

SACRAMENTO-YOLO
MOSQUITO & VECTOR
CONTROL DISTRICT

NOVEMBER 16, 2021

BOARD OF TRUSTEES
REGULAR MEETING

BOARD PACKET

10:00 A.M.

8631 Bond Road
Elk Grove, CA 95624

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**SACRAMENTO/YOLO MOSQUITO
& VECTOR CONTROL DISTRICT
BOARD OF TRUSTEES REGULAR MEETING**

8631 Bond Road
Elk Grove, CA 95624

**AGENDA
November 16, 2021
10:00 AM**

In compliance with the Americans with Disability Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the District office at (916) 685-1022 or (916) 685-5464 (fax). Requests must be made as early as possible, and at least one-full business day before the start of the meeting. Documents and materials relating to an open session agenda item that are provided to the SYMVCD Board less than 72 hours prior to a regular meeting will be available for public inspection and copying at 8631 Bond Road, Elk Grove, Ca 95624. The documents will also be available on the agency's website at www.fightthebite.net.

CALL TO ORDER:

- **Roll Call**
- **Pledge of Allegiance**

1. **Items for Approval by General Consent:**
 - a. **Minutes of the October 20, 2021 Board of Trustees Meeting**
 - b. **Expenditures for October 2021**
 - c. **Board Review and Consideration to Authorize the Board Meeting be Conducted by Teleconference**
 - d. **2022 District Annual Operating Plan Pursuant to Section 8 of the MOU between the USFWS and SYMVCD**
 - e. **Board review and Consideration of Implementation of Records Management Policy**
2. **Opportunity for Public Comment**

This item is reserved for members of the public who wish to speak on items not on the agenda
3. **Board Review and Discussion of the 2020-2021 District Audit**
4. **Reports to the Board**
 - a. **Manager's Report**
 - b. **Reports from District Departments**
 - **Lab/Surveillance**
 - **Ecological Management**
 - **Biological Control**

- Larval and Adult Control
- Public Outreach

5. Closed Session- Provide Instruction to Designated Labor Representatives (Gov. Code s. 54957.6-Labor Negotiations)
Agency Designated Representatives : [Gary Goodman, Janna McLeod, Samer Elkashef, Chris Voight] Employee Organization: [Operating Engineers Local Union #3]
6. Board Review and Consideration for Approval of Assistant Manager Employment Agreement
7. Board/Staff General Discussion
8. Adjournment

Sacramento-Yolo Mosquito and Vector Control District

November 16, 2021 Board Meeting

1. Items for Approval by General Consent:

- a. Minutes of the October 19, 2021 Board of Trustees Meeting;
- b. Expenditures for October 2021;
- c. Board Review and Consideration to Authorize the Board Meeting be Conducted by Teleconference;
- d. 2022 District Annual Operating Plan Pursuant to Section 8 of the MOU between the USFWS and SYMVCD;
- e. Board Review and Consideration of Implementation of Records Management Policy.

Recommendation:

Approve the Items by General Consent

**MINUTES OF THE OCTOBER 19, 2021
MEETING OF THE BOARD OF TRUSTEES OF THE
SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT**

PLACE: 8631 Bond Road, Elk Grove, CA 95624

TIME: 10:00 a.m.

TRUSTEES PRESENT:

Craig Burnett	President	Folsom
Gar House	Vice President	Winters
Marcia Mooney	Secretary	Galt
Christopher Barker		Davis
Janell Darroch		West Sacramento
Sean Denny		Woodland
Bruce Eldridge		Yolo County
Lyndon Hawkins		Elk Grove
Jayna Karpinski-Costa		Citrus Heights
Raymond LaTorre		Sacramento
Susan Maggy		Sacramento County
Robert McGarvey		Rancho Cordova
Vacant		Isleton

TRUSTEES ABSENT:

None

LEGAL COUNSEL:

Jennifer Buckman

STAFF PRESENT:

Gary Goodman	Manager
Samer Elkashef	Assistant Manager
Marcia Reed	Laboratory Director
Marty Scholl	Ecological Management Supervisor
Steve Ramos	Program Coordinator
Luz Robles	Public Information Officer

CALL TO ORDER

The meeting was called to order at 10:01 a.m. by President Craig Burnett.

Roll Call

This meeting was held and attended by Video Teleconference. Attendance was taken by Roll Call. All Trustees were in attendance; therefore, a quorum was present. The Isleton Trustee position is vacant.

Pledge of Allegiance

All phones and electronic devices are requested to be silenced during the meeting.

Moment of Silence

A moment of silence was observed honoring the recent passing of Colin Powell.

1. BOARD REVIEW AND CONSIDERATION TO AUTHORIZE THE BOARD MEETING BE CONDUCTED BY TELECONFERENCE

On a motion by Trustee Denny seconded by Trustee Hawkins, the Board voted to approve Item 1. The vote was taken by roll call and the motion passed by the following vote: Ayes: 12, Noes: 0, Absent: 0.

2. ITEMS FOR APPROVAL BY GENERAL CONSENT

On a motion by Trustee Karpinski-Costa seconded by Trustee Denny, the Board voted to approve General Consent Items a through b. The vote was taken by roll call and the motion passed by the following vote: Ayes: 12, Noes: 0, Absent: 0.

- a. Minutes of the September 21, 2021 Board of Trustees Meeting;
- b. Expenditures for September 2021.

3. OPPORTUNITY FOR PUBLIC COMMENT

This item is reserved for members of the public who wish to speak on items not on the agenda.

There were none.

4. REPORTS TO THE BOARD

a. Manager's Report:

The District's West Nile season is slowing down and virus activity has leveled off over the past few weeks. We continue to follow the Districts Mosquito Borne Disease Management Plan with enhanced surveillance and control efforts in response to positive dead birds or positive mosquito collections. The District is continuing to address the invasive *Aedes aegypti* species and new detections are being found in South Sacramento and the Rosemont areas. We anticipate that this species will begin to slow down significantly as the weather cools even more over the next few weeks. The District applied for fiscal relief from the 2021 Budget Act to help pay for unanticipated costs the District incurred due to COVID-19. We should know the amount approved by November with potential reimbursement happening in January. The District audit is complete and a report will be scheduled for November. The District is working with our benefit broker on new rates for the 2022 calendar year.

b. Reports from District Departments: Written reports were provided in the Board packet from each department. Department supervisors gave an oral presentation and were available to answer any questions.

Lab/Surveillance: Laboratory Director, Marcia Reed reported on department activity including mosquito surveillance and abundance, invasive *Aedes* detections, and collaborations. The testing season is coming to a close as is typical during this time of year. *Aedes* mosquitoes continue to be detected in Winters and the Arden areas with new detections in Rosemont and the South Sacramento. Various collaborations are finishing up for the season. Tick season and the District's surveillance program will be getting started very soon.

Ecological Management: Ecological Management Supervisor, Marty Scholl reported on department activity including the Wetland/Rice/Agriculture program, Storm water/Creek program, Fall Flooding, and UAS programs. Staff has been working with an outside company on the capabilities of incorporating LiDAR technology. Fall flooding has been much lower than previous years due to water availability.

Biological Control: Fisheries Supervisor, Tony Hedley provided a written report.

Larval and Adult Control: Program Coordinator, Steve Ramos reported on department activities including Aerial Applications, Trials, Culex and West Nile Virus control, and Invasive Aedes control. The Catch Basin crew has treated and inspected more basins this year than any other year in the past. WALS treatments have been performed to reduce Aedes populations in various areas of the District and staff will continue monitoring and trapping area expansions.

Public Outreach: Public Information Officer, Luz Robles reported on department activities including recent media coverage focusing on yellow jackets, the status of our invasive species public relations programs, the end of the season's advertising campaign, and the District's repellent distributions over the last month.

5. BOARD REVIEW AND DISCUSSION OF CALPERS VALUATION REPORT

Manager Goodman presented the item and was available to respond to questions. He reviewed the current program and the status of the unfunded liability of the two District retirement tiers. No Board action was taken as this was an information only item.

6. BOARD REVIEW OF CANDIDATES AND CONSIDERATION OF SUPPORT FOR THE SPECIAL DISTRICT SEAT ON THE LAFCO BOARD

Manager Goodman introduced the item to the Board for discussion. The District is afforded a vote to represent Special Districts on the LAFCO Board and the resumes of the candidates were included in the packet. On a motion by Trustee Hawkins seconded by Trustee Denny, the Board decided to select Ted Costa as the District's candidate with no vote cast for the alternate seat. The vote was taken by roll call and the motion passed by the following vote: Ayes: 11, Noes: 0, Absent: 0. Abstained: 1(Karpinski-Costa).

Mr. Huerta requested to speak prior to the Board going into closed session. Mr. Huerta discussed the union position as it relates to the unfair labor charge filed with PERB and urged the Board to direct staff to resolve the matter at the upcoming informal conference.

7. CLOSED SESSION-PROVIDE INSTRUCTION TO DESIGNATED LABOR REPRESENTATIVES (GOV. CODE S.54957.6-LABOR NEGOTIATIONS) AGENCY DESIGNATED REPRESENTATIVE: [GARY GOODMAN, JANNA MCLEOD, SAMER ELKASHEF, CHRIS VOIGHT] EMPLOYEE ORGANIZATION: [OPERATING ENGINEERS LOCAL UNION #3]

President Burnett called the Board into closed session at 11:12am. The Board re-opened the regular meeting at 11:27am reporting that the Board took no reportable action during the closed session.

8. BOARD/STAFF REPORTS AND REQUESTS

The November Board meeting will be held virtually. The December meeting will also be held virtually and will be moved a week earlier to December 14th.

A discussion of the upcoming MVCAC and AMCA annual conferences was introduced.

Trustee Karpinski-Costa gave a report on the MVCAC Trustee training that she attended last month and was very appreciative of the information presented.

A contract for the Assistant Manager will be brought to the Board for vote in November.

7. ADJOURNMENT

The meeting adjourned at 11:39 am

* * * * *

I certify that the above minutes substantially reflect the general business and actions taken by the Board of Trustees at the October 19, 2021 meeting.

Gary Goodman, Manager

Approved as written and/or corrected by the Board of Trustees at the November 16, 2021 meeting.

Marcia Mooney, Board Secretary

October 2021 Check Register
Activity From: 10/1/2021 to 10/31/2021
Sacramento Yolo MVCD (SYC)

Check Number	Check Date	Vendor Number	Name	Check
Bank Code: U US Bank				
055217	10/7/2021	0000504	US Bank	15,577.84
055218	10/8/2021	0000006	Adapco Inc	37,033.51
055219	10/8/2021	0000014	Alhambra & Sierra Springs	42.90
055220	10/8/2021	0000018	ANDKO Building Maintenance Inc.	4,804.94
055221	10/8/2021	0000034	AutoZone Inc	789.64
055222	10/8/2021	0000039	Batteries Plus	394.54
055223	10/8/2021	0000107	Chem Service Inc	489.20
055224	10/8/2021	0001019	Cintas Corporation	2,805.54
055225	10/8/2021	0000117	City of Woodland	574.70
055226	10/8/2021	0000119	Clarke Mosquito Control Products Inc	28,720.98
055227	10/8/2021	0000121	Clear Channel Outdoor	12,750.00
055228	10/8/2021	0000126	Complete Welders Supply Inc	4,409.51
055229	10/8/2021	0000128	Consolidated Communications	2,414.85
055230	10/8/2021	0000182	Elk Grove Ford	82.58
055231	10/8/2021	0000186	Elk Grove Water District	348.78
055232	10/8/2021	0000502	ES Opco USA LLC	19,627.74
055233	10/8/2021	0000198	Factory Motor Parts Co	704.01
055234	10/8/2021	0000199	Farm Air Flying Service	49,649.45
055235	10/8/2021	0000240	Hunt & Sons Inc	13,535.63
055236	10/8/2021	0002413	Inside Sacramento	509.00
055237	10/8/2021	0000293	Life Technologies Corporation	8,920.95
055238	10/8/2021	0000497	Magnegas Welding Supply - West	78.65
055239	10/8/2021	0000306	Maita Chevrolet	138.48
055240	10/8/2021	0000356	OReilly Automotive Stores Inc	51.40
055241	10/8/2021	0000367	PG & E	221.70
055242	10/8/2021	0000388	Republic Services #922	93.55
055243	10/8/2021	0001012	Riebes Auto Parts	628.74
055244	10/8/2021	0000401	Sac Co Dept. of Finance Secured Tax Unit	100.00
055245	10/8/2021	0001465	Sacramento Control Systems, Inc.	390.00
055246	10/8/2021	0000424	Safe Side Security	679.00
055247	10/8/2021	0000451	SMUD	5,301.72
055248	10/8/2021	0000454	Spark Creative Design	5,565.49
055249	10/8/2021	0000461	Stericycle Inc	85.61
055250	10/8/2021	0001234	T-Mobile	1,482.77
055251	10/8/2021	0000475	Target Specialty Products	27,153.00
055252	10/8/2021	0000480	The Grid Agency	8,650.00
055253	10/8/2021	0002407	Valley Fire & Security	69.50
055254	10/8/2021	0000518	Vector Disease Control International	52,083.33
055255	10/8/2021	0000522	Verizon Wireless	3,163.70
055256	10/8/2021	0000526	VWR International Inc	183.91
055257	10/8/2021	0001471	Walker's Office Supply	175.46
055258	10/8/2021	0000368	Winters Express	750.00
055259	10/15/2021	0000083	CA Department of Tax and Fee	824.00
055260	10/15/2021	0000267	Kaiser Foundation Health Plan	45,358.04
055261	10/15/2021	0000357	P & A Administrative Services Inc	94.50

