6/30/2020:	YCFCWCD Project Mgmt Services invoice through 6/30/20 - \$12,951.10
	Downey Brand Legal services invoice through 6/30/20 - \$630.00

**MINUTES of Executive Committee (EC) Meeting
Yolo Subbasin Groundwater Agency (YSGA)
July 8, 2020, 12:15 – 1:00 pm
Teleconferenced GoToMeeting**

Present: Roger Cornwell, Jesse Loren, Kristin Sicke, Kurt Balasek, Lynnel Pollock, Donna Gentile, Elisa Sabatini

Absent: Tim O'Halloran

1. **CALL TO ORDER** at 12:15 pm by Chair Roger Cornwell.
2. **APPROVE AGENDA and ADDING ITEMS TO THE POSTED AGENDA** – Jesse motioned to approve the agenda. Lynnel seconded the motion that passed unanimously.
3. **PUBLIC FORUM** – No comments.
4. **ADMINISTRATIVE ITEMS** (Donna Gentile)
 - a) *May 18, 2020 meeting minutes approved.*
 - b) *Reviewed financials FY2019-2020: July 2019 to June 2020:* The EC reviewed the draft fiscal year financial statements. Donna reported that there are three pending invoices to be received for expenses through 6/30/20: YCFC&WCD Project Management, WRA Administrative support and Downey Brand legal services. All invoices will need to be posted prior to starting the audit process. Richardson & Company is tentatively scheduled to start this process by the end of July. This process will primarily be conducted remotely. Hopefully, the final audit can be presented to the Board at their September meeting. This is the final audit with Richardson & Company per the three-year audit services proposal agreement. The Board will need to decide whether to continue with an annual audit or switch to a biennial audit period. Audit proposals will need to be solicited by the end of 2020/beginning of 2021.
 - c) *Members will be invoiced for Fiscal Year 2020-2021 dues by or before July 31:* Membership dues invoices will be sent by the end of July. The appropriate adjustments will be made for the dues changes for the Reclamation Districts being consolidated. Lynnel again inquired about the preparation of at least a one-year budget projection. Particularly if the YSGA will be looking at an alternative dues/funding structure.

As a representative for Colusa Drain Mutual Water Company (CDMWC), Lynnel reiterated that the bulk of their landowners are in Colusa County versus Yolo County. Colusa conducted a Prop. 218 process and is now charging landowners differently. CDMWC increased their dues to shareholders by 50% a year. She expressed concern about how their shareholders are funding the Yolo portion moving forward. She would like ballpark projections regarding how much more money we would need to finish the GSP through implementation. What are the projections for the YSGA's dues structure for the following year (after GSP completion)? Kristin addressed Lynnel's questions. As approved by the YSGA Board, they agreed to postpone discussions regarding re-visiting the JPA's dues structure until after the GSP was submitted. The Board will need to approve the formation of a subcommittee to start holding these discussions about alternative funding structures. This will most likely be on the September Board agenda. Interested members would be solicited to participate in this process and develop one, three, and five-year expense plans. The intention was to finish the 2020-2021 fiscal year before the discussions occurred.

**MINUTES of Executive Committee (EC) Meeting
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- d) Discuss Conflict of Interest Code amendment process: FPPC requires a biennial review of the Conflict of Interest Code (COIC). The deadline for this review is 10/1/20. Donna consulted the FPPC for clarification on the review process. If there are no changes to our COIC, then we simply complete and submit a form to the FPPC without the need for a 45-day public comment period. The biennial review will be on the September Board agenda. COIC amendments are needed when new decision-making positions are created within the YSGA. Donna thought it would be necessary to consult legal counsel to verify whether amendments are needed, since they drafted the agency's original COIC. Kristin will consult with Kevin O'Brien.
- e) Payments to approve*: There were no payments to approve at this time.

Jesse motioned to approve Administrative Item 4a. Lynnel seconded the motion that passed unanimously.

5. SUBCOMMITTEE UPDATE ON DRAFT BOARD POLICIES:

The EC established a subcommittee with Lynnel Pollock and Kurt Balasek to assist Donna in refining the policies. Lynnel and Kurt reviewed their edits with the EC. The policies will be presented in a final draft form to the EC at their August meeting. Final drafts will be presented to the Board for comments and adoption at the September 21st Board meeting.

