



Transmitted via e-mail

September 13, 2013

Mr. Charlton H. Bonham, Director  
California Department of Fish and Wildlife  
1416 Ninth Street, 12<sup>th</sup> Floor  
Sacramento, CA 95814

Dear Mr. Bonham:

**Final Report—Patterson Irrigation District, Proposition 84 Grant Audit**

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the Patterson Irrigation District's (PID) grant E0920008 issued by the California Department of Fish and Wildlife.

The enclosed report is for your information and use. Because there were no audit observations requiring a response, we are issuing the report as final. This report will be placed on our website.

We appreciate the assistance and cooperation of PID. If you have any questions regarding this report, please contact Diana Antony, Manager, or Jon Chapple, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

David Botelho, CPA  
Chief, Office of State Audits and Evaluations

Enclosure

cc: Ms. Helen E. Carriker, Deputy Director, Administration, California Department of Fish and Wildlife  
Ms. Treva Porter, Staff Environmental Scientist, California Department of Fish and Wildlife  
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, California Natural Resources Agency  
Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency  
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency  
Mr. Peter M. Rietkerk, P.E., General Manager, Patterson Irrigation District

# AUDIT REPORT

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## Patterson Irrigation District Proposition 84 Bond Program Grant Agreement E0920008



Fish Screen Intake Project Site  
Source: California Department of Fish and Wildlife

Prepared By:  
Office of State Audits and Evaluations  
Department of Finance

## **MEMBERS OF THE TEAM**

Diana Antony, CPA  
Manager

Jon G. Chapple, CPA  
Supervisor

Staff  
Mindy Patterson, MBA

Final reports are available on our website at <http://www.dof.ca.gov>

You can contact our office at:

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# BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

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## **BACKGROUND**

California voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) for \$5.4 billion. The bond proceeds finance a variety of natural resource programs.

The Patterson Irrigation District (PID) is located in the San Joaquin Valley of California and provides irrigation water deliveries to nearly 13,500 acres of farmland and ranches near Patterson, California. PID received a \$4.6 million grant from the California Department of Fish and Wildlife (DFW) to replace a pumped water diversion intake system on the San Joaquin River with a more efficient facility. The new facility will have equivalent diversion capacity and consist of a new fish screen designed to meet state and federal protection criteria for anadromous salmonids. The project will also reduce entrainment of aquatic resources at water diversions. This grant provided funding for a portion of a larger project totaling over \$10 million.

## **SCOPE**

In accordance with the Department of Finance's bond oversight responsibilities, we audited grant E0920008 for the period June 1, 2010 through June 30, 2012.

The audit objectives were to determine whether PID's grant expenditures claimed were in compliance with applicable laws, regulations, and grant requirements; and to determine whether the grant deliverables were completed as required. We did not assess the efficiency or effectiveness of program operations.

PID's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. DFW and the Natural Resources Agency are responsible for state-level administration of the bond programs.

## **METHODOLOGY**

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements; and if the grant deliverables were completed as required, we performed the following procedures:

- Interviewed key personnel to obtain an understanding of the grant-related internal controls.
- Examined the grant files, the grant agreement, and applicable policies and procedures.
- Reviewed PID's accounting records, vendor invoices, and bank statements.
- Reviewed the subcontractor's accounting records, vendor invoices, and time sheets.

- Selected a sample of expenditures to determine if costs were allowable, grant-related, incurred within the grant period, supported by accounting records, and properly recorded.
- Performed procedures to determine if other revenue sources were used to reimburse expenditures already reimbursed with grant funds.
- Conducted a site visit to verify existence of the project area.
- Evaluated whether a sample of grant deliverables required by the grant agreement were met.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## RESULTS

The results of the audit are based on our review of documentation, other information made available to us, and interviews with staff directly responsible for administering grant funds.

Based on the procedures performed, the grant expenditures claimed were in compliance with the requirements of the grant agreement and grant deliverables were completed as required. The Schedule of Claimed Amounts is presented in Table 1.

**Table 1: Schedule of Claimed Amounts**

<b>Grant Agreement E0920008</b>	
<b>Task<sup>1</sup></b>	<b>Claimed</b>
Task 2 – Structural/Concrete	\$ 4,415,725
Task 4 – Mechanical	150,000
<b>Total Grant Funds</b>	<b>\$ 4,565,725</b>

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<sup>1</sup> This grant provided funding for a portion of a larger project totaling over \$10 million. Specifically, the grant funded Tasks 2 and 4.