055262	10/15/2021	0000373	Preferred Benefit Ins Administrators	8,386.10
055263	10/15/2021	0000141	PRISM	313.95
055264	10/15/2021	0000957	Sutter Health Plus	6,409.50
055265	10/15/2021	0000531	Western Health Advantage	6,289.35
055266	10/15/2021	0000531	Western Health Advantage	3,025.49
055267	10/19/2021	0000073	CA Dept of Public Health	288.00
055268	10/29/2021	0000043	Benefit Coordinators Corporation	3,205.77
055269	10/29/2021	0000084	CA State Disbursement Unit	350.00
055270	10/29/2021	0001035	Operating Engineers Local Union No. 3	1,188.00
055271	10/29/2021	0000006	Adapco Inc	642.93
055272	10/29/2021	0000014	Alhambra & Sierra Springs	90.78
055273	10/29/2021	0000015	All Star Glass	735.32
055274	10/29/2021	0000192	Audacy, Inc.	16,010.00
055275	10/29/2021	0000038	Bartkiewicz Kronick & Shanahan	2,137.68
055276	10/29/2021	0001024	Bonneville International	7,265.00
055277	10/29/2021	0001011	Buckmaster Office Solutions	125.49
055278	10/29/2021	0000126	Complete Welders Supply Inc	3,783.61
055279	10/29/2021	0000142	CSDA	8,195.00
055280	10/29/2021	0001037	Elite Supply Source	904.45
055281	10/29/2021	0000182	Elk Grove Ford	219.67
055282	10/29/2021	0000956	Employee Benefits Law Group	566.30
055283	10/29/2021	0000193	Entravision Communications Corporation	7,449.00
055284	10/29/2021	0000208	Fox 40 KTXL	2,992.86
055285	10/29/2021	0000958	GreatAmerica Financial Services	372.82
055286	10/29/2021	0000240	Hunt & Sons Inc	10,178.94
055287	10/29/2021	0000280	KXTV News 10	10,800.00
055288	10/29/2021	0000285	Lazer Broadcasting Corporation	5,300.00
055289	10/29/2021	0002343	Leading Edge Aerial Technologies Inc.	18,574.00
055290	10/29/2021	0000308	Mann Urrutia Nelson CPAs & Assoc LLP	11,000.00
055291	10/29/2021	0000320	Mettler Toledo Rainin LLC	2,951.62
055292	10/29/2021	0000273	NBCUniversal Owned TV Stations	6,930.00
055293	10/29/2021	0000367	PG & E	897.96
055294	10/29/2021	0002350	Praxair Welding Gas and Supply	468.85
055295	10/29/2021	0001497	Pure Water Partners	1,438.47
055296	10/29/2021	0000388	Republic Services #922	94.71
055297	10/29/2021	0001452	Results Radio - KCCL	3,375.00
055298	10/29/2021	0001270	Rubicon Global, LLC	208.27
055299	10/29/2021	0000413	Sacramento County Utilities	960.54
055300	10/29/2021	0000427	Safety Kleen Corp	3,778.02
055301	10/29/2021	0000451	SMUD	3,864.72
055302	10/29/2021	0000461	Stericycle Inc	85.78
055303	10/29/2021	0000040	Stockton Fence and Material	74,546.00
055304	10/29/2021	0001234	T-Mobile	1,453.36
055305	10/29/2021	0000475	Target Specialty Products	17,252.18
055306	10/29/2021	0000483	UC Davis Regents	1,008.00
055307	10/29/2021	0002407	Valley Fire & Security	9,130.87
055308	10/29/2021	0000522	Verizon Wireless	2,995.62
055309	10/29/2021	0001453	Via Media Cable	2,859.00
055310	10/29/2021	0000525	Vortex Industries Inc	4,823.00
055311	10/29/2021	0000526	VWR International Inc	735.85
055312	10/29/2021	0001471	Walker's Office Supply	154.00
055313	10/29/2021	0000529	Waste Management	167.45
W00218	10/29/2021	0000086	CalPERS 457 Plan	18,124.03
W00219	10/29/2021	0000087	CalPERS Financial Reporting & Accounting	78,309.94
W00220	10/29/2021	0000176	EDD	16,419.87
W00221	10/29/2021	0000339	Nationwide Retirement Solutions	1,550.00

W00222	10/29/2021	0000339	Nationwide Retirement Solutions	2,925.00
W00223	10/29/2021	0000561	United States Treasury	64,038.24
Bank U Total:				<u>815,855.20</u>
Report Total:				<u><u>815,855.20</u></u>

I hereby authorize the use of my signature plate on
the above-listed warrants,055217-055313,
and EFTs W00218-W00223

Signature

Date

Craig Burnett, President of the Board

Sacramento/Yolo M.V.C.D.

STATEMENT OF OPERATION

	<i>4Months Ended October31 2021</i>	<i>Annual Budget</i>	<i>Unused</i>
Revenue			
REVENUE	19,539.61	0.00	19,539.61
TOTAL Revenue	19,539.61	0.00	19,539.61
Expenditures			
SALARIES/BENEFITS/WC			
SALARIES/BENEFITS/WC	6,031,206.58	9,136,769.78	3,105,563.20
TOTAL Salaries	6,031,206.58	9,136,769.78	3,105,563.20
OPERATIONAL			
LIABILITY INSURANCE	205,825.00	215,825.00	10,000.00
AUDITING/FISCAL	15,000.00	16,000.00	1,000.00
COMMUNICATIONS	27,318.45	93,500.00	66,181.55
PUBLIC INFORMATION	148,611.63	572,000.00	423,388.37
STRUCTURE & GROUNDS	29,811.57	83,000.00	53,188.43
MEMBER/TRAINING	42,804.00	119,000.00	76,196.00
DISTRICT OFFICE EXPENSES	4,681.62	17,500.00	12,818.38
PROFESSIONAL SERVICES	39,125.79	220,250.00	181,124.21
MATERIALS & SUPPLIES	6,756.39	22,000.00	15,243.61
RENTS & LEASES - Admin	2,920.45	11,550.00	8,629.55
SAFETY PROGRAM	490.00	5,000.00	4,510.00
UTILITIES	32,231.00	110,000.00	77,769.00
AIRCRAFT SERVICES	542,257.70	1,020,000.00	477,742.30
ECOLOGICAL MANAGEMENT	55.44	18,500.00	18,444.56
MICROBIAL	812,863.57	1,550,000.00	737,136.43
INSECT GROWTH REGULATOR	646,923.81	1,100,000.00	453,076.19
INSECTICIDES	375,751.06	1,100,000.00	724,248.94
FISHERIES	10,498.38	32,000.00	21,501.62
GEOGRAPHIC INFO SYSTEMS	3,368.00	9,000.00	5,632.00
INFORMATION TECHNOLOGY	25,501.32	66,680.00	41,178.68
CONTROL OPERATIONS	15,635.07	47,000.00	31,364.93
VEHICLE PARTS/LABOR	52,209.14	101,000.00	48,790.86
LAB SERVICES	88,744.65	185,000.00	96,255.35
GAS & PETROLEUM	98,905.50	170,000.00	71,094.50
TOTAL Total Operational	3,228,289.54	6,884,805.00	3,656,515.46

SYC Balance Sheet
As of 10/31/2021

Sacramento Yolo MVCD (SYC)

Assets

Current Assets

Cash in Bank-FSA	20,654.22	
Cash with LAIF	5,212,206.89	
Petty Cash	600.00	
US Bank	547,801.90	
Accounts Receivable	1,579.26	
Interest Receivable	8,352.00	
Assigned - Cash With VCJPA	1,665,077.00	
Inventory	1,347,050.17	
Total Current Assets:		8,803,321.44

Fixed Assets

LAND, BLDG., IMPROVEMENT	1,175,092.88	
EQUIPMENT	4,715,197.45	
BOND ROAD	5,061,395.00	
WOODLAND FACILITY	708,574.00	
ACCUMULATED DEPRECIATION	(7,638,941.07)	
Total Fixed Assets:		4,021,318.26

Other Assets

Deferred Outflows of Resources	4,520,441.00	
Deferred Outflows of Resources-GASB 75	889,066.00	
Total Other Assets:		5,409,507.00
Total Assets:		18,234,146.70

Liabilities

Current Liabilities

Accounts Payable	48,371.74	
Payroll Taxes Payable	(2.93)	
Voluntary TL & AD&D	(643.93)	
Voluntary STD	(459.92)	
FSA Deductions	33,562.35	
P.E.R.S. Deductions	(1.04)	
Suspense	(6,664.00)	
Safety Program	(1,530.00)	
Accumulated Vacation	395,995.26	
Total Current Liabilities:		468,627.53

Long-Term Liabilities

Net Pension Liability	11,345,645.00	
Net OPEB Liability	1,436,704.00	
Deferred Inflow of Resources	2,046,550.00	
Deferred Inflow of Resources-GASB 75	491,114.00	
Total Long-Term Liabilities:		15,320,013.00
Total Liabilities:		15,788,640.53

Equity

INVESTMENT IN FIX ASSETS	4,021,317.96	
RESERVED CASH (INS.)	1,665,077.00	
Committed-Capital Outlay	700,000.00	
Unassigned - Dry Financing	6,000,000.00	
Retained Earnings-Current Year	(9,483,128.38)	
GENERAL FUND	(2,537,080.38)	
Committed - Vector/Disease Response	2,000,000.00	
Prior Period Adjustment	79,319.97	

Run Date: 11/9/2021 12:54:23PM

Page: 1

G/L Date: 11/9/2021

SYC Balance Sheet
As of 10/31/2021

Sacramento Yolo MVCD (SYC)

Total Equity:	2,445,506.17
Total Liabilities & Equity:	18,234,146.70

1. Items for Approval by General Consent:

- c. Board Review and Reconsideration of Authorization That the Board Meeting be Conducted by Teleconference, and Renewal of Prior Findings

Consider finding by a majority vote under Gov. Code § 54953, subd. (e)(3) that as a result of the continuing COVID-19 emergency: (i) the board has reconsidered the circumstances of the state of emergency; (ii) the board renews its prior findings and determines that meeting in person would continue to present imminent risks to the health or safety of attendees; and (iii) the authorization for meetings to be held by teleconference pursuant to Gov. Code, § 54953, subd. (e)(1)(C) is renewed.

In light of the continuing COVID-19 pandemic and emergency, the Board should reconsider whether meeting in person would present imminent risks to the health or safety of meeting attendees.

At its October meeting, the Board determined that conducting meetings by teleconference would directly reduce the risk of transmission of COVID-19 among meeting attendees, including members of the public and agency staff, which has the ancillary effect of reducing risk of serious illness and death as well as reducing community spread of the virus. The Board should now determine whether this continues to be an accurate assessment of the situation and whether it should renew: (1) its prior findings, and (2) its authorization for meetings to be held by teleconference pursuant to Gov. Code, § 54953, subd. (e)(1)(C).

This authorization will be in effect for 30 days from approval.

Recommendation:

Move that the board find that, the Board has reconsidered the state as a result of the COVID-19 emergency, meeting in person continues to present imminent risks to the health or safety of attendees, and future meetings should be held by teleconference for up to 30 days as authorized by subdivision (e)(1)(C) of section 54943 of the Government Code.



**Sacramento-Yolo
MOSQUITO & VECTOR
CONTROL DISTRICT**

SACRAMENTO COUNTY

8631 Bond Road
Elk Grove, CA 95624

(800) 429-1022
www.FIGHTtheBITE.net

Gary Goodman
General Manager

2021 Board of Trustees

Craig R. Burnett
President, Folsom

Gar House
Vice President, Winters

Marcia Mooney
Secretary, Galt

Christopher Barker
Davis

Janell Darroch
West Sacramento

Sean Denny
Woodland

Bruce Eldridge
Yolo County

Lyndon Hawkins
Elk Grove

Jayna Karpinski-Costa
Citrus Heights

Raymond LaTorre
Sacramento

Susan Maggy
Sacramento County

Robert J. McGarvey
Rancho Cordova

Isleton

Mr. Bart McDermott
Stone Lakes National Wildlife Refuge
U.S. Fish and Wildlife Service
1624 Hood Franklin Road
Elk Grove, CA 95758

November 16, 2021

Dear Mr. McDermott,

I am providing an anticipated annual operating plan for monitoring and control of mosquitoes over the calendar year 2022 on lands managed by the Service on the Refuge, pursuant to Section 8 of the Memorandum of Understanding ("MOU") between the Service and the Sacramento-Yolo Mosquito and Vector Control District ("District").

Access Requirements

The District will require access to all areas of Refuge land to ensure comprehensive and integrated mosquito control. The District will continue to work with you and your staff to identify areas of concern to avoid negatively affecting sensitive resources.

Monitoring Programs

Following the District's Mosquito and Mosquito-borne Disease Management Plan (Plan)*, the monitoring programs will consist of larval sampling, use of adult traps, such as light, BG Sentinel, Encephalitis virus surveillance ("EVS"), Gravid, and other adult traps as well as leg counts, chicken sera testing, and dead bird monitoring. Using these methods will enable us to quantify mosquito prevalence in and around the Refuge, as well as identify when virus activity, particularly West Nile virus ("WNV") is present. In addition, we ask for your help and support to monitor any unusual bird die-offs that may occur on the Refuge. As WNV is firmly established in the Sacramento Valley, your help and assistance in identifying any such bird die-offs may help provide an early warning system to address the mosquitoes responsible.

Genus and Species Thresholds

The District currently uses the larval density of 0.1 mosquito larva per 350 ml. dipper of water to initiate a larval control response. This threshold reduces nuisance levels of adult mosquitoes and has historically prevented the transmission of disease to the surrounding public. Adult mosquito thresholds are generally determined through historical levels of adult mosquitoes in the area. The District has established a standard goal of keeping *Culex tarsalis* female mosquitoes below threshold levels of 10 per light trap night or 100 per carbon dioxide baited trap per night when virus has not been detected. When virus activity is detected these thresholds are reduced according to the District's Plan. When adult mosquitoes meet or exceed these established thresholds it may be necessary to implement an adulticiding program to reduce adult mosquitoes to acceptable levels.

Adult mosquitoes of the non-invasive genus *Aedes* are generally determined by landing (leg) and adult trap counts. Landing count thresholds are generally reached when two or more non-invasive *Aedes* species land on an individual during a one-minute time interval.

The District has a zero tolerance threshold for any detected invasive *Aedes* larval or adult mosquitoes, and may initiate additional surveillance if detected in nearby residential areas.

The District has created and sent monthly activity reports detailing all treatments made on Service lands during the 2021 season as well as submitting weekly trapping data. We will continue to submit monthly activity reports and will be happy to provide any additional information upon your request.

Physical, Cultural, Biological, and Chemical Control

The District uses an Integrated Pest Management ("IPM") approach when controlling mosquitoes or other vectors. We plant mosquito fish in appropriate bodies of water that may be a source of mosquito development to augment our biological control program. Our Ecological Management Department will continue to provide advice and assistance with implementation of Mosquito Reduction Best Management Practices ("BMPs"). In those areas where physical control or biological control cannot be performed, we use chemical control products designed for mosquitoes. The agents available for the District to use are listed as follows:

Larval Control Products (singular or in combination)

Bacillus thuringiensis israelensis (Bti)-All formulations

Bacillus sphaericus-All formulations

Methoprene -All formulations

Spinosad-All formulations

Adult Control Products

Pyrethroids –All liquid formulations

Pyrethrins –All liquid formulations

Naled -All liquid formulations

A list of individual product labels will be provided before the start of the mosquito season for the Refuge to submit individual Pesticide Use Proposals (PUPs).

The District will continue to pursue Refuge water and vegetation management techniques to help minimize larval development and prevent adult emergence wherever possible. Drawing on previous work by the Central Valley Joint Venture Working Group, The District has compiled a list of potential BMPs for a variety of land uses including managed wetlands, and irrigated agricultural fields. Our Ecological Management Department will continue to work to evaluate and assess the efficacy of these BMPs on the Refuge so that mosquito populations can continue to be reduced by physical and cultural practices. Continued communication and coordination will ensure the use of products that minimize impacts on important resources. Our first choice of materials will continue to be larvicides, with a particular focus on *Bacillus* based products and other insect growth regulators. The District will communicate with Refuge Management staff when Spinosad-based products must be utilized. The District will review the Refuge's annual management plans including BMP implementation and flooding schedules with your staff at the beginning of the mosquito season.

UAS (Drone) Operations

The District may utilize UAS units to provide aerial imagery, analysis and localized treatments to improve District operations. Any UAS use over Refuge lands will be pre-authorized and approved by Refuge and USFWS Management and will only be used aiding in mosquito control operations.

Timing of Mosquito Control Measures

All applications of mosquito control products are governed by the label, and to some degree meteorological conditions. While we cannot determine the exact time or day when mosquitoes reach levels that warrant control measures, we are determined to maintain the level of communication we have enjoyed with you and your staff to maximize our collaboration moving forward. Informing us prior to flooding or irrigation events minimizes the potential for conflict. We will continue to inform you when control activities involving adulticiding or the use of aerial applications are necessary. This type of open communication will enhance the operations, coordination, and effectiveness of both our Agencies.