- a) 1000 - Adoption/Amendment of Policies: No changes were suggested to this draft.
- b) 2105 - Asset Protection and Fraud in the Workplace: No changes were suggested to this draft.
- c) 2115 - Capital Assets Policy: This policy still needs to be formally written. The EC discussed the two options presented by the auditor and the WRA's current capital assets policy. It was agreed to set the capitalization of assets to a minimum of \$2,500.
- d) 2125 - Expense Authorization and Reimbursement Guidelines: The EC discussed the subcommittee's comments provided in the sidebar on the first two paragraphs. The EC agreed with the recommended changes presented.
- e) 2130 - Investment Policy Guidelines: The subcommittee felt that because YSGA funds are deposited in the Yolo County Treasury that the County has extensive guidelines and policies as approved by the Board of Supervisors to safeguard our funds. Donna will reference the financial services agreement number between the YSGA and Yolo County. The EC agreed with the recommended changes presented.

6. UPDATE ON YSGA ACTIVITIES (Sicke/O'Halloran) – Kristin gave updates on the following:

- a) Groundwater Sustainability Plan (GSP) Development Update:
- TAC Process – 1st Meeting July 9, 2020 – Kristin reported that this meeting's focus will be to review the process for establishing or identifying the sustainable management criteria and receive feedback from the TAC. The second meeting will likely be in August instead of holding the regular Working Group meeting. Anyone who is interested is welcome to participate in a public capacity.
 - Sustainable Management Criteria (SMC) Workshops – fall: Hopefully, these workshops will take place in the fall. We continue to work closely with the consultants as they begin to draft

MINUTES of Executive Committee (EC) Meeting
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sections of the GSP. She will give an update to the EC in the few months about when certain sections will be posted to the website for review.

- b) YSGA Board meeting September 21, 2020: Kristin presented an additional item for the September meeting under the GSP update, which is enlisting assistance with reviewing the funding mechanism for the YSGA and establishing a subcommittee to begin that process. She is planning on investigating what other GSAs are doing to successfully fund their efforts. Kristin welcomes any input on this topic.

- *Consent Items*
- *Adopt 2021 Board meeting dates*
- *Biennial Review of FPPC Conflict of Interest Code*
- *Legislation and Regulatory Update, Adam Robin, NCWA*
- *GSP Development Update*

7. OTHER UPDATES & FUTURE EC AGENDA ITEMS:

- *Website Updates:* Donna reported that she continues to refine the YSGA’s website format and content to be more user-friendly. She has renamed the “Reports” menu item to “Groundwater Levels” and re-organized information under the “Groundwater” menu item. She is still determining the best way to present informational documents under the “Resources” menu item. She is sending updates to Max, Kristin and Tim for their review.
- *Coordination Efforts between Basin Boundaries:* Kristin reported that she recently met with Solano subbasin consultants, Luhdorff & Scalmanini and Chris Lee, Solano GSA to discuss coordination of their monitoring and modeling efforts along Putah Creek. Jesse recommended that the new Putah Creek Council Executive Director, Kenny Liner be included in this conversation as well. Rich Marovich has not yet retired and is still participating in Putah Creek efforts.
- *YCFC&WCD is Soliciting for Additional Staffing* to work 75% time on YSGA activities including continuing Brooke Ely’s work related to the groundwater monitoring program. If they find the right candidate, hopefully they can also work with Donna to overlap training of her YSGA duties before she retires. They hope to have someone hired by the end of August or beginning of September. Kristin will forward the job announcement to Kurt in case he finds any potential candidates.

Future Agenda Items:

- Executive Committee Agenda: Prop 218 and long-range funding for the YSGA (Pollock)

- 8. NEXT EC MEETING DATE:** August 10, 2020, 12:15 p.m., Yolo County Flood Control & WCD Board Room and/or via teleconferencing options.

- 9. ADJOURN:** Meeting adjourned at 12:45 p.m.

