



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

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ACC | **AUDITOR**
CONTROLLER
COUNTY OF RIVERSIDE

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Wednesday, July 27, 2016

Honorable Harold W. Hopp
Presiding Judge
Superior Court of California, County of Riverside
4050 Main Street
Riverside, CA 92501

Reference: Response to 2015-2016 Grand Jury Report: Palo Verde Resource Conservation District

Dear Judge Hopp:

Pursuant to California Penal Code Section 933 et seq., please find enclosed the response of the Riverside County Auditor-Controller's Office to the above Grand Jury Report within the designated 90-day period.

The Riverside County Auditor-Controller's Office is only responding to recommendation one because all other findings and recommendations referenced in the Grand Jury report do not pertain to our office. Based on the results explained under finding one of the Grand Jury report, we concur with recommendation one regarding the cancellation of request for audit of the McCoy Wash Flood Control District.

Respectfully,


Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Cc: Riverside Grand Jury ✓
Riverside County Clerk-Recorder

Finding 1:

The McCoy Wash Flood Improvement District (McCoy Improvement) was established in December of 1987 as part of PVRCD. On December 9, 1991, the district was split into two separate special districts by resolution of the PVRCD board of directors without obtaining the approval of LAFCO. This was done to accommodate McCoy Flood Control District (McCoy District) to establish the power to assess Blythe citizens within McCoy Wash area for construction of the dam. Arrangements were established with the County to collect these funds.

The PVRCD does not have the authority to establish the McCoy District as a special district. The PVRCD, under provisions of Division 9 of the California Public Resources Code, does have the authority to form an improvement district for constructing, both in or for the improvement district, one of more flood prevention improvements, including structural and land treatment measures.

The PVRCD resolution reads as follows:

RESOLUTION OF THE BOARD OF DIRECTORS OF PALO VERDE RESOURCE CONSERVATION DISTRICT

Whereas Palo Verde Resource Conservation District (PVRCD) has sponsored the creation of the McCoy Wash Flood Control District (McCoy), and furthermore that McCoy is now a separate Special District with a directorship concurrent to that of PVRCD and furthermore, that McCoy receives property tax revenues that are for the sole benefit of McCoy.

Herewith be it resolved the Riverside County Auditor-Controller's Office is requested to establish a Trust type "fund" for McCoy (request attached) for the purpose of properly segregating McCoy revenues and expenses from those of PVRCD.

This document was signed by the President and Secretary/Treasurer, who are also the current President and Secretary/Treasurer.

Recommendation 1:

The resolution of 1991 be voided. The County Auditor-Controller cancel the requested audit from the McCoy District and include them as part of the PVRCD for audit.

Response to Recommendation:

Respondent agrees with recommendation 1.

Riverside County Auditor-Controller's Office will cancel the request for audit of the McCoy District and will expect the audit to be part of PVRCD.