We will continue to work with you and your staff to minimize any disturbances on the 457 acre Lewis Property between the dates of October 15 through February 15. The District should be able to work with the Service to limit disturbances during the time-frame mentioned; however, if we experience above-average temperatures, excessive mosquito counts that emanate from this area, and/or the presence of WNV in or around the site, the District may need to extend mosquito surveillance and control measures into these timeframes. We will coordinate in advance with Refuge staff to minimize any potential impact we may have.

The District will also work with your staff to minimize disturbances around all wetland areas between the dates of September 1st and April 1st when Sandhill Cranes are typically present on the property. The District will avoid these areas before 9am (unless instructed otherwise) and will notify your staff if any District operations need to access the wetland areas before this time.

Please contact me if you require additional information at 685-1022 ext.2059.

Sincerely,

Gary Goodman
District Manager

*See District website for additional details and document downloads at www.FightTheBite.net

1. Items for Approval by General Consent:

e. Board Review and Consideration of Implementation of Records Management Policy

The District Records Management Policy outlines the required retention and destruction guidelines for District Records. As a part of the Administration department five-year plan, staff has compiled and scanned District documents and has stored the files that must be kept permanently in electronic format. Certain originals have been identified as permanent records and will continue to be kept in storage pursuant to this policy.

Documents that may be destroyed have been identified and a destroy date set according to the Records Management Policy which includes the Local Government Records Retention Guidelines from the City Clerks' Association of California. Records for which the retention period has expired have been identified and labeled for immediate destruction and a list has been provided with this report. Staff has requested and obtained quotes from several shredding services and will select the service that best meets cost and policy requirements.

Recommendation:

Approve implementation of the Records Management Policy and the destruction of the records listed for which the retention period has expired.

SYMVCD Records Management
Records to be Destroyed

RecordType	Document Name	Document Date	Retention
Accounts Payable	M-Z	1986-1987	AU+4
Attendance Records		1954-1955	AU+6
Annual Reports- Extra		1953-1961	CL+2
Auto Parts Records		1964	L+2
Annual Reports		1962-1970	CL+2
Airplane Spray Maps		1960-1970	CU+5
Airplane Spray Records, Fish Planting		1960-1970	CU+5
Daily Reports	A-E	1970	CU+5
Daily Reports	F-M	1970	CU+5
Daily Reports	M-S	1970	CU+5
Bills		1970-1972	AU+4
Daily Reports	A-F	1971	CU+5
Daily Reports	F-P	1971	CU+5
Daily Reports	A-E	1972	CU+5
Daily Reports	F-P	1972	CU+5
Gas Tag Invoices		1971-1972	AU+4
Service Requests		1971	CU+5
Daily Reports	R-W	1972	CU+5
Daily/Weekly Reports		1971	CU+5/AU+6
Service Requests- Cancelled		1972	CU+5
Accounts Payable		1973-1974	AU+4
Daily Reports	A-C	1973	CU+5
Daily Reports	C-J	1973	CU+5
Daily Reports	K-W	1973	CU+5
Gas Tags		1975	AU+3
Service Requests		1973	CU+5
Service Requests- Cancelled		1973	CU+5
Accounts Payable- Weekly Reports, Gas & Diesel General Files		1967-1975	AU+4/AU+3
Daily Reports	A-F	1974	CU+5
Daily Reports	F-P	1974	CU+5
Daily Reports/Service Requests	R-W	1974	CU+5
Gas Tags		1976	AU+3
Gas Tags, Mileage, Attendance & Absence Requests		1973	AU+3/AU+6/CU+2
Absence Requests, SL & VL Records, Mileage, Diesel Records, etc		1976-1977	CU+2/AU+3
Accounts Payable		1975-1976	AU+4
Airplane Spraying/Weekly/Gas Tags		1968-1975	CU+5/AU+3
Daily Reports	A-F	1975	CU+5
Daily Reports	F-R	1975	CU+5
Daily Reports	R-W	1975	CU+5
Daily Reports/Expenditures	A-K	1971-1975	CU+5
Service Requests		1975	CU+5
Daily Reports	A-F	1976	CU+5
Daily Reports	F-R	1976	CU+5
Service Requests- Completed		1976	CU+5
Accounts Payable, Airplane, General Files		1976-1977, 1969-1976, 1974-1977	AU+4/CU+5
Attendance & Absence Records		1975-1976	AU+6/CU+2
Daily & Attendance Reports		1976	CU+5/AU+6
Daily Records	A-O	1987	CU+5
Daily Reports/Gas Tags	R-W	1977	CU+5/AU+3
Daily Reports/Service Requests	A-D	1977	CU+5
Absence Requests, Diesel Log, Cancelled Service Requests		1977-1978	CU+2/AU+3/CU+5
Accounts Payable		1978	CU+5
Cancelled Service Requests, Daily Report		1978	CU+5
Daily Report and Bills	H-U	1978 & 1965-1966	CU+5/AU+4
Daily Reports	A-H	1978	CU+5
Gas, Diesel, GB Records, Weeklys, Service Requests		1987	AU+3/AU+6/CU+5
Bills		1979-1980	AU+4
Daily & Absence Records		1971-1979	CU+5/CU+2
Daily Reports	K-U	1979	CU+5
Gas/Mileage/Daily/Diesel		1978-1979	AU+3/CU+5
Service Requests		1979	CU+5

SYMVCD Records Management
Records to be Destroyed

RecordType	Document Name	Document Date	Retention
Daily Reports	D-P	1977	CU+5
Daily Reports	A-F	1980	CU+5
Daily Reports	H-W	1980	CU+5
Mileage, Cancelled Service Requests		1979-1980	AU+3/CU+5
Accounts Payable	A-Z	1981-1982	AU+4
Annual Reports		1984	CL+2
Attendance		1980	AU+6
Daily Reports	A-F	1981	CU+5
Gas Tags, Mileage, Absence Requests, Service Requests		1980-1981	AU+3/CU+2/CU+5
Sac-Yolo Annual Reports		1984	CL+2
Accounts Payable		1980-1981	AU+4
Accounts Payable	July-June	1982-1983	AU+4
Daily Reports	G-U	1981	CU+5
Service Requests, Mileage Sheets, Absence Requests, Gas Tags (Misc box)		1981-1982	CU+5/AU+3/CU+2
Weeklys		1981	AU+6
Accounts Payable- Invoices		1983-1984	AU+4
Daily Reports	A-M	1983	CU+5
Daily Reports	A-Z	1983	CU+5
Daily Reports		1983	CU+5
Invoices		1984-1984	AU+4
JPA Fund Balance, Expenditures, Yolo Cash Bal Statement, Voided Checks, Revenues, State Retirement Data		1970-1983	AU+5
Dailies/Comp Printouts/Data Diskette #2 Yolo/Data Diskette #1 Sac	May-July & December	1984	CU+5
Daily Reports	A-M	1984	CU+5
Daily Reports	A-Z	1984	CU+5
Dailys, Data Diskette #1 Sac, #2 Yolo		1984	CU+5
Deposit Permits, Benefits, Voided Checks, PERS, Liability		1966-1984	AU+5/AU+4
Invoices, Attendance Records, Mileage Sheets		1982-1985	AU+4/CU+2/AU+3
Rice Maps, ULV Records, ULV Maps		1983-1984	CU+5
Service Requests, Mileage, Absence Request, Gas/Diesel Withdrawl		1979-1984	CU+5/AU+3/CU+2
Source Reduction Projects		1973-1984	CU+5
Weeklys		1983	AU+6
Absence Requests, Insecticide Reports, Gas, Diesel Loags, Gas Tags, Gas Receipts, State Reports		1984-1985	CU+2/CU+5/AU+3
Accounts Payable	A-Newbert Hardware	1985-1986	AU+4
Accounts Payable	Newbert Hardware- Z	1985-1986	AU+4
Daily Reports		1985	CU+5
Dailys, Year End Reports		1983, 1985	CU+5/AU+4
Mileage Sheets, Absence Requests		1986-1987	AU+3/CU+2
Month End Reports, Sac Yolo Diskette 1 & 2, Inventory Receipts, Yolo Diskette 3		1983-1985	AU+4/CU+5
Rice Maps, ULV Routes & Records, Permission to Spray Forms		1985	CU+5
Service Requests, Attendance Records, Dailys		1979, 1985	CU+5/CU+2
Accounts Payable	A-L	1986-1987	AU+4
Additions & Deletions		1986	CU+5
Daily Reports	A-K	1986	CU+5
Daily Reports	K-Z	1986	CU+5
Dailys, Year End Reports		1986-1987	CU+5
Pesticide Withdraw		1986	CU+5
Accounts Payable	A-Lumberjack	1987 -1988	AU+4
Accounts Payable	M-S	1987 -1988	AU+4
Accounts Payable	T-Z	1987 -1988, 1987-1988	AU+4
Accounts Payable	A-K	1997-1998	AU+4
Daily Reports	P-Z	1987	CU+5
Fisit Crew/Rice Maps/ULV Routes & Records/Rice Sampling(Lab)/Rice Agreement Forms/ULV Maps/ULV Report Dailies		1986 & 1987	CU+5
S/R Files		1986-1987	CU+5
Weekly Timesheets, Timecards		1986	AU+6

SYMVCD Records Management
Records to be Destroyed

RecordType	Document Name	Document Date	Retention
Accounts Payable	N-Z	1987 -1989	AU+4
Accounts Payable	A-M	1988 -1989	AU+4
Additions & Deletions		1988	CU+5
Daily Reports	A-H	1988	CU+5
Daily Reports	I-Z	1988	CU+5
Inventory & Invoices (Sam's)		1967-1977 & 1984-1989	AU+4
Mileage, Absence Requests, Inventory, State Report, Tank Totals		1986-1988	AU+3/CU+2/CU+5
Voided Checks		1986-1988	AU+5
Water Management Projects		1991	CL+2
Absence Reports/ Mileage Reports/ State Reports/Insect Report/Operational Report/GB Totals/Gas & Diesel Totals		1989, 1988, 1985, 1989	CU+2/AU+3/AU+4/CU+5/AU+3
Accounts Payable	A-L	1990	AU+4
Accounts Payable	M-Z	1989 -1990	AU+4
Additions & Deletions	Sac Job	1989	CU+5
Daily Reports	A-H	1989	CU+5
Daily Reports	I-Z	1989	CU+5
In Office Correspondence		1980s	AU+3/AU+4
Rice Agreement Forms/ULV Rigs Droplets Size/Notification Records/Rice Maps/ULV Routes & Records/ULV Maps/ Rice Sampling Maps		1988 & 1989	CU+5
Special Assessment (2 of 2) (Property Tax Reports)	Bond Rd	1991	AU+3
Water Management Projects, Source Reduction Forms		1989 and earlier	CU+5
Weeklies A-Z/ Monthly Time Sheets		1988, 1983-1986	AU+6
Additions & Deletions		1990	CU+5
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel	District 251 Box #2; pg 2702-5374	1992	AU+3
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel	Taxu3110 -2	1992	AU+3
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel	Taxu311B- 1- Auditor	1992	AU+3
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel	Taxu311B- 2- Auditor	1992	AU+3
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel		1992	AU+3
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel		1992	AU+3
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel		1992	AU+3
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel	Taxu3110-2	1991-1992	AU+3
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel	Taxu 311A- Auditor; pg 649-2701	1992 June	AU+3
Daily Reports	A-H	1990	CU+5
Daily Reports	H-Z	1990	CU+5
Weeklys/ Monthly Time Sheets/Service Requests/PO Books		1989	AU+6/AU+3/CU+2/AU+4
Accounts Payable	A-I, June-July	1991 -1992	AU+4
Accounts Payable	A-M, July- June	1991 -1992	AU+4
Accounts Payable	M-Z, July- June	1991 -1992	AU+4
Accounts Payable	June-July	1991-1992	AU+4
Additions & Deletions/ Rice & ULV		1991, 1989-1990	CU+5
Airplane Spraying Info		1991-?	CU+5
Benefit Assessment- County of Sac Tax Apportionment System: Direct Levy Detial by Parcel	Taxu3110-2	1992-1993	AU+3
Daily Reports	A-Q	1991	CU+5
Daily Reports (Bond Rd)		1991	CU+5
Daily Reports (Bond Rd)		1991	CU+5
Daily Reports/ ULV Daily Reports,Routs/OID Tech Man	R-Z	1991	CU+5
Liability Files	IRS, Vision, EDD, Dental, HealthCare, PERS	1980's, 1990, 1991, 1992	AU+4
Materials & Costs: Sac Zones, Source History		1991	CU+5
Weekly's		1990	AU+6
Accounts Payable	A-L	1992-1993	AU+4
Accounts Payable	M-Z	1992-1993	AU+4

SYMVCD Records Management
Records to be Destroyed

RecordType	Document Name	Document Date	Retention
Dailys- Operators	January-December	1992	CU+5
Mileage Sheets/Weekly's/Absence Requests		1990-1991	AU+3/AU+6/CU+2
Rice Map Masters, Airplane Maps, Field Work Maps, Service Requests, Withdrawl Records, YJ Control		1974-1992	CU+5
Shop Work Orders		1987 -1995	L+2
Subject Files		1992	T+5
VCJPA Annual Reports		1992-1995	CL+2
Accounts Payable	A-P	1993-1994	AU+4
Accounts Payable	P-Z	1993-1994	AU+4
Board Packets		1992-1996	CU+2
Mileage Sheets & Absence Requests	Jan-Dec	1993	CU+5
Operator's Dailys	Britschgl-Lewis	1993	CU+5
Operator's Dailys	Maggy-Wills	1993	CU+5
Source Additions and Deletions		1992-1993	CU+5
Subject Files (and voided checks)		1989-1993	T+5
Water Management EIR's		1996- earlier	CL+2
Weekly Attendance Records and Absence Requests		1992	AU+6
Absence Requests, Work Orders		1996-1997	CU+2/L+2
Accounts Payable	A-K	1994-1995	AU+4
Accounts Payable	L-Z	1994-1995	AU+4
Pesticide Use, Pesticide Inventory, Backhoe Billing, Absence Requests, Mileage		1986-1994	CU+5/AU+4/CU+2/AU+3
Subject Files- Archives	R-Z	1993-1994	T+5
Weekly Timesheets, Monthly Timesheets, Service Requests, Absence Requests		1993,1988-1993,1993,1990	AU+6/CU+5
Accounts Payable	A-O	1995-1996	AU+4
Accounts Payable	P-Z	1995-1996	AU+4
Attendance Records & Benefits		1996	CU+2/AU+4
Attendance Sheets & Gas/Mileage		1993-1994	AU+6/AU+3
Benefits, Accounts Payable	HealthNet, Dental, Vision, Kaiser, PERS, EDD, etc	1985-1996	AU+4
Dailies		1994-1995	CU+5
Dailies & PO Books		1992-1995	CU+5/AU+4
Deposit Permits		1993-1996	AU+4
Mosquito Identification books (white box) K		1998	CU+2
Service Requests		1994-1995	CU+5
Shop Work Orders		1996 -1998	L+2
Used PO and Receipt Books		1989-1996	AU+4
Absence Requests		1999	CU+2
Absence Requests, Weeklys		1994-1995	CU+2/AU+6
Accounts Payable	A-L	1996-1997	AU+4
Accounts Payable	M-Z	1996-1997	AU+4
Accounts Payable, Keenan & Associates, Bond Road Files		1992-1997	AU+4
Dailys- Employees	A-Z	1996	CU+5
Fixed Asset Inventory		1997	AU+4
Liabilities		1996-1997	AU+4
Month End Reports, Service Requests		1994-1996	AU+4/CU+5
Service Requests		1996	CU+5
Year End Reports		1997	AU+4
Absence Requests		2000	CU+2
Accounts Payable	K-S	1997-1998	AU+4
Accounts Payable	S-Z	1997-1998	AU+4
Board Packets	Jan-June	1997-2000	CU+2
Dailys, Gas & Diesel Logs, Pesticide Monthly Log, State Reports, Employee Time Printouts Book		1995-1997	CU+5/AU+3/CU+2
Deposit Permits, Board Packets		1997-1998	AU+4/CU+2
Deposit Permits, State Reports, Monthly Inventory, Gas & Diesel Inventory, Absence Requests		1996-1998	AU+4/AU+3/CU+2
Mileage Logs, Weeklys, Employee Time PrintOuts, Accounts Payable Log		1995-1996	AU+3/AU+6/AU+4
Weeklys, Absence Requests	Jan - Oct	1996	AU+6, CU+2
Absence Requests		2001	CU+2
Accounts Payable	A-F	1998-1999	AU+4
Accounts Payable	E-R	1998-1999	AU+4