Respectfully submitted,

Donna L. Gentile
Administrative Coordinator & Board Secretary

Yolo Subbasin Groundwater Agency
Balance Sheet
 As of July 31, 2020

	<u>Jul 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · 1st Northern-Checking	2,445.00
1010 · 1st Northern-Savings	43,157.52
1020 · Yolo County Treasury	<u>718,797.88</u>
Total Checking/Savings	764,400.40
Accounts Receivable	
1100 · Accounts Receivable	462,841.50
Total Accounts Receivable	<u>462,841.50</u>
Total Current Assets	<u>1,227,241.90</u>
TOTAL ASSETS	<u><u>1,227,241.90</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	24,281.90
Total Accounts Payable	<u>24,281.90</u>
Total Current Liabilities	<u>24,281.90</u>
Total Liabilities	24,281.90
Equity	
3000 · Unassigned Fund Balance	-24,000.00
3300 · Assigned Fund Balance	24,000.00
3200 · Retained Earnings	740,479.48
Net Income	462,480.52
Total Equity	<u>1,202,960.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,227,241.90</u></u>

Yolo Subbasin Groundwater Agency
Budget vs Actual
 July 2020

	<u>Jul 20</u>	<u>Budget</u>	<u>% of Budget</u>
Income			
4000 · Member Contributions-Municipal	160,000.00	160,000.00	100.0%
4100 · Member Contributions-Rural	237,841.50	257,842.00	92.24%
4200 · Member Contributions-Affiliates	65,000.00	65,000.00	100.0%
4400 · Interest Income	0.00	5,000.00	0.0%
Total Income	<u>462,841.50</u>	<u>487,842.00</u>	<u>94.88%</u>
Expense			
5100 · Bank & Other Fees	0.00	500.00	0.0%
5300 · Insurance-General & Auto	360.98	2,000.00	18.05%
5500 · Membership Dues	0.00	3,000.00	0.0%
7000 · Admin. Services/Expenses (WRA)			
7010 · Westside IRWMP Cost Share (WRA)	0.00	21,500.00	0.0%
7000 · Admin. Services/Expenses (WRA) - Other	0.00	100,000.00	0.0%
Total 7000 · Admin. Services/Expenses (WRA)	<u>0.00</u>	<u>121,500.00</u>	<u>0.0%</u>
7100 · Project Mgmt-SGMA Implementatio	0.00	110,000.00	0.0%
7200 · Consultant Services	0.00	20,000.00	0.0%
7300 · Legal Services	0.00	20,000.00	0.0%
7350 · Audit Services - Financial	0.00	7,050.00	0.0%
7500 · GW Monitoring-Real-time Sensors	0.00	80,000.00	0.0%
7600 · YC Groundwater Monitor Program	0.00	42,064.00	0.0%
Total Expense	<u>360.98</u>	<u>406,114.00</u>	<u>0.09%</u>
Net Income	<u><u>462,480.52</u></u>	<u><u>81,728.00</u></u>	

Yolo Subbasin Groundwater Agency
Profit & Loss
July 2020

	<u>TOTAL</u>
Income	
4000 · Member Contributions-Municipal	160,000.00
4100 · Member Contributions-Rural	237,841.50
4200 · Member Contributions-Affiliates	<u>65,000.00</u>
Total Income	462,841.50
Expense	
5300 · Insurance-General & Auto	<u>360.98</u>
Total Expense	<u>360.98</u>
Net Income	<u><u>462,480.52</u></u>