SYMVCD Records Management
Records to be Destroyed

RecordType	Document Name	Document Date	Retention
Accounts Payable	S-Z	1998-1999	AU+4
Board Packets	July- June	2000-2001	CU+2
Mileage Sheets and Weeklys		1997	AU+3/AU+6
New Sources, Bee Apps, Misc Daily Reports		1995-1996, 1998	CU+5
Service Requests, Time Printouts(V/L,S/L,OT)		1997-1998	CU+5/CU+2
Water Management Projects		1997-2001	CL+2
Weeklys and Mileage, Absence Request Forms, Voided Checks		1995-1997	AU+6/AU+3/CU+2/AU+5
Accounts Payable	A-C	1999 -2000	AU+4
Accounts Payable	D-F	1999 -2000	AU+4
Accounts Payable	G-O	1999 -2000	AU+4
Accounts Payable	P-S	1999 -2000	AU+4
Accounts Payable	T-Z	1999 -2000	AU+4
Mileage and Weeklys	Jan-Dec	1998	AU+3/AU+6
Mileage Sheets	January-September	2000	AU+3
Service Requests		1998-1999	CU+5
Water Management Info, Projects, Source Reduction		1986-1999	CL+2/CU+5
Absence Reports/GB Inventory/ Gas & Diesel Inventory/State Report/Pesticide Inventory/Voided Checks		1999 -2000/2000	CU+2/AU+3/CU+5/AU+4/AU+5
Absence Requests		2003	CU+2
Accounts Payable	A-B	2000 -2001	AU+4
Accounts Payable	C-Fa	2000 -2001	AU+4
Accounts Payable	Fa-L	2000 -2001	AU+4
Accounts Payable	M-R	2000 -2001	AU+4
Accounts Payable	S-U	2000 -2001	AU+4
Accounts Payable	V-Z	2000 -2001	AU+4
Board Packets	July- June	2001-2002	CU+2
Board Packets/ Agendas	December- May	2001-2003	CU+2
Dailys and Fisheries		1983-2000	CU+5
Deposit Permits	July - June	1998 -2001	AU+4
Mileage and Weeklys	Jan - Sep	1999	AU+3/AU+6
Mileage and Weeklys, Voided Checks, State Reports, Pesticide Inventory	Oct-Dec	1998-1999	AU+3/AU+6/AU+5/CU+5
Mileage, Pesticide Inventory, Gas & Diesel, Voided Checks, State Reports, Employee Time Sheets		1998-2000	AU+3/CU+5/AU+5/CU+2
Service Requests		2000	CU+5
W-2's		1992-2000	AU+4
Absence Requests		2004	CU+2
Accounts Payable	C-G	2001 -2002	AU+4
Accounts Payable	H-O	2001 -2002	AU+4
Accounts Payable	P-S	2001 -2002	AU+4
Accounts Payable	T-Z	2001 -2002	AU+4
Accounts Payable	A-C	2001-2002	AU+4
Board Packets/Agendas	June- December	2003 -2004	CU+2
Foundation Health, Monthly Liabilities, Dental		1996-1998, 1995-2002, 1997-1998	AU+4
IRS/EDD	Quarterly Reports, Monthly Taxes, 1099's	1997-06/2002	AU+4
Service Requests		2001	CU+5
Shop Invoices		2000-2002	AU+4
Trial Balances, Check Registers, GL Distributions, Bank Rec, Journal Entries		2000-2001	AU+4/AU+5
Accounts Payable	D-F	2002 -2003	AU+4
Accounts Payable	G-O	2002 -2003	AU+4
Accounts Payable	T-Z	2002 -2003	AU+4
Accounts Payable	A-C	2002-2003	AU+4
Accounts Payable	P-S	2002-2003	AU+4
GB Inventory/Gas & Diesel Inventory/State Report/Pesticide Inventory/Voided Checks		2002	CU+5/AU+3/AU+4/AU+5
IRS/EDD	Quarterly Reports, W-2's, 1099's, 5550 Report	2002-2003	AU+4
Service Requests		2002	CU+5

SYMVCD Records Management
Records to be Destroyed

RecordType	Document Name	Document Date	Retention
Trial Balances, Check Registers, GL Distributions, Bank Rec		2001-2002	AU+4/AU+5
Weeklys & Mileage Sheets	January-June	2001	AU+6/AU+3
Weeklys & Mileage Sheets	July-December	2001	AU+6/AU+3
Weeklys & Mileage Sheets/GB Inventory/Gas & Diesel Inventory/State Report/ Pesticide Inventory/Voided Checks	August- December	2001	AU+6/AU+3/AU+3/AU+4/CU+5/AU+5
Absence Requests		2006	CU+2
Accounts Payable	D-I	2003 -2004	AU+4
Accounts Payable	J-Q	2003 -2004	AU+4
Accounts Payable	R-Z	2003 -2004	AU+4
Accounts Payable	A-C	2003-2004	AU+4
Board Packets/ Agendas	January- June	2005-2006	CU+2
Journal Entries/Bank Reconciliation/GL Dist & Check Register/Absence Reports		2000, 2002-2003, 2003, 2001-2002	AU+2/AU+5/AU+4/CU+2
Service Requests		2003	CU+5
Weeklys & Mileage Sheets	January-July	2002	AU+6/AU+3
Absence Requests		2007	CU+2
Accounts Payable	K-Q	2004 -2005	AU+4
Accounts Payable	R-S	2004 -2005	AU+4
Accounts Payable	A-B	2004-2005	AU+4
Accounts Payable	C-E	2004-2005	AU+4
Accounts Payable	F-J	2004-2005	AU+4
Accounts Payable	T-Z	2004-2005	AU+4
Inventory/Voided Checks		2003 -2004	AU+5
IRS Reports, Garnishments, IRS Deposits, EDD Reports and Deposits, PERS Deferred Comp, 1099s, W2's		2001-2005	AU+4
Liabilities	July-June	2003-2005	AU+4
Service Requests		2004	CU+5
Weeklys & Mileage	January-June	2003	AU+6/AU+3
Weeklys & Mileage	July-December	2003	AU+6/AU+3
Absence Requests	A-L	2008	CU+2
Absence Requests	M-Z	2008	CU+2
Accounts Payable	A-F	2005 -2006	AU+4
Accounts Payable	G-S	2005 -2006	AU+4
Accounts Payable	T-Z	2005 -2006	AU+4
Board Packets	July - June	2006-2008	CU+2
Deposit Permits		2001-2006	AU+4
Service Requests		2005	CU+5
Service Requests		2005	CU+5
Weeklys & Mileage	January- June	2004	AU+6/AU+3
Weeklys & Mileage	July-December	2004	AU+6/AU+3
Absence Requests	A-P	2009	CU+2
Absence Requests	S-Z	2009	CU+2
Accounts Payable	A-E	2006 -2007	AU+4
Accounts Payable	F-N	2006 -2007	AU+4
Accounts Payable	O-Z	2006 -2007	AU+4
Accounts Receivable		2006-2007	AU+4
Attendance Records	A-L	2005	AU+6
Attendance, Mileage, Timesheets		2005	AU+6/AU+3
Distribution Reports and Check Register		2004, 2005, 2006 & 2005	AU+5
Liabilities/Benefits & Deposit Permits, Check Register		2005-2006, 1992-1995	AU+4/AU+5
PERS Deferred Comp, PERS Retirement, Dental & Vision, Monthly Liabilities, Kaiser & PacificCare Contracts		2006-2007	AU+4
Service Requests		2006	CU+5
Source Additions and Deletions		2005-2006	CU+5
Trial Balance		2002-2006	AU+5
Weeklys & Mileage	April- June	2005	AU+6/AU+3
Weeklys & Mileage	July-December	2005	AU+6/AU+3
Absence Requests	A-R	2010	CU+2
Absence Requests	S-Z	2010	CU+2
Accounts Payable	A-F	2007 -2008	AU+4

SYMVCD Records Management
Records to be Destroyed

RecordType	Document Name	Document Date	Retention
Accounts Payable	G-S	2007 -2008	AU+4
Board Packets	July - December	2008-2010	CU+2
EDD/IRS Quarterly Reports		2005/06-2007/08	AU+4
Employee Timesheets		2005, 2006	AU+6
Purchase Orders		2008	AU+4
Service Requests		2007	CU+5
Shop A.P. Invoices		2005-2006	AU+6
Absence Requests	A-R	2011	CU+2
Accounts Payable	J-R	2008-2009	AU+4
Accounts Payable	S-T	2008-2009	AU+4
Accounts Payable	U-Z	2008-2009	AU+4
Mileage & Weeklys		2007	AU+3/AU+6
Old W-9s (pre-2009), Old Contracts (Accounts Payable)	CEQs, Equipment Service, Medical Waste Management	2009 & Earlier	AU+4
Sac-Yolo Mosquito (1/3)- Service Requests		2008	CU+5
Sac-Yolo Mosquito (2/3)- Service Requests	1335862-0	2008	CU+5
Sac-Yolo Mosquito (3/3)- Service Requests		2008	CU+5
Trial Balances, Distribution Reports, Check Register		2007-2008 & 2007 & 2006	AU+5
Accounts Payable	D-I	2008-2009	AU+4
Accounts Payable	A-C	2009-2010	AU+4
Accounts Payable	D-K	2009-2010	AU+4
Accounts Payable	L-S	2009-2010	AU+4
Accounts Payable	S-U	2009-2010	AU+4
Accounts Payable, Deposit Permits	V-Z	2009-2010, 2006-2008	AU+4
Board Packets	January- October	2011-2012	CU+2
Employee Absence Request Forms		2012	CU+2
Employee Timesheets		2003, 2004, 2008 Apr-June	AU+6
Employee Timesheets		2007, 2008 Jan-March	AU+6
Fight the Bite Contest Entries		2011	S+2
Payroll Liabilities(monthly payments and check copies)	Reliance, Kaiser, Western Health, EDD, IRS, PERS Retirement, August-September	2009 -2010	AU+4
Recruitment	Lab Technician, Lab Assistant, Eco Management Supervisor, Mechanic, Shop Supervisor, Seasonals, Unspecified, Administrative Manager	2008-2011	CL+3
Service Requests		2009	CU+5
Shop A.P. Invoices		2007-2008	AU+6
South Sac Records		2007-2009	CU+5
Trial Balance		2006-2007, 2008-2009	AU+5
Weeklys & Mileage		2008	AU+6/AU+3
Absence Requests	A-M	2013	CU+2
Absence Requests & Mileage/Weekly	S-Z & November- December	2011	CU+2/AU+3
Accounts Payable	A-C	2008-2009	AU+4
Accounts Payable	C-F	2010 -2011	AU+4
Accounts Payable	G-P	2010 -2011	AU+4
Accounts Payable	V-Z	2010 -2011	AU+4
Accounts Payable	A-B	2010-2011	AU+4
Accounts Payable	U	2010-2011	AU+4
Attendance Sheets		2009	AU+6
Service Requests		2010	CU+5
Weeklies & Mileage Sheets	January-June	2009	AU+6/AU+3
Weeklies & Mileage Sheets	July-December	2009	AU+6/AU+3

Sacramento-Yolo Mosquito and Vector Control District

November 16, 2021 Board Meeting

3. Board Review and Discussion of the 2020-2021 District Audit

Staff Report:

Please find enclosed the 2020-2021 District Audit. A representative from Mann, Urrutia, Nelson CPAs and Associates LLP will be available to answer any questions the Board may have.

Recommendation:

Staff recommends acceptance of the report.



**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2021**

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Sacramento - Yolo Mosquito and Vector Control District
Elk Grove, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Sacramento - Yolo Mosquito and Vector Control District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above and the respective budgetary comparison for the General Fund present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of June 30, 2021 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 9, schedules related to the District's net pension liability on pages 36 - 37, and the schedules related to the District's net other post employment benefits liability on pages 38 - 39 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 supplementary 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mammy V. Ntutia, Nelson CPA's

Sacramento, California
November 5, 2021

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The following Management's Discussion and Analysis (MD&A) of the Sacramento-Yolo Mosquito and Vector Control District's (the "District") activities and financial performance provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2021.

Following this MD&A are the basic financial statements of the District together with the notes are essential to a full understanding of the data contained in the financial statements.

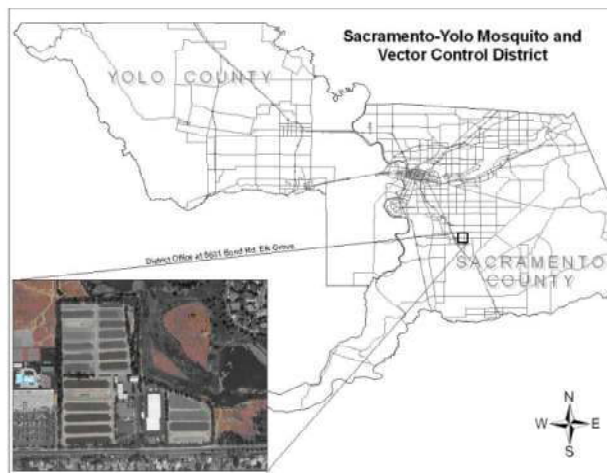
DISTRICT ACTIVITIES HIGHLIGHTS

The District is headquartered in South Sacramento County on Bond Road. District facilities also include a Yolo County service office in Woodland, California. The District has provided mosquito and vector control for Sacramento and Yolo counties since it was established in 1946. The Board of Trustees consists of 13 trustees which are appointed by the each of the two counties and the incorporated cities served by the District. The General Manager coordinates and oversees the activities of the District and supervises over 75 Board authorized positions who work together in the public interest.

Mosquitoes that can carry encephalitis, malaria, West Nile virus and canine heartworm are prevalent throughout the District. Yellow jacket infestation outbreaks can occur seasonally and become a public health threat and severe nuisance to the public and domestic animals. The District's surveillance program continues to detect an invasive mosquito species, *Aedes aegypti*. This species can transmit zika, dengue and chikungunya. Ticks are sampled and analyzed for abundance and the presence of tick borne diseases such as Lyme's disease, babesia, or ehrlichiosis.