**Yolo Subbasin Groundwater Agency
Transaction List by Date
July 2020**

Type	Date	Num	Name	Memo	Account	Clr	Split	Amount
General Journal	07/01/2020	9		Re-assign insurance paid in FY19-20 for FY20-21	2200 · Prepaid Insurance		5300 · Insurance-General & Auto	-360.98
Invoice	07/23/2020	2020-01	City of Davis	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4000 · Member Contributions-Municipal	40,000.00
Invoice	07/23/2020	2020-02	City of West Sacramento	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4000 · Member Contributions-Municipal	40,000.00
Invoice	07/23/2020	2020-03	City of Winters	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4000 · Member Contributions-Municipal	20,000.00
Invoice	07/23/2020	2020-04	City of Woodland	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4000 · Member Contributions-Municipal	40,000.00
Invoice	07/23/2020	2020-05	Esparto Community Service District	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4000 · Member Contributions-Municipal	5,000.00
Invoice	07/23/2020	2020-06	Madison Community Service District	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4000 · Member Contributions-Municipal	5,000.00
Invoice	07/23/2020	2020-07	Yocha Dehe Wintun Nation	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4000 · Member Contributions-Municipal	10,000.00
Invoice	07/23/2020	2020-08	California American Water Company	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4200 · Member Contributions-Affiliates	5,000.00
Invoice	07/23/2020	2020-09	Colusa Drain Mutual Water Comany	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4200 · Member Contributions-Affiliates	10,000.00
Invoice	07/23/2020	2020-10	University of California Davis	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4200 · Member Contributions-Affiliates	40,000.00
Invoice	07/23/2020	2020-11	Yolo County Farm Bureau	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4200 · Member Contributions-Affiliates	10,000.00
Invoice	07/23/2020	2020-12	Dunnigan Water District	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	5,350.00
Invoice	07/23/2020	2020-13	Reclamation District 108	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	21,600.00
Invoice	07/23/2020	2020-14	Reclamation District 150	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	2,146.50
Invoice	07/23/2020	2020-15	Reclamation District 307	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	2,970.50
Invoice	07/23/2020	2020-16	Reclamation District 537	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	3,038.50
Invoice	07/23/2020	2020-17	Reclamation District 730	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	2,249.00
Invoice	07/23/2020	2020-18	Reclamation District 765	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	700.00
Invoice	07/23/2020	2020-19	Reclamation District 787	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	14,700.00
Invoice	07/23/2020	2020-20	Reclamation District 999	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	12,625.00
Invoice	07/23/2020	2020-21	Reclamation District 1600	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	3,462.00
Invoice	07/23/2020	2020-22	Reclamation District 2035	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	19,000.00
Invoice	07/23/2020	2020-23	County of Yolo	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	40,000.00
Invoice	07/23/2020	2020-24	YCFC&WCD	FY2020-2021 Membership Dues Invoice	1100 · Accounts Receivable		4100 · Member Contributions-Rural	110,000.00

Yolo Subbasin Groundwater Agency (YSGA)

Policies & Procedures

GENERAL - Section 1000

POLICY TITLE: Adoption/Amendment of Policies

POLICY NUMBER: 1000

(Adopted _____)

1000.1 Consideration by the Board of Directors to adopt a new policy or to amend an existing policy may be initiated by any Director or the Executive Officer. The proposed adoption or amendment shall be initiated by a Director or the Executive Officer by submitting a written draft of the proposed new or amended policy to the Board Chairperson and the Executive Officer, which may be submitted in person or by any communication method approved by the YSGA, and requesting that the item be included for consideration on the agenda of the next appropriate regular meeting of the Board of Directors. Any member of the Board may place an item on a future agenda by making a formal request to the Executive Officer at a meeting of the Board. The Executive Officer will place Board items on a future Board agenda when reasonable, based on the staff time and research necessary to prepare the item for Board consideration.

1000.2 Adoption of a new policy or amendment of an existing policy shall be accomplished at a regular meeting of the Board of Directors in accordance with the YSGA's state statutes regarding the constitution of a majority vote.

1000.3 Copies of the proposed new or amended policy shall be included in the agenda-information packet for any meeting in which they are scheduled for consideration (listed on the agenda). A copy of the proposed new or amended policy(ies) shall be made available to each Director for review at least 72 hours, per the Brown Act, prior to any meeting at which the policy(ies) are to be considered.

Yolo Subbasin Groundwater Agency (YSGA)

Policies & Procedures

ADMINISTRATION - Section 2000

2100 - Financial Management

POLICY TITLE: Asset Protection and Fraud in the Workplace

POLICY NUMBER: 2105

(Adopted _____)

2105.1 Purpose and Scope: To establish policy and procedures for clarifying acts that are considered to be fraudulent, describing the steps to be taken when fraud or other dishonest activities are suspected, and providing procedures to follow in accounting for missing funds, restitution and recoveries.

2105.2 The Yolo Subbasin Groundwater Agency (YSGA) is committed to protecting its assets against the risk of loss or misuse. Accordingly, it is the policy of the YSGA to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the YSGA and, when appropriate, to pursue available legal remedies.