Mosquito and vector control activities include the principles of Integrated Pest Management ("IPM"). These principles include public education regarding mosquitoes and other vectors, surveillance of vector populations through trapping and monitoring, physical control, larval mosquito control, adult mosquito control, and applied research. These activities are generally conducted throughout the year, with the highest level of activity occurring between the months of April and October when insect abundance and activity tends to be at their peaks.

The District received \$16,959,810 in revenues for fiscal year 2020-2021, an increase of \$800,210 from fiscal year 2019-2020. Expenditures decreased by \$969,950 from the previous fiscal year. The increase in revenues is consistent with the continued stabilization of the housing market and the decrease in expenditures is mainly due to the lower West Nile virus activity over the past two years and the corresponding control measures necessary to respond accordingly. Additionally, there were some retirements where replacements were either delayed or brought in at lower salaries and most departments were able to demonstrate annual savings.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Public Education

The public information and education department strives to promote awareness of mosquitoes and diseases transmitted by mosquitoes through an aggressive advertising campaign utilizing a variety of elements including television ads, radio spots, online advertising and outdoor messages such as bus ads and billboards. Main messages include the importance of draining stagnant water to eliminate mosquito breeding sources and personal protection through the use of an effective mosquito repellent when spending time outdoors. Education and outreach efforts include school and community presentations, reaching out to local elected officials and participation in a variety of community events to disseminate prevention messages.

Ecological Management

Three full-time employees work with local, state, and federal resource agencies as well as private land-owners to develop strategies that reduce mosquito development through ecological management. In addition, this department administratively prepares abatement orders to private land owners that fail to address mosquitoes on property they own. While a minor portion of the operating budget is directed to this department, the annual goals are to facilitate changes in land management that is anticipated to ultimately reduce mosquito development overall and reduce costs in other categories.

Biological Control

Three full-time employees, supplemented with seasonal employees, culture and maintain mosquito fish at the District facility in Elk Grove. Twenty-three ponds produce approximately 4,000 pounds of fish annually that are stocked in permanent and semi-permanent bodies of water that produce, or have the potential to produce, immature mosquitoes. Sources where mosquito fish are planted on an annual basis include irrigated agriculture and ditches, wetlands, and unmaintained swimming pools.

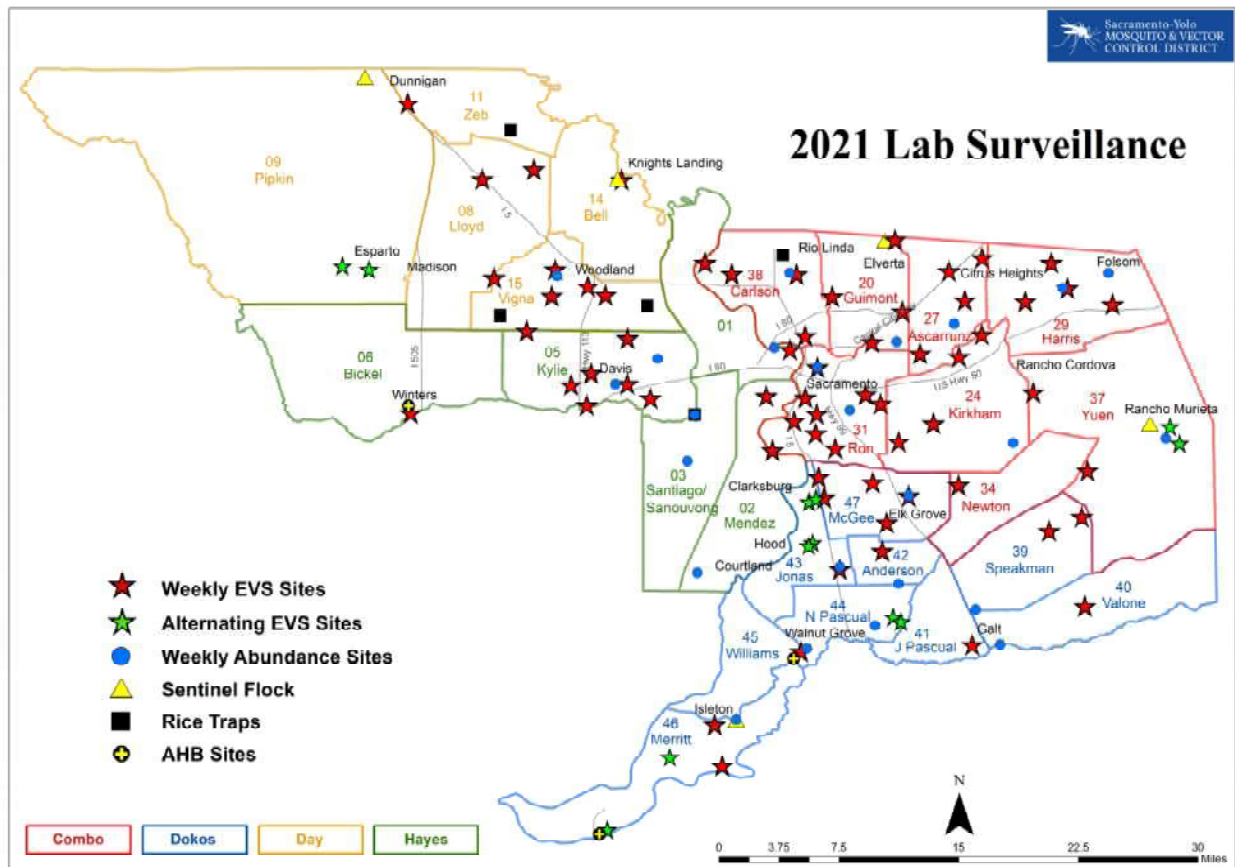
Larval Mosquito Surveillance and Control

Thirty-five full-time and numerous seasonal employees conduct surveillance of aquatic sites to determine larval abundance and take corrective measures. When biological or ecological measures are not feasible, the use of microbial larvicides and insect growth regulators are used to reduce immature mosquito populations. Typical sites include irrigated agriculture, wetlands, storm drains, and backyard swimming pools. Over 160,000 treatments are annually made at these locations.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

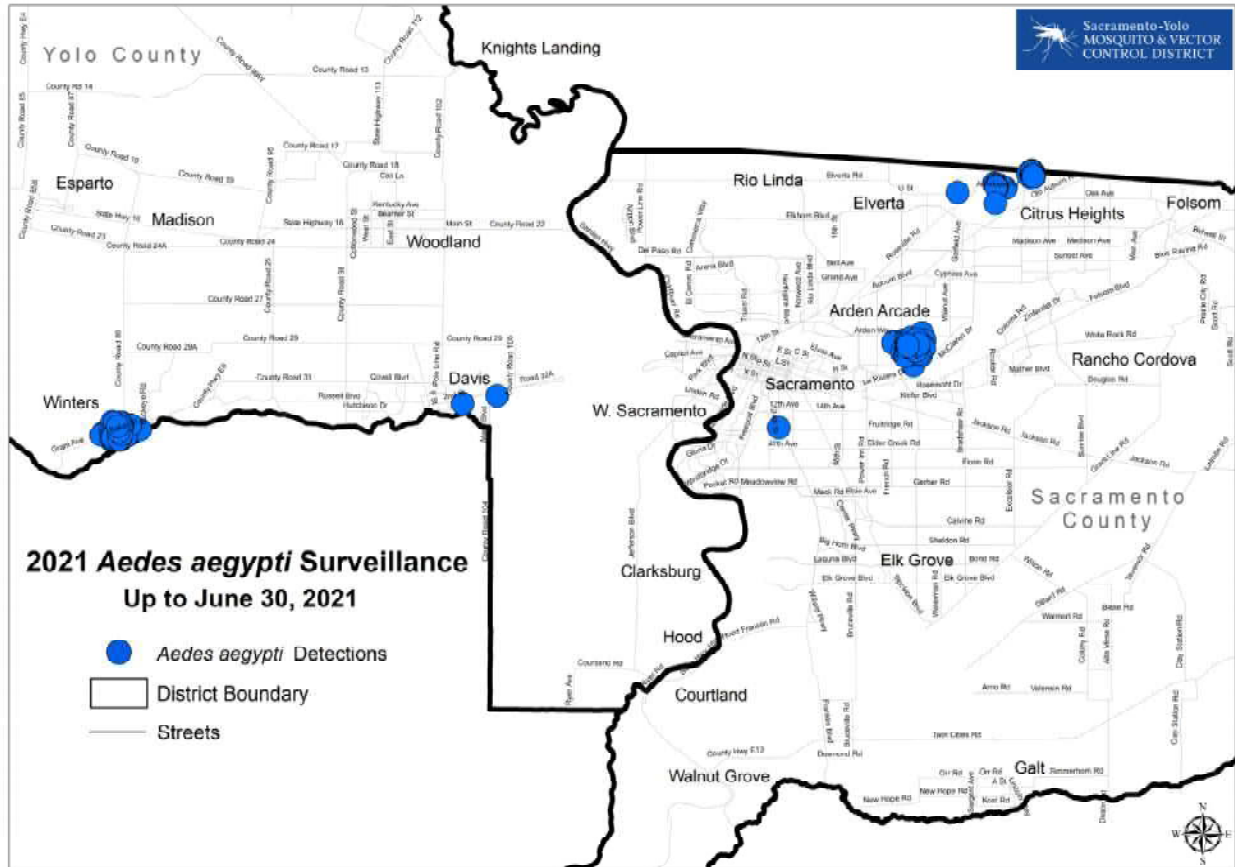
Adult Mosquito Surveillance and Adult Mosquito Control Agents

Twelve full-time employees, supplemented with seasonal employees are responsible for adult mosquito surveillance to determine when numeric thresholds and risk assessments are met. A variety of traps and sentinel animals are distributed throughout Sacramento and Yolo County(s) to assess adult mosquito populations and disease risk. Analysis of these surveillance results direct control methods designed to reduce adult mosquito populations and reduce the risk of disease transmission and annoyance.



SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

The detection of *Aedes aegypti* is highlighted in the following map.



Vehicle and Equipment Maintenance

The District has over 90 vehicles maintained by 3 full-time mechanics. Pumps, spray equipment, and other specialized equipment are maintained by District shop personnel.

GIS and IT Systems

The District employs two full-time personnel to ensure information technology and geographic information systems are of the latest technology available and provide District field personnel with the most efficient tools available to allow them to do their jobs effectively.

Contract, Professional Services and Support Systems

This category includes items such as the aerial applicators used to spray the larvicides and adulticides, legal services, training and conference attendance, utilities and fuel, grounds and maintenance, and other support systems.

Other Post Retirement Benefits

The District has implemented GASB 75 which resulted in a net other post retirement benefits (OPEB) liability. See Notes 7 for more detail.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Significant Events

West Nile virus ("WNV") continues to be the primary mosquito borne disease in California. This virus is carried by mosquitoes and remains a significant threat to the public health of residents within the District. In fiscal year 2020-2021, the District continued to see WNV activity in areas of Sacramento and Yolo Counties resulting in the need to treat various areas of the District for adult mosquitoes. However, the level of virus activity did not necessitate applications to be made over urban parts of the District and were handled with ground based treatments.

The District contracts with Vector Disease Control Incorporated (VDCI) for aerial adult mosquito control measures in both urban and rural areas of the District. VDCI stationed an airplane in Sacramento to be available whenever the need arose to treat for adult mosquitoes and combat WNV. There were no urban applications completed this fiscal year in the District. Numerous rural applications were made by VDCI during the mosquito season.

The invasive mosquito species, *Aedes aegypti*, was first detected in the District on August 29th 2019 in Citrus Heights. This particular mosquito is not native to this area but over the past 10 years has been slowly establishing itself in various parts of California. Increased introductions of invasive mosquitoes throughout the District have continued to require staff time and resources. We anticipate this situation requiring more time and staff in the future. The surveillance and control efforts for this mosquito are more labor intensive than our traditional native species and therefore required more time and effort from staff at the end of our West Nile season.

FINANCIAL POSITION SUMMARY

The District has designed a financial accounting system to record its financial activities, provide budgetary control and analysis, and report its financial position and results of operations. A condensed summary of the District's financial statements is shown below:

Condensed Summary of Assets, Liabilities and Net Position:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Assets			
Current and other assets	\$ 18,578,771	\$ 15,405,487	\$ 3,173,284
Capital assets, net	<u>4,021,318</u>	<u>4,251,592</u>	<u>(230,274)</u>
Total Assets	<u>22,600,089</u>	<u>19,657,079</u>	<u>2,943,010</u>
Deferred outflows of resources	<u>5,409,507</u>	<u>6,235,421</u>	<u>(825,914)</u>
Liabilities			
Current and other liabilities	566,129	747,891	(181,762)
Long-term liabilities	<u>12,977,168</u>	<u>12,279,149</u>	<u>698,019</u>
Total Liabilities	<u>13,543,297</u>	<u>13,027,040</u>	<u>516,257</u>
Deferred inflows of resources	<u>2,537,664</u>	<u>3,287,122</u>	<u>(749,458)</u>
Net Position			
Invested in capital assets	4,021,318	4,251,592	(230,274)
Unrestricted net position	<u>7,907,317</u>	<u>5,326,746</u>	<u>2,580,571</u>
Total Net Position	<u>\$ 11,928,635</u>	<u>\$ 9,578,338</u>	<u>\$ 2,350,297</u>

The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,928,635 at June 30, 2021, an increase of \$2,350,297 from June 30, 2020. This increase in net position can be attributed to a higher revenue receipt than expected. Capital assets decreased \$230,274 in 2021 mainly due to depreciation of \$376,685.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Current and other assets include cash and short-term investments that are used to pay expenses and liabilities, make capital investments and provide working capital for the District. The District receives its revenues when property taxes are paid and remitted from the counties. Property taxes are due in semiannual installments and are generally paid in November, December, May and June of each year. Cash and investment levels are generally highest in December and June. These cash and investment balances carry the District's cash requirements for the next six months when virtually no cash revenues are received. Cash levels are lowest in October and April. The District has no debt financing.

Condensed Summary of Revenues and Expenses per the government-wide statements:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Revenues	\$ 16,959,810	\$ 16,159,600	\$ 800,210
Expenses	<u>14,688,833</u>	<u>15,658,783</u>	<u>(969,950)</u>
Excess (deficiency) of revenues over expenses	<u>\$ 2,270,977</u>	<u>\$ 500,817</u>	<u>\$ 1,770,160</u>

FINANCIAL OPERATIONS HIGHLIGHTS FOR FISCAL 2020-2021

- Revenues increased by \$800,210. This is due to the turnaround of the housing market from the past few years and the increase in home values.
- Operating expenses decreased 6% from \$15,658,783 to \$14,688,833. The decrease in expenditures is mainly due to less pesticide purchases needed for the mosquito season. Other categories fluctuate based on the specific need at the time and the increase in general pricing from year to year.
- The District has continued to recognize the potential for revenue and expenditure volatility resulting from legislative measures, current economic reality and the potential for emerging mosquitoes and mosquito borne diseases.

ANALYSIS OF SIGNIFICANT BUDGET-TO-ACTUAL VARIATIONS PER THE FUND FINANCIAL STATEMENTS

	<u>Actual</u>	<u>June 30, 2021 Budget</u>	<u>Variance</u>
Revenues	\$ 16,959,810	\$ 15,887,773	\$ 1,072,037
Expenditures	<u>13,708,544</u>	<u>15,887,773</u>	<u>2,179,229</u>
Net increase (decrease)	<u>\$ 3,251,266</u>	<u>\$ -</u>	<u>\$ 3,251,266</u>

The District prepares an annual budget and measures actual results versus budget amounts on a monthly and annual basis. The budget is prepared by management and approved by the Board of Trustees. During fiscal year 2020-2021 revenues exceeded budget by \$1,072,037. Property values have appeared to stabilize, and most analysts expect to see an increase in property values and sales which were reflected in the past few years. The global pandemic due to COVID19 may have a significant impact on property tax revenue, but at this time the long term impact is unknown. Revenue assumptions continue to be based on property tax revenues received from the previous year and anticipated growth forecasts. Counties determine the assessed valuations for the property tax rolls and the amount actually received is generally different than the budgeted amount due to changes in assessments and collections that occur during the year, as well as changes in the housing market as earlier described.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Operating expenses of the District are budgeted based on historical amounts and anticipated needs and events expected to occur during the fiscal year. With the arrival of West Nile virus, anticipating areas of outbreaks and determining appropriate responses can be difficult. In addition, the volatility of the state and local economic measures make forecasting of both revenues and expenditures challenging.

The District relies on local government programs for support services. For example, both Sacramento and Yolo county(s) have implemented restructuring of staffing that have a direct impact on District functions. The District has not received timely financial statements from Yolo County due to employee changes and restructuring, resulting in the District missing investment report deadlines. Revenue forecasting, expenditures in health care and retirement benefits, and coordination with local services will remain a challenge as the District is dependent on information from national, state and local sources.

FINANCIAL STATEMENTS

The District's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The District is structured as a single governmental fund. Revenues are recognized when they become measurable and available. Expenses are recognized when incurred. Capital assets are capitalized and depreciated.

DESCRIPTION OF SIGNIFICANT CAPITAL ASSET ACTIVITIES

The District prepares a capital budget each year to plan for the orderly replenishment of equipment and facilities. Capital investments are usually financed internally from operations. During fiscal year 2021, the District made capital investment purchases totaling \$280,573.

DESCRIPTION OF CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

West Nile Virus continues to be a significant mosquito borne disease in the District and now that it is endemic the extent of virus activity will be unknown from year to year. The Board of Trustees has committed funds to respond as appropriate to WNV and other diseases. The District will continue to respond to local outbreaks within the District boundaries as necessary. The increased detections of invasive mosquitoes over the past few years is a long-term challenge to the staffing resources of the District. We are in the process of evaluating staffing and equipment changes that will need to be made to address the situation. We anticipate that as the housing construction continues that we will have a need for more staff to address the needs of the residents appropriately.

USING THIS AUDIT REPORT

This annual financial report consists of two parts – management's discussion and analysis (this section), and the basic financial statements. The financial statements also include Notes to the Financial Statements that further explain some of the information in the financial statements and provide additional data regarding the Agency's operations.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Manager at 8631 Bond Road, Elk Grove, California 95624.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and investments (Note 2)	\$ 14,877,280
Restricted cash (Note 2)	23,447
Cash with fiscal agent (Note 2, Note 9)	1,665,077
Accounts receivable	657,432
Other receivable	133
Interest receivable	8,352
Inventory	1,347,050
Capital assets, net of accumulated depreciation (Note 3)	<u>4,021,318</u>
Total Assets	<u>22,600,089</u>
Deferred outflows of resources	
Related to net other post-employment benefits (OPEB) liability (Note 7)	889,066
Related to net pension liability (Note 6)	<u>4,520,441</u>
Total Deferred Outflows of Resources	<u>5,409,507</u>
Total Assets and Deferred Outflows of Resources	\$ <u>28,009,596</u>
<u>LIABILITIES</u>	
Accounts payable and other accrued liabilities	\$ 364,953
Compensated absences (Note 4):	
Due within one year	201,176
Due in more than one year	194,819
Net other post employment benefits (OPEB) liability (Note 7)	
Due in more than one year	1,436,704
Net pension liability (Note 6)	
Due in more than one year	<u>11,345,645</u>
Total Liabilities	<u>13,543,297</u>
Deferred inflows of resources	
Related to net other post-employment benefits (OPEB) liability (Note 7)	491,114
Related to net pension liability (Note 6)	<u>2,046,550</u>
Total Deferred Inflows of Resources	<u>2,537,664</u>
Total Liabilities and Deferred Inflows of Resources	<u>16,080,961</u>
<u>NET POSITION</u>	
Net investment in capital assets	4,021,318
Unrestricted	<u>7,907,317</u>
Total Net Position	<u>11,928,635</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ <u>28,009,596</u>

See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

			<u>Program Revenues</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Governmental Activities</u>				
General Government	\$ <u>14,688,833</u>	\$ <u>38,180</u>	\$ <u>-</u>	\$ <u>(14,650,653)</u>
Total Governmental Activities	\$ <u><u>14,688,833</u></u>	\$ <u><u>38,180</u></u>	\$ <u><u>-</u></u>	<u>(14,650,653)</u>
General Revenues:				
				16,724,416
				73,947
				30,788
				148
				<u>92,331</u>
Total General Revenues				<u>16,921,630</u>
Change in Net Position				<u>2,270,977</u>
Net Position - July 1, 2020				9,578,338
Prior period adjustment (Note 11)				<u>79,320</u>
Net position - July 1, 2020, restated				<u>9,657,658</u>
Net Position - June 30, 2021				\$ <u><u>11,928,635</u></u>

See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2021

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and investments	\$ 14,877,280
Restricted cash	23,447
Cash with fiscal agent	1,665,077
Accounts receivable	657,565
Interest receivable	8,352
Inventory	<u>1,347,050</u>
Total Assets	<u>18,578,771</u>
<u>LIABILITIES</u>	
Accounts payable and other accrued liabilities	<u>364,953</u>
Total Liabilities	<u>364,953</u>
<u>FUND BALANCE</u>	
Non-spendable	
Inventory	1,347,050
Committed	
Disease response	2,000,000
Capital outlay	700,000
Assigned	
Cash with fiscal agent	1,665,077
Unassigned	<u>12,501,691</u>
Total Fund Balance	<u>18,213,818</u>
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund, net of accumulated depreciation of \$7,638,941.	4,021,318
Other long-term assets used in governmental activities are not financial resources and therefore not reported in the funds.	
OPEB contributions made subsequent to the measurement date	147,735
Deferred outflows related to changes in net OPEB liability	741,331
Pension contributions made subsequent to the measurement date	1,596,742
Deferred outflows related to changes in the net pension liability	2,923,699
Long term liabilities and related deferred items are not due and payable in the current period and therefore are not reported in the fund.	
Deferred inflows related to changes in the net pension liability	(2,046,550)
Net pension liability	(11,345,645)
Deferred inflows related to changes in net OPEB liability	(491,114)
Net OPEB liability	(1,436,704)
Compensated absences	<u>(395,995)</u>
Net position of governmental activities	<u>\$ 11,928,635</u>

See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>
<u>REVENUES</u>	
Property taxes	\$ 15,638,905
Interest	73,947
Other tax revenue	1,085,511
Other revenues	<u>161,447</u>
Total Revenues	<u>16,959,810</u>
<u>EXPENDITURES</u>	
Aircraft services	836,632
Auditing / fiscal	16,000
Capital outlay	298,813
Communications	77,318
Control operations	38,467
District office expenses	14,509
Ecological management	7,401
Fisheries	25,508
Gas and petroleum	141,281
Geographic information systems	2,900
Information technology	76,127
Insecticides	608,213
Insect growth regulator	887,394
Laboratory services	160,232
Liability insurance	167,211
Materials and supplies	11,426
Member / training	58,712
Microbial	940,994
Professional services	148,018
Public information	376,685
Research	20,000
Rents and leases	10,187
Safety program	1,560
Salaries and benefits	8,478,911
Structure and grounds	86,878
Utilities	102,623
Vehicle parts and labor	<u>114,544</u>
Total Expenditures	<u>13,708,544</u>
Change in Fund Balance	<u>3,251,266</u>
Fund Balance - July 1, 2020	14,883,232
Prior period adjustment (Note 11)	<u>79,320</u>
Fund balance - July 1, 2020, restated	<u>14,962,552</u>
Fund Balance - June 30, 2021	<u><u>\$ 18,213,818</u></u>

See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Reconciliation of the change in fund balance - governmental fund to the change in net position of governmental activities:

Change in fund balance - governmental fund	\$ 3,251,266
The governmental fund reports capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	280,573
Depreciation expense	(507,688)
Gain (loss) from disposal of capital assets - in the governmental fund, the entire proceeds are recorded as revenue (expense), but only the resulting gain (loss) is recorded in the government wide statements net of the disposed assets' book value.	(3,159)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:	
Compensated absences	(9,942)
Changes in the net pension liability and related deferrals	(631,530)
Other post employment benefits and related deferrals	<u>(108,543)</u>
Change in net position of governmental activities	<u>\$ 2,270,977</u>

See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Total Revenue	\$ <u>15,887,773</u>	\$ <u>15,887,773</u>	\$ <u>16,959,810</u>	\$ <u>1,072,037</u>
EXPENDITURES				
Aircraft services	955,000	955,000	836,632	118,368
Auditing / fiscal	17,750	17,750	16,000	1,750
Capital outlay	590,651	590,651	298,813	291,838
Communications	79,500	79,500	77,318	2,182
Control operations	40,200	40,200	38,467	1,733
District office expenses	17,500	17,500	14,509	2,991
Ecological management	18,600	18,600	7,401	11,199
Fisheries	27,000	27,000	25,508	1,492
Gas and petroleum	154,000	154,000	141,281	12,719
Geographic information systems	9,100	9,100	2,900	6,200
Information technology	68,500	68,500	76,127	(7,627)
Insecticides	1,100,000	1,100,000	608,213	491,787
Insect growth regulator	1,000,000	1,000,000	887,394	112,606
Laboratory services	148,200	148,200	160,232	(12,032)
Liability insurance	171,762	171,762	167,211	4,551
Materials and supplies	13,000	13,000	11,426	1,574
Member / training	121,000	121,000	58,712	62,288
Microbial	1,550,000	1,550,000	940,994	609,006
Professional services	195,250	195,250	148,018	47,232
Public information	502,500	502,500	376,685	125,815
Research	25,000	25,000	20,000	5,000
Rents and leases	11,550	11,550	10,187	1,363
Safety program	5,000	5,000	1,560	3,440
Salaries and benefits	8,793,710	8,793,710	8,478,911	314,799
Structure and grounds	65,000	65,000	86,878	(21,878)
Utilities	110,000	110,000	102,623	7,377
Vehicle parts and labor	<u>98,000</u>	<u>98,000</u>	<u>114,544</u>	<u>(16,544)</u>
Total Expenditures	<u>15,887,773</u>	<u>15,887,773</u>	<u>13,708,544</u>	<u>2,179,229</u>
Excess (deficiency) of revenue over expenditures	\$ <u>-</u>	\$ <u>-</u>	3,251,266	\$ <u>3,251,266</u>
Fund balance - July 1, 2020 restated			<u>14,962,552</u>	
Fund balance - June 30, 2021			<u>\$ <u>18,213,818</u></u>	

See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Sacramento – Yolo Mosquito and Vector Control District (the District) was formed by joint resolution of the Boards of Supervisors of Sacramento and Yolo Counties on June 18, 1946. The purpose of the District is to provide protection to the people against mosquito-borne diseases and relief from serious pest nuisance. The power to govern is derived from the State Health and Safety Code, Chapter 5 of Division 3. The District is governed by a Board of Trustees, each appointed for a two or four-year term by one of the eleven incorporated City Councils or by two of the County Boards of Supervisors.

B. Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the District's overall government. The District's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include grants and contributions that are restricted to meeting the operational needs of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's fund. The District's only governmental fund is the General Fund. The General Fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all financial resources of the general government and is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditure/expenses.

C. Measurement Focus and Basis of Accounting

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. The modified accrual basis of accounting is used by the governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Those revenues susceptible to accrual are property taxes, special assessments, interest revenue or charges for services. Revenues consist mainly of property taxes, which are calculated by Sacramento and Yolo Counties. Tax levies are established in March of each year and are generally due in two installments in April and December of each year. Tax payments are remitted to the District by the respective county offices.

D. Cash and Investments

The District holds cash and investments with the Yolo County Treasury and State of California Local Agency Investment Fund (LAIF). Yolo County maintains a cash and investments pool and allocates interest to the various funds based upon the average monthly cash balances. Investments held at June 30, 2021 with original maturities greater than three months are stated at fair value. Fair value is estimated based on quoted market prices at year end.

E. Accounts Receivable and interest receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable. Major receivable balances for the governmental activities include revenue from other governments and interest.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as revenue from other governments and interest revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest and other inflows of resources are recorded when earned only if paid within 60 days of year-end since they would be considered both measurable and available.

F. Inventory

Inventory is valued at cost, which approximates market, using the first-in/first out (FIFO) method. The costs of governmental fund-type inventory are recorded as expenditures when consumed rather than purchased.

G. Capital Assets

In the government-wide financial statements, capital assets with a historical cost over \$1,000 are accounted for as capital assets. All capital assets are valued at historical cost, or an estimate of historical cost if actual cost is unavailable. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation is computed for financial statement purposes using the straight-line method. The estimated useful lives for these depreciated assets are as follows:

Building and improvements	40 years
Vehicles, furniture, and equipment	5 to 7 years

H. Compensated Absences

Generally, earned vacation may be accumulated up to a maximum of 400 hours by all personnel. District employees do not receive compensation for accumulated sick leave upon termination of employment; however, accrued but unused sick leave at the time of termination shall be allowed as service time for purposes of PERS retirement benefits, so long as it is consistent with the applicable PERS contract and statutes. Accordingly, no sick leave has been accrued. The total estimated liability for vacation at June 30, 2021 was \$395,995.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property Taxes

Property tax revenue is recognized in the fiscal year for which the tax and assessment is levied. The counties of Yolo and Sacramento levy, bill, and collect property taxes and special assessments for the District. Under the counties' "teeter plans," the counties remit the entire amount levied and handle all delinquencies, retaining interest and penalties.

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the District in the fiscal year they are assessed.

The counties of Yolo and Sacramento assess properties, bill for, collect, and distribute property taxes for the District per the following schedule:

	Secured	Unsecured
Valuation dates	March 1	March 1
Lien/levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent dates	December 10, April 10	August 31

J. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Other Post Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and assets information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 - June 30, 2020

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position, or balance sheet, will sometimes report a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category, related to pensions and other post-employment benefits which are described further in Notes 6 and 7.

In addition to liabilities, the Statement of Net Position, or balance sheet, will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category related to pensions and other post-employment benefits as described further in Notes 6 and 7.

M. Budgets and Budgetary Accounting

The Board of Trustees approves a tentative budget no later than June 30 of each year, and adopts a final budget no later than August 30. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations. The Board of Trustees may amend the budget by resolution during the fiscal year or make transfers from one object or purpose to another within the same budget unit.

A budget is adopted for the General Fund on a basis which materially confirms to accounting principles generally accepted in the United States of America.

N. Equity Classifications

Government-Wide Statements

Net position is the excess of all the District's assets and deferred outflows of resources over all of its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, constructions, or improvements of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "net investment in capital assets," or "restricted."