2105.3 Definitions:

- a) Fraud – Fraud and other similar irregularities include, but are not limited to:
 - 1) Claim for reimbursement of expenses that are not job-related or authorized by YSGA policy;
 - 2) Forgery, falsification, or unauthorized alteration of documents or records (including but not limited to checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.);
 - 3) Misappropriation of YSGA assets (including but not limited to funds, securities, supplies, furniture, equipment, etc.);
 - 4) Inappropriate use of YSGA resources (including but not limited to labor, time, and materials);
 - 5) Improprieties in the handling or reporting of money or financial transactions;
 - 6) Authorizing or receiving payment for goods not received or services not performed;
 - 7) Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of YSGA-owned or –licensed software;
 - 8) Misrepresentation of information;
 - 9) Theft of equipment or other goods;
 - 10) Any apparent violation of federal, state, or local laws related to dishonest activities or fraud;
 - 11) Seeking or accepting anything of material value from those doing business with the YSGA including vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the YSGA Conflict of Interest Code which incorporates the Fair Political Practices Commission’s regulations;
 - 12) Any other conduct, actions or activities treated as fraud or misappropriation under any federal or state law, rule or regulation.
- b) Employee – In this context, “employee” refers to any individual or group of individuals who receive compensation, either full- or part-time, including members of the Board of Directors, from the YSGA. The term also includes any volunteer who provides services to the YSGA through an authorized arrangement with the YSGA.
- c) Management – In this context, “management” refers to any manager, supervisor, or other individual who manages or supervises YSGA’s resources or assets.

Yolo Subbasin Groundwater Agency (YSGA)

Policies & Procedures

ADMINISTRATION - Section 2000

2100 - Financial Management

- d) Internal Audit Committee – In this context, if the claim of fraud involves anyone other than the YSGA’s Executive Officer, the Internal Audit Committee shall consist of the Executive Officer, the YSGA’s Legal Counsel and any other persons appointed to the Internal Audit Committee by the Executive Officer. If the claim of fraud involves the YSGA’s Executive Officer, the Internal Audit Committee shall consist of the Chair of the Board of Directors, Legal Counsel and those persons appointed to the Internal Audit Committee by the Chair of the Board. Nothing contained in this policy shall be construed as requiring the Executive Officer or the Chair of the Board to appoint other persons to the Internal Audit Committee. Individuals appointed to the Internal Audit Committee by the Executive Officer or the Chair of the Board other than the YSGA’s Legal Counsel shall serve at the pleasure of the Executive Officer or the Chair of the Board.
- e) External Auditor – In this context, “External Auditor” refers to independent audit professionals appointed by the YSGA’s Board of Directors to perform annual audits of the YSGA’s financial statements

2105.4 It is the YSGA’s intent to fully investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with the YSGA of any party who might be or become involved in or become the subject of such investigation. An employee being investigated for fraud may request representation by a representative of any recognized bargaining unit that represents the employee.

2105.5 For claims of fraud not involving the Executive Officer, the Executive Officer or an Internal Audit Committee appointed by the Executive Officer shall have primary responsibility for investigation of activity covered by this policy. For claims of fraud involving the Executive Officer, the Chair of the Board or an Internal Audit Committee appointed by the Chair shall have primary responsibility for investigation of activity covered by this policy. The YSGA’s General Counsel shall advise the Committee, the Executive Officer and/or the Board Chair on all such investigations.

2105.6 Throughout the investigation, the Internal Audit Committee will inform the Executive Officer of pertinent investigative findings

2105.7 An employee will be granted whistle-blower protection when acting in accordance with this policy so long as he or she has not engaged in activity that violates this policy. When informed of a suspected impropriety, neither the YSGA nor any person acting on its behalf shall:

- a) Dismiss or threaten to dismiss an employee providing the information,
- b) Discipline, suspend, or threaten to discipline or suspend such an employee,
- c) Impose any penalty upon such an employee, or
- d) Intimidate or coerce such an employee.

Violations of this whistle-blower protection policy will result in discipline up to and including termination.

2105.8 Upon conclusion of an investigation, the results will be reported to the Executive Officer or, if the investigation involves the Executive Officer, the Board Chair, either of whom shall advise the Board of Directors.