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nondisposable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.
- e. Unassigned - Amounts representing the residual classification for the general fund.

Further detail about the District's fund balance classification is described in Note 5.

O. Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts on revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2020, the District implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The District implemented this statement during the current year; however, there was no significant impact to the financial statements.

Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The purpose of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The new standard clarifies the differences between a majority equity interests reported as an investment and majority equity interest reported as a component unit of the governmental entity. The District implemented this statement during the current year; however, there was no significant impact to the financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2021 or later and may be applicable for the District. However, the District has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the District's fiscal year ending June 30, 2022. The District has not determined what impact, if any, this pronouncement will have on the financial statements.

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The purpose of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The purpose of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The District has not determined what impact, if any, this pronouncement will have on the financial statements. The removal of LIBOR as an appropriate benchmark interest rate is effective for the District's fiscal year ending June 30, 2022. All other requirements of this statement are effective for the District's fiscal year ending June 30, 2022.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to the accounting and financial reporting for Section 457 plans are effective for the District's fiscal year ending June 30, 2022.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2021 were classified in the accompanying financial statements as follows:

Cash and Investments	\$ 14,877,280
Restricted Cash	23,447
Cash with Fiscal Agent	<u>1,665,077</u>
Total Cash and Investments	<u>\$ 16,565,804</u>

Restricted cash includes District employee flexible spending account funds held in a financial institution. The balance is offset by a corresponding amount included in accounts payable and other accrued liabilities on the statement of net position and balance sheet for the governmental fund.

Cash with fiscal agent represents funds held with the District's insurance joint powers authority. See note 9 for more information.

Cash and investments at June 30, 2021 consisted of the following:

Pooled Funds:	
Cash in County Treasury	\$ 794,490
LAIF	14,105,637
Cash with Fiscal Agent	1,665,077
Non-Pooled Deposits:	
Cash	<u>600</u>
Total Cash and Investments	<u>\$ 16,565,804</u>

Authorized Investments

Investments are selected based on safety, liquidity, and yield. The District's investment policy indicates that the District is authorized to invest in the following: the Yolo County Treasurer Investment Pool, the State Treasurer's Local Agency Investment Fund, member contingency fund deposits with the Vector Control Joint Powers Agency, and prefunding of Other Post Employment Benefits (OPEB) through California Public Employer's Retiree Benefit Trust Program (CERBT).

Interest Rate Risk and Credit Risk

Interest rate risk is the risk that market rate changes that could adversely affect the fair values 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. The District limits its exposure to fair value losses arising from rising interest rate by investing in pools with average maturities of less than one year.

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.

At June 30, 2021, the District had no investments other than their investment in the State and County investment pools. The fair value of the District's investments in these pools is classified as a cash equivalent.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2021, the District had no concentration of credit risk.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

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 deposits or will not be able to recover collateral securities that are in possession on an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counter-party to a transaction, a government will not be able to recover the value of its investments 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 would limit the exposure of 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 and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies.

At June 30, 2021, the deposits with financial institutions in excess of the federal depository insurance limits were collateralized as required by law. As of June 30, 2021, the carrying amount of the District's cash in county treasury (including LAIF balances held by the County) totaled \$14,900,127 and the bank balance totaled \$15,071,684. The difference between the carrying amount and the bank total is due to normal deposits in transit and outstanding checks.

Investments in State and County Investment Pool

The District maintains substantially all of its cash in the County of Yolo Treasury and the State of California LAIF. The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. In accordance with applicable State laws, the County of Yolo Treasurer may invest in derivative securities with the State of California. However, at June 30, 2021, the County of Yolo Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles. The fair value of the District's investments in these pools are classified as a cash equivalent in the accompanying financial statements. Interest earned is deposited annually to participating funds. Any investment gains or losses are proportionately shared by all funds in the pool.

NOTE 3: CAPITAL ASSETS

The District's capital asset activity during the year ended June 30, 2021 was as follows:

	July 1, 2020	Additions	Deletions	June 30, 2021
Work-In process	\$ 1,897	\$ -	\$ (1,897)	\$ -
Land, buildings and improvements	1,175,093	-	-	1,175,093
Equipment and vehicles	4,436,428	280,573	(1,804)	4,715,197
Bond road facility	5,061,395	-	-	5,061,395
Woodland facility	<u>708,574</u>	<u>-</u>	<u>-</u>	<u>708,574</u>
Total	11,383,387	280,573	(3,701)	11,660,259
Accumulated depreciation	<u>(7,131,795)</u>	<u>(507,688)</u>	<u>542</u>	<u>(7,638,941)</u>
Capital assets, net	<u>\$ 4,251,592</u>	<u>\$ (227,115)</u>	<u>\$ (3,159)</u>	<u>\$ 4,021,318</u>

Depreciation expense totaled \$507,688 for the year ended June 30, 2021.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4: LONG-TERM LIABILITIES

A summary of long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2021</u>	<u>Due within One Year</u>
Compensated absences	\$ <u>386,053</u>	\$ <u>429,128</u>	\$ <u>(419,186)</u>	\$ <u>395,995</u>	\$ <u>201,176</u>
Total	\$ <u>386,053</u>	\$ <u>429,128</u>	\$ <u>(419,186)</u>	\$ <u>395,995</u>	\$ <u>201,176</u>

NOTE 5: FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The District's non-spendable fund balance totaled \$1,347,050 as of June 30, 2021 and consisted of inventory.

The Board of Trustees, as the District's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action. These committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use through the same type of formal action taken to establish the commitment. As of June 30, 2021, the District had a \$2,000,000 commitment for vector & disease response and a \$700,000 commitment for capital outlay.

Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted or committed. The District has delegated the authority to assign fund balance to the Manager. As of June 30, 2021, the District had an assignment of \$1,665,077 for cash that is held with their fiscal agent.

The accounting policies of the District consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

NOTE 6: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety and miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety or miscellaneous pools. The District sponsors two rate plans (both miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits.

The District has one local Miscellaneous Retirement Benefit Plan, with two tiers. Tier I benefits for members hired before January 1, 2013 are under the 2.5% at 55 retirement formula, and Tier II benefits for members hired on or after January 1, 2013 are under the 2% at 62 retirement formula.

Tier I final compensation is calculated using the highest average pay rate and special compensation during any consecutive one-year period. Tier I employee contributions are paid by the employer. This tier and retirement formula is closed to employees hired on or after January 1, 2013 with the exception of employees considered to be Classic Members with a break in CalPERS qualified employment of less than 6 months and who did not receive a refund of their contributions on deposit with the retirement fund. Tier II final compensation is calculated using the highest average pay rate and special compensation during any consecutive three-year period. Tier II employee contributions are paid by the employee.

The rate plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous Plan	
	<u>Hired prior to January 1, 2013</u>	<u>Hired on or after January 1, 2013</u>
Benefit Formula	2.5% @ 55	2% @ 62
Benefit Vesting Schedule	5 years' service	5 years' service
Benefit Payments	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.5%	1.0% to 2.5%
Required Employee Contribution Rate	8%	6.75%
Required Employer Contribution Rate*	28.854%	8.157%

* The employer contribution rate includes the employer's normal cost rate and unfunded accrued liability.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ended June 30, 2021 were \$1,596,742.

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the District reported a net pension liability of \$11,345,645 for its proportionate share of the net pension liability of the Plan.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 measurement dates was as follows:

Proportion - June 30, 2019	0.10080%
Proportion - June 30, 2020	<u>0.10428%</u>
Change - Increase (Decrease)	<u>0.00348%</u>

For the year ended June 30, 2021, the District recognized pension expense of \$2,517,794, which included employer paid member contributions for Tier I. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 1,596,742	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	1,701,258	327,416
Differences between actual and expected experience	584,675	-
Changes in assumptions	-	80,922
Adjustment due to differences in proportions	300,726	1,638,212
Net differences between projected and actual earnings on plan investments	<u>337,040</u>	<u>-</u>
Total	<u>\$ 4,520,441</u>	<u>\$ 2,046,550</u>

\$1,596,742 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2022	\$ 90,310
2023	374,053
2024	251,131
2025	<u>161,655</u>
Total	<u>\$ 877,149</u>

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of pension plan investment expenses, includes inflation
Mortality (1)	Derived Using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90 percent scale MP 2016. For more details on this table, please refer to the 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions

For the measurement period ending June 30, 2020, there were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-%	-0.92%

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Net Pension Liability (Asset)	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	\$ 18,219,875	\$ 11,345,645	\$ 5,665,684

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net positions is available in the separately issued CalPERS financial reports.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB)

Description of Plan

The District's defined benefit healthcare plan (the Healthcare Plan) provides health insurance benefits to participants and beneficiaries. The Healthcare Plan is part of the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for participating entities within the state of California. Benefit provisions and all other requirements are established by state statute and the District. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office at 400 "P" Street, Sacramento, California 95814.

The District pays the cost of the premium to provide medical coverage under the District's group's medical insurance based on Section 4.12 of the District personnel manual. Substantially, all of the District's employees may become eligible for this benefit given the employee was employed by the District for 20 years or more and retires from the District after the age of 55. The payment of the premium by the District shall continue until the earlier of the retiree's 65th birthday or the retiree's death. After the age of 65, the retiree may continue to receive medical benefits under the District's group medical insurance plan up to death, provided that the retiree timely pays the District for the retiree's share of the monthly premium.

Employees covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan.

Active employees	68
Inactive employees currently receiving benefits	<u>10</u>
Total	<u><u>78</u></u>

Contributions

The District's policy is to fully fund the actuarially determined contribution. The District makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2021, the District contributed \$147,735, which consisted of \$98,312 of employer contributions (direct benefit payments) and \$49,423 implicit contributions.

Net OPEB Liability

The District's net OPEB liability ("NOL") was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 based on the following actuarial methods and assumptions.

Discount Rate	5.40 %
Inflation	2.50 %
Salary increases per annum	3.00 %
Investment Rate of Return	5.50 %
Healthcare Trend Rate	5.40 %
Actuarial cost method	Entry Age Normal
Amortization method	Level % of pay; 20 year-closed
Amortization period	18 years remain
Asset valuation method	Market value
Mortality :	
Table	2017 CalPERS Active Mortality
Mortality improvement	MacLeod Watts Scale 2020 applied generationally
Retirement Age	50 to 75

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in Assumptions

For the measurement period ending June 30, 2020, the discount rate used to calculate liabilities changed from 4.20% to 5.40%.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.40%. The District has been and continues to prefund its OPEB liability, contributing 100% or more of the actuarially determined contributions each year. Trust assets are invested with the California Employers' Retiree Benefit Trust (CERBT). Therefore, the discount rate used is the long-term expected return on trust assets published by CERBT as of the measurement date.

Expected Long-term Return on Trust Assets

The expected long-term rate on trust assets was derived from published information by CalPERS for CERBT Strategy 3. CalPERS determined its returns using a building-block method and best-estimate ranges of expected future real rates of returns for each major asset class (expected returns, net of OPEB plan investment expense and inflation). CalPERS expectations are summarized in the chart below:

CERBT Strategy 3		Years 1-10			Years 11+		
Major Asset Classification	Target Allocation	General Inflation Rate Assumption	1-10 Year Expected Rate of Return*	Compound Return Yrs 1-10	General Inflation Rate Assumption	11+ Year Expected Real Rate of Return*	Compound Return Years 11+
Global Equity	22 %	2.00 %	4.80 %	6.80 %	2.92 %	5.98 %	8.90 %
Fixed Income	49 %	2.00 %	1.10 %	3.10 %	2.92 %	2.62 %	5.54 %
Global Real Estate (REITs)	8 %	2.00 %	3.20 %	5.50 %	2.92 %	5.00 %	7.92 %
Treasury Inflation Protected Securities (TIPS)	16 %	2.00 %	0.25 %	2.25 %	2.92 %	1.46 %	4.38 %
Commodities	5 %	2.00 %	1.50 %	3.50 %	2.92 %	2.87 %	5.79 %
Volatility	7.28 %	weighted		5.00 %	weighted		6.22 %

* Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.0%

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Net OPEB liability

To determine the June 30, 2020 (measurement period) net OPEB liability, the actuarial valuation used a roll-forward technique for the total OPEB liability. The fiduciary net position is based on the actual June 30, 2020 fiduciary net position. The following table shows the results of the roll-forward.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2020	\$ 3,666,538	\$ 1,876,355	\$ 1,790,183
Service cost	164,174	-	164,174
Interest in TOL	158,284	-	158,284
Employer contributions	-	124,114	(124,114)
Net investment income	-	118,695	(118,695)
Changes of assumptions	(434,058)	-	(434,058)
Administrative expense	-	(930)	930
Benefit payments	(124,114)	(124,114)	-
Net change	(235,714)	117,765	(353,479)
Balance at June 30, 2021	\$ <u>3,430,824</u>	\$ <u>1,994,120</u>	\$ <u>1,436,704</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Sensitivity of the Net OPEB Liability of the District if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease 4.40%	Current Discount Rate 5.40%	1% Increase 6.40%
Net OPEB Liability	\$ <u>1,794,289</u>	\$ <u>1,436,704</u>	\$ <u>1,116,842</u>

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease 4.40%	Current Healthcare Cost Trend Rate 5.40%	1% Increase 6.40%
Net OPEB Liability	\$ <u>1,034,704</u>	\$ <u>1,436,704</u>	\$ <u>1,914,463</u>

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes of total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 523,968	\$ 398,362
Differences Between Expected and Actual Experience	217,363	78,495
Net Difference Between Projected and Actual Earnings on Investments	-	14,257
Contributions Made Subsequent to the Measurement Date	<u>147,735</u>	<u>-</u>
Total	<u>\$ 889,066</u>	<u>\$ 491,114</u>

The \$147,735 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. In addition, future recognition of these deferred resources are as follows.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2022	\$ 36,063
2023	29,652
2024	24,893
2025	30,815
2026	33,920
Thereafter	<u>94,874</u>
Total	<u>\$ 250,217</u>

OPEB Expense

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$256,278.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8: DEFINED CONTRIBUTION PLAN

Effective January 2017, the District entered into a defined contribution 401(a) Plan with Nationwide Retirement Solutions. All employees are eligible for the Plan however, there are currently no participants in the Plan other than the District's Manager. Participation in this Plan is part of the District's Manager's employment agreement. The District contributes a fixed contribution of \$1,550 per month per participant. Participants are 100% vested in employer contributions (other than matching contributions) upon entering the Plan. For the year ending June 30, 2021, the District contributed \$18,600.

NOTE 9: SELF INSURANCE PROGRAM

The Sacramento-Yolo Mosquito and Vector Control District entered into a Joint Powers Agreement with other Vector Control Districts throughout California, to form a self-insurance fund for the purpose of creating an insurance fund for comprehensive general liability and property damage, and to provide worker's compensation benefits for their employees. The pool uses a combination of self-insurance and excess insurances for potential claims.

In addition, the Vector Control Joint Powers Agency (VCJPA) allows member districts to provide funding in excess of their insurance liabilities. These funds are held in trust for its members as a fiduciary fund of the VCJPA. The funds can be withdrawn quarterly, with adequate notice, or can be used to pay insurance premiums. During the year ended June 30, 2021, the District did not withdraw funds to pay for their insurance premiums. Cash in the amount of \$1,665,077 was held with the VCJPA at June 30, 2021.

Audited financial information of the Vector Control Joint Powers Agency can be obtained through the District offices or VCJPA at 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

NOTE 10: COMMITMENTS AND CONTINGENCIES

A. Contractual Obligations

A service contract relating to aerial pesticide application services was entered into with Vector Disease Control International, LLC (VDCI) during the year ended June 30, 2014. This contract will be paid in future periods based on the amount of work performed. The contract was amended in January 2021 and extended until December 2025. Under the terms of the agreement, VDCI obligates the District to an annual payment of \$625,000 (payable in monthly installments) for a minimum application of 1,000,000 acres per calendar year. Any acreage exceeding 1,000,000 will per charged \$0.625 per treated acre. The price per acre remains firm for the first contract year but is subject to change in future years upon agreement by both parties. Future minimum payments are as follows:

For the Fiscal Year Ending June 30	
2022	\$ 625,000
2023	625,000
2024	625,000
2025	625,000
2026	<u>312,500</u>
Total	<u>\$ 2,812,500</u>

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: COMMITMENTS AND CONTINGENCIES (Continued)

Cost sharing agreements relating to the aerial pesticide application services above were entered into as of January 1, 2017 with the San Joaquin Mosquito and Vector Control District, Placer Mosquito and Vector Control District, and the Turlock Mosquito Abatement District. The cost sharing agreements were amended in January 2021 and extended through December 31, 2025. Under the terms of the agreements, cost-sharing payments will be made monthly to the Sacramento - Yolo Mosquito and Vector Control District in return for a percentage of the aerial spraying described above. The percentages per each agreement are as follows: San Joaquin Mosquito and Vector Control District (19%), Placer Mosquito and Vector Control District (10%), and Turlock Mosquito Abatement District (18%). If this acreage is exceeded, an additional \$0.625 per acre will be due. Future minimum receipts are as follows:

For the Fiscal Year Ending June 30	
2022	\$ 293,750
2023	293,750
2024	293,750
2025	293,750
2026	<u>146,875</u>
Total	<u>\$ 1,321,875</u>

B. Public Health Emergency

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, accounts receivable, accounts payable, and accrued expenses to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2021. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the District.

NOTE 11: PRIOR PERIOD ADJUSTMENT

For the year ending June 30, 2021, the District recorded a prior period adjustment of \$79,320 increasing fund balance and net position in the fund financial statements and government-wide financial statements, respectively. The prior period adjustment was related to activity from employees' flexible spending accounts that the District was incorrectly recording as expense.

Required Supplementary Information

**SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2021
LAST 10 YEARS***

	Measurement Period									
	2020	2019	2018	2017	2016	2015	2014			
Proportion of the net pension liability	0.10428 %	0.10080 %	0.13979 %	0.13747 %	0.13729 %	0.13730 %	0.11274 %			
Proportionate share of the net pension liability	\$ 11,345,645	\$ 10,328,549	\$ 13,470,191	\$ 13,633,290	\$ 11,879,946	\$ 9,423,831	\$ 7,059,972			
Covered payroll	\$ 5,021,623	\$ 4,851,189	\$ 4,635,066	\$ 4,457,590	\$ 4,254,251	\$ 4,326,094	\$ 4,305,687			
Proportionate share of the net pension liability as a percentage of covered payroll	225.94 %	212.91 %	290.61 %	305.84 %	279.25 %	217.84 %	163.97 %			
Plan fiduciary net position as a percentage of the total pension liability	75.10 %	75.30 %	75.30 %	73.31 %	74.06 %	78.40 %	79.82 %			

Notes to Schedule

Changes in Assumptions - In 2020, there were no changes in assumptions. In 2019, there were no changes in assumptions. In 2018, the demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was lowered from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense).

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

**SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
AS OF JUNE 30, 2021
LAST 10 YEARS***

	Fiscal Year-End						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 1,596,742	\$ 1,429,083	\$ 1,240,124	\$ 1,063,754	\$ 952,340	\$ 861,986	\$ 669,180
Contributions in relation to the actuarially determined contributions	<u>1,596,742</u>	<u>1,429,083</u>	<u>5,240,124</u>	<u>1,063,754</u>	<u>952,340</u>	<u>861,986</u>	<u>669,180</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,024,160	\$ 5,021,623	\$ 4,851,189	\$ 4,635,066	\$ 4,457,590	\$ 4,254,251	\$ 4,326,094
Contributions as a percentage of covered payroll	31.78 %	28.46 %	108.02 %	22.95 %	21.36 %	20.26 %	15.47 %

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
For the Measurement Periods Ended June 30**

Last 10 Years*

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 164,174	\$ 87,403	\$ 74,193	\$ 81,329
Interest	158,284	161,416	161,764	156,931
Difference between expected and actual experience	-	260,151	-	(124,875)
Changes in assumptions	(434,058)	365,504	184,289	136,216
Benefit payments	<u>(124,114)</u>	<u>(110,744)</u>	<u>(172,880)</u>	<u>(154,115)</u>
Net change in total OPEB liability	(235,714)	763,730	247,366	95,486
Total OPEB liability, beginning	<u>3,666,538</u>	<u>2,902,808</u>	<u>2,655,442</u>	<u>2,559,956</u>
Total OPEB liability, ending (a)	<u><u>\$ 3,430,824</u></u>	<u><u>\$ 3,666,538</u></u>	<u><u>\$ 2,902,808</u></u>	<u><u>\$ 2,655,442</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 124,114	\$ 110,744	\$ 172,880	\$ 154,115
Net investment income	118,695	125,897	78,639	66,433
Benefit payments	(124,114)	(110,744)	(172,880)	(154,115)
Administrative expenses	(930)	(377)	(869)	(835)
Other trust expenses	<u>-</u>	<u>-</u>	<u>(2,215)</u>	<u>-</u>
Net change in plan fiduciary net position	117,765	125,520	75,555	65,598
Plan fiduciary net position, beginning	<u>1,876,355</u>	<u>1,750,835</u>	<u>1,675,280</u>	<u>1,609,682</u>
Plan fiduciary net position, ending (b)	<u><u>\$ 1,994,120</u></u>	<u><u>\$ 1,876,355</u></u>	<u><u>\$ 1,750,835</u></u>	<u><u>\$ 1,675,280</u></u>
District's net OPEB liability, ending (a) - (b)	<u><u>\$ 1,436,704</u></u>	<u><u>\$ 1,790,183</u></u>	<u><u>\$ 1,151,973</u></u>	<u><u>\$ 980,162</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	58.12 %	51.18 %	60.32 %	63.09 %
Covered-employee payroll	\$ 5,021,623	\$ 4,851,189	\$ 5,067,381	\$ 4,872,530
District's net OPEB liability as a percentage of covered-employee payroll	28.61 %	36.90 %	22.73 %	20.12 %

Notes to Schedule:

Changes in assumptions - For the measurement period ending June 30, 2020, the discount rate changed from 4.2% to 5.4%. For the measurement period ending June 30, 2019, demographics assumed termination, disability and retirement rates were updated from those provided in the CalPERS 1997-2015 experience study reports to the rates in the most recent available experience study (2017) of the CalPERS program. The discount rate decreased from 5.50% to 4.20%. Mortality improvement rates are updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2020. The general inflation rate decreased from 2.75% to 2.50% per year. The salary increase rate decreased from 3.25% to 3.0% per year.

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only four years are shown. Additional years' information will be displayed as it becomes available.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
For the Fiscal Year Ended June 30**

Last 10 Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 239,305	\$ 153,992	\$ 149,631	\$ 152,515
Contributions in relation to the ADC	<u>147,735</u>	<u>124,114</u>	<u>110,744</u>	<u>172,880</u>
Contribution deficiency (excess)	<u>\$ 91,570</u>	<u>\$ 29,878</u>	<u>\$ 38,887</u>	<u>\$ (20,365)</u>
Covered-employee payroll	<u>\$ 5,311,682</u>	<u>\$ 5,021,623</u>	<u>\$ 4,851,189</u>	<u>\$ 5,067,381</u>
Contributions as a percentage of covered-employee payroll	2.78 %	2.47 %	2.28 %	3.41 %

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only four years are shown. Additional years' information will be displayed as it becomes available.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees
Sacramento - Yolo Mosquito and Vector Control District
Elk Grove, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund, of the Sacramento - Yolo Mosquito and Vector Control District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 5, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mann, Urrutia, Nelson CPAs

Sacramento, California
November 5, 2021

Sacramento-Yolo Mosquito and Vector Control District

November 16, 2021 Board Meeting

4. Reports to the Board

a. Manager's Report

b. Reports from District Departments

- **Lab/Surveillance (Marcia Reed)**
- **Ecological Management (Marty Scholl)**
- **Biological Control (Tony Hedley)**
- **Larval and Adult Control (Steve Ramos)**
- **Public Outreach (Luz Maria Robles)**

a. Manager's Report

The District's West Nile testing season is complete. We will begin testing again in late spring. We are continuing to monitor the invasive mosquito issue throughout the District as we have had a number of new detections found in 2021. The colder weather should make surveillance efforts more difficult in finding these mosquitoes.

Staff will be working on winter projects including maintenance of equipment, the facility, and completing our annual training.

The MVCAC Quarterly Meeting was held in person and online October 26th and 27th. We have included a brief summary of the discussion points from each committee.

The MVCAC Planning Session will be held December 7th and 8th.

b. Reports from District Departments

- **Lab/Surveillance (Marcia Reed)**
- **Ecological Management (Marty Scholl)**
- **Biological Control (Tony Hedley)**
- **Larval and Adult Control (Steve Ramos)**
- **Public Outreach (Luz Maria Robles)**

Integrated Vector Management Committee – Debbie Dritz

Pollinator Best Management Practices (BMPs) were discussed with regard to beekeeper notification prior to adulticide activities. Districts use various approaches including social media postings, encouraging concerned members of the public to sign up for online spray notifications, and when practical, avoidance of beekeeping locations when conducting ground spray operations. The U.S. Fish and Wildlife Service requested a BMP for Antioch Dunes in Contra Costa County which is the habitat for the endangered Lange's metalmark butterfly. Yard drains as a mosquito source and ways to handle this habitat to eliminate mosquito breeding was discussed at length. The problem has become increasingly important with the arrival of invasive *Aedes*. Exclusion screening seemed to be the best approach available at this time. This season's CO₂ shortage was brought up and committee members offered their solutions and experiences.

IT Committee – Dan Fisher

October is Cybersecurity Awareness Month, and the IT Committee has been publishing weekly tips in the MVCAC newsletter, and more helpful training resources are on the MVCAC website on the IT Resources page. Sac-Yolo is working on adding cybersecurity training packages to the training software platform Vector Solutions for training over the winter, and to be able to share those packages with other agencies. It was suggested to work together with the PR committee to get better visibility and reach for cybersecurity training to member agencies. Committee members have been in talks with NearMap, an aerial imagery company that does regular high altitude airplane flights on a regular basis and is developing pool recognition artificial intelligence software. Cost sharing the service with multiple agencies could potentially make this solution the most affordable for green pool detection over time, and to date eight agencies have expressed interest in a sharing agreement. The Committee is planning to host online meetings demonstrating operational software solutions from commercial to home grown over the winter and six committee members have volunteered to show solutions. The IT Committee also fielded a question on behalf of the Training and Certification Committee for somewhere to host training content over a long term, and is investigating and will report back to that committee.

Laboratory Technologies Committee – Kara Kelley

The revision of the MVCAC publication "Identification of the Mosquitoes of California" was discussed. The updated key includes *Aedes albopictus* (larva/adult), *Aedes notoscriptus* (larva/adult), *Aedes aegypti* (larva/adult), *Aedes deserticola* (larva), and *Aedes sierrensis* (larva) which is now available as a PDF on the MVCAC website. The Laboratory Technologies Committee (LTC), in collaboration with the Vector Control Research Committee, formed a sub-committee to coordinate a manuscript for submission to JAMCA on the use of Wide Area Larvicide Spray (WALS). The manuscript would compile multiple agencies' results, experiences and use of "WALS" in vector control. The LTC is collaborating with PacVec to produce laboratory training videos for Districts to use as part of their training platform. Members of the LTC have volunteered to provide video footage of laboratory tasks such as EVS trap placement, chicken bleeding,

identification of mosquitoes, gravid trap placement and use of TEA (Triethylamine) performed by their lab staff for the project. The collections of videos will be edited through PacVec and then made available to the Districts. The annual LTC workshop “Preparing and analyzing geospatial data” will take place March 29th - March 31st, 2022, from 9am-12pm. Since last year’s conference was remote the committee decided to unlink the workshop from the conference and run the workshop via Zoom. The LTC will continue their partnership with DART to help promote standardized testing between labs and assist DART as needed in establishing costs associated with the annual proficiency panel, positive controls, reagents, and other laboratory needs. As the calendar year ends, the committee will begin to negotiate with our supply vendors on pricing of commonly use laboratory products and reagents for the new year. The result is a ‘universal pricing quote’ with fixed pricing which is available for each District to use the upcoming year.

Public Relations Committee – Luz Maria Robles

The Public Relations Committee meeting included a variety of topics and began with a short discussion regarding mosquito production in utility vaults. Recently the committee has been working with the California Municipal Utilities Association to publish an article in their quarterly magazine. Next, there was an extensive discussion regarding invasive mosquitoes, Sterile Insect Techniques (SIT) and a toolkit that was recently finalized. In addition, a draft of the self-limiting white board video including animation and voice-over was shown to everyone in attendance. Other topics of discussion included: vector communication training to PacVec members, upcoming committee goals and priorities, training conferences for communications professionals and outstanding projects on current committee charges.

Regulatory Affairs Committee – Samer Elkashef

The first item discussed was the California Department of Pesticide Regulation’s (DPR) new pesticide application notification system that they are in the process of developing. \$10 million dollars has been allocated to this project which at this point looks to be geared towards agricultural applications. The project is slated for release in either 2023 or 2024. The committee will track this project and engage with DPR if and when necessary. The committee also discussed the new clarification to the implementation of AB 1788 that DPR issued. DPR confirmed via a letter to the association that the vector control exemption listed in the bill would apply to contractors hired by vector control districts. Previously DPR’s guidance document did not state this and the association worked with DPR staff and the bill author’s office to clarify legislative intent. The California Code of Food and Agriculture’s section on Pollinator Protection has a vector control exemption that waives certain notification requirements prior to pesticide applications around apiaries. Committee members will engage with DPR on their interpretation of the code and work with the Integrated Vector Management Committee on a Pollinator Best Management document.

Research Committee – Sarah Wheeler

A list of MVCAC research priorities has been updated, revised, and sent to association committee chairs and regional representatives to solicit comments from association

members. When finalized the research priorities will be posted on the MVCAC website and provided to the Pacific Southwest Regional Center of Excellence in Vector-Borne Diseases (PacVec CoE). Updates were provided from member agencies on their work assessing the mosquito production potential of utility vaults. Several districts have committed to continue working on this project in 2022 with the goal of gathering data for a peer-reviewed manuscript. The next item discussed was a pilot internship program for undergraduate students that started this past summer. The program combines a summer working at a mosquito control district followed by data analysis under the advisement of a university professor/co-mentor. Summer projects are then presented at the MVCAC Annual Conference. Committee members and participating audience members expressed interest in the program and Chris Barker will work to include support for the granting program in the next funding cycle for the PacVec CoE. Bill Reisen updated the committee on the submission rate of Annual Meeting speakers to the Proceedings. There was a subset of speakers that