2105.9 Following review of investigation results, the Executive Officer or the Board, as the case may be, will take appropriate action regarding employee misconduct. Disciplinary action can include employment discipline up to and including termination, referral for criminal prosecution, or both.

Yolo Subbasin Groundwater Agency (YSGA)

Policies & Procedures

ADMINISTRATION - Section 2000

2100 - Financial Management

2105.10 The Executive Officer or the General Counsel will pursue every reasonable effort, including court-ordered restitution, to obtain recovery of YSGA losses from the offender, other responsible parties, insurers, or other appropriate sources unless the Board should otherwise direct in consultation with General Counsel.

2105.11 Procedures:

2105.12.1 Board of Directors Responsibilities

- a) If a Board Member has reason to suspect a fraud has occurred, he or she shall immediately contact the Executive Officer or the Board Chair, if the activity involves the Executive Officer, and the YSGA's Legal Counsel.
- b) The Board Member shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the Executive Officer or Board Chair, as the case may be, and the YSGA's Legal Counsel.
- c) The alleged fraud or audit investigation shall not be discussed with the media by any person other than the Executive Officer or the Board Chair after consultation with the YSGA's Legal Counsel and any Internal Audit Committee appointed as to the matter.

2105.12.2 Management Responsibilities

- a) Management staff is responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.
- b) Each manager should be familiar with the types of improprieties that might occur in his or her area of responsibility and be alert for any indication that improper activity, misappropriation, or dishonest activity did occur or is occurring.
- c) When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
- d) If a manager determines a suspected activity may involve fraud or related dishonest activity, he or she should contact his or her immediate supervisor or the YSGA's Executive Officer. If the activity involves
- e) Managers should not attempt to conduct individual investigations, interviews, or interrogations other than as directed by the Executive Officer or General Counsel. However, management staff are responsible for taking appropriate corrective actions to implement adequate controls to prevent recurrence of improper actions.
- f) Management staff should support the YSGA's responsibilities and cooperate fully with the Internal Audit Committee, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
- g) Management staff must give full and unrestricted access to all necessary records and Personnel to those responsible for identifying, investigating and remedying fraud and related dishonest acts. All YSGA assets, including furniture, desks, and computers, are open to inspection at any time. No YSGA officer, agent or employee has a reasonable expectation of privacy in YSGA property and other resources to preclude such inspection.
- h) In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management staff should avoid the following:

Yolo Subbasin Groundwater Agency (YSGA)

Policies & Procedures

ADMINISTRATION - Section 2000

2100 - Financial Management

- 1) Incorrect accusations;
 - 2) Alerting suspected individuals that an investigation is underway;
 - 3) Treating employees unfairly; and
 - 4) Making statements that could lead to claims of false accusations or other offenses.
- i) In handling dishonest or fraudulent activities, managers have the responsibility to:
- 1) Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to “what you did”, “the crime”, “the fraud”, “the misappropriation”, etc;
 - 2) Avoid discussing the case, facts, suspicions, or allegations with anyone outside the YSGA, unless specifically directed to do so by the Executive Officer or the Board Chair; and
 - 3) Avoid discussing the case with anyone inside the YSGA other than employees who have a need to know such as the Executive Officer, Internal Audit Committee, or the YSGA’s Legal Counsel.
 - 4) Direct all inquiries from the suspected individual, or his or her representative, to the Executive Officer, the Board Chair, or the YSGA’s Legal Counsel. All inquiries by an attorney representing a suspected individual should be directed to the Executive Officer or the YSGA’s Legal Counsel. All inquiries from the media should be directed to the Executive Officer or the Board Chair, if the activity involves the Executive Officer.
 - 5) Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the [position or department] and Legal Counsel, in conformance with YSGA policy and applicable law.

2105.12.3 Employee Responsibilities

- a) A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee’s supervisor for reporting to the proper management official.
- b) When an employee believes his or her supervisor may be involved in inappropriate activity, the employee shall make the report to the next higher level of management and/or the Executive Officer. If the activity involves the Executive Officer, it shall be reported to the Board Chair or the YSGA’s Legal Counsel.
- c) A reporting employee shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the Executive Officer, Internal Audit Committee, the YSGA’s Legal Counsel, or law enforcement personnel.

2105.12.4 Internal Audit Committee Responsibilities

- a) Upon assignment by the Executive Officer or the Board Chair, an Internal Audit Committee will promptly investigate the allegations.
- b) In all circumstances where there reason to suspect a criminal fraud has occurred, the Internal Audit Committee, in consultation with the YSGA Executive Officer or the Board Chair and Legal Counsel, if the Executive Officer is suspected of involvement in the fraud, will contact the appropriate law enforcement agency.
- c) The Internal Audit Committee shall be available and receptive to relevant, confidential information to the extent allowed by law after consultation with the YSGA’s Legal Counsel.
- d) If evidence is uncovered showing possible dishonest or fraudulent activities, the Internal Audit Committee will:

Yolo Subbasin Groundwater Agency (YSGA)

Policies & Procedures

ADMINISTRATION - Section 2000

2100 - Financial Management

- 1) Discuss the findings with management and the Executive Officer;
- 2) Advise management, if the case involves YSGA staff members, to meet with the [position title] (or his/her designated representative) to determine if disciplinary action should be taken;
- 3) Report to the External Auditor such activities to assess the effect of the illegal activity on the YSGA's financial statements;
- 4) Coordinate with the YSGA's risk manager regarding notification to insurers and filing of insurance claims;
- 5) Take immediate action, after consultation with the Legal Counsel, to prevent the theft, alteration, or destruction of evidence. Such action shall include, but is not limited to:
 - a) Removing relevant records and placing them in a secure location, or limiting access to those records
 - b) Preventing the individual suspected of committing the fraud from having access to the records.
- 6) In consultation with the YSGA Legal Counsel and the local law enforcement agency, the Internal Audit Committee may disclose particulars of the investigation to potential witnesses if such disclosure would further the investigation.
- 7) If the Internal Audit Committee is contacted by the media regarding an alleged fraud or audit investigation, the Internal Audit Committee will refer the media to the Executive Officer or Board Chair, if the activity involves the Executive Officer.
- 8) At the conclusion of the investigation, the Internal Audit Committee will document the results in a confidential memorandum report to the Executive Officer or the Board Chair for action. If the report concludes that the allegations are founded and the YSGA's Legal Counsel has determined that a crime has occurred, the report will be forwarded to the appropriate law enforcement agency.
- 9) The Internal Audit Committee shall make recommendations to the appropriate department as to the prevention of future similar occurrences.
- 10) Upon completion of the investigation, including all legal and personnel actions; all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Internal Audit Committee to that department.

2105.13 Exceptions

There will be no exceptions to this policy unless provided and approved in writing by the Executive Officer or the Board Chair and the YSGA Legal Counsel. The Board of Directors reserves the right to amend, delete, or revise this policy at any time by formal action of the Board of Directors.

Yolo Subbasin Groundwater Agency (YSGA)

Policies & Procedures

ADMINISTRATION – Section 2000

2100 - Financial Management

POLICY TITLE: Expense Authorization and Reimbursement Guidelines

POLICY NUMBER: 2125

(Adopted _____)

2125.1 All purchases made for the Yolo Subbasin Groundwater Agency (YSGA) by staff greater than \$500 and up to \$5,000 shall be authorized by the Executive Officer or Chair of the Board of Directors or other responsible managing employee or committee and shall be in conformance with the approved YSGA budget.

2125.2 Any commitment of YSGA funds for a purchase or expense greater than \$5,000 and up to \$20,000 shall be approved by the Executive Committee and shall be in conformance with the Board-approved budget or other action and/or authorizations. Any expenditure of \$20,000 or greater must be authorized by the Board of Directors.

2125.3 Whenever employees or Directors of the YSGA incur "out-of-pocket" expenses for item(s) or service(s) appropriately relating to YSGA business as verified by valid receipts, said expended cash shall be reimbursed upon request from the YSGA by check. The YSGA does not currently maintain a petty cash fund in the office. In those instances when a receipt is not obtainable, the requested reimbursement shall be approved by the Executive Officer or Chair of the Board of Directors before remuneration. The YSGA may establish a reimbursement request form and, if it does, no reimbursement will be made without submission of a request on that form.

2125.4 Requests for reimbursement to the YSGA must have a good faith basis. Submission of a request for a reimbursement without such a basis shall subject the requestor to appropriate sanctions, up to and including termination of employment and referral to an appropriate law enforcement agency for prosecution.

2125.5 The YSGA management encourages its staff to make purchases through vendors that the YSGA has an established account to avoid out of pocket expenses. Employees who need to make purchases on a regular basis may be issued a credit card to facilitate YSGA business. The YSGA will fully compensate staff for all reasonable and prudent expenses incurred in the course of business as described in this policy. Credit cards should only be used for legitimate YSGA business.

2125.6 The employee will submit credit card receipts for purchases made to the Executive Officer or other responsible managing employee each month. No personal items may be charged on the business credit card.

2125.7 The YSGA may establish a mileage reimbursement form when personal vehicles are used to conduct YSGA business. Employees will be reimbursed as determined by the IRS mileage reimbursement rate in effect at the time the expense was incurred.

2125.8 The YSGA has not established guidelines for reimbursement for travel expenses, meals, lodging, air travel and car rentals. Currently there are not provisions in the budget for travel related expenses, which can be established upon request by the Board of Directors under the management of the Executive Officer.

Yolo Subbasin Groundwater Agency (YSGA)

Policies & Procedures

ADMINISTRATION – Section 2000

2100 - Financial Management

POLICY TITLE: Investment Policy Guidelines

POLICY NUMBER: 2130

(Adopted _____)

2130.1 Yolo Subbasin Groundwater Agency (YSGA) funds not required for immediate expenditure will be invested in compliance with governing provisions of law (Government Code Sections 53600 et. seq.) and this policy. Funds shall be invested with a priority toward safeguarding principal while endeavoring to maximize returns.

2130.2 The YSGA entered into Agreement No. 17-288 with the Yolo County Department of Financial Services to provide treasury services as of November 13, 2017. As per this Agreement, the County treasury is the primary depository of YSGA funds received.

2130.3 Allowable investments must be approved by the YSGA Board of Directors. Current approved investments are with the County of Yolo Investment Pool or the California Local Agency Investment Fund.

2130.4 Each month, the Financial Supervisor (or other appointed designee) shall furnish the Executive Committee with a detailed listing of the previous month's treasury balance. The Financial Supervisor (or other appointed designee) shall furnish a quarterly report of the investment portfolio performance. The Board of Directors will be furnished the quarterly investment portfolio performance report at each regular Board meeting.

2130.4 Every two years the YSGA will review this investment policy at a public Board meeting, as an agenda item. Any changes or amendments shall be made only with Board approval.

Yolo Subbasin Groundwater Agency (YSGA)

Policies & Procedures

ADMINISTRATION – Section 2000

2100 – Financial Management

POLICY TITLE: Capital Assets Policy

POLICY NUMBER: 2115

(Adopted _____)

2115.1 This policy establishes the minimum cost (capitalization amount) that shall be used to determine the capital assets that are to be recorded in Yolo Groundwater Sustainability Agency (YSGA) annual financial statements.

A “Capital Asset” is defined as a unit of property that: (1) has an economic useful life that extends beyond 12 months; and (2) was acquired or produced for a cost of \$2500 or more.

2115.2 Capital Assets must be capitalized and depreciated for financial statement purposes. All Capital Assets are recorded at historical cost as of the date acquired. An invoice substantiating an acquisition cost of each unit of property shall be retained for a minimum of four years.

2115.3 Tangible assets costing below the aforementioned threshold amount are recorded as an expense for YSGA’s annual financial statements. Assets with an economic useful life of less than 12 months are required to be expensed for financial statement purposes, regardless of the acquisition or production cost.

2115.4 A betterment is an improvement made to a fixed asset in order to extend its useful life or increase its value. Doing so results in an enhanced asset. The cost of a betterment will be capitalized and depreciated over time. Conversely, if an expenditure on a fixed asset does not result in an improvement, then the cost is charged to expense as incurred.

2115.5 Depreciation is calculated using the straight-line method over the estimated useful lived of the respective assets.

2115.6 An inventory of assets should be taken annually and the YSGA Board of Directors should approve the disposal of any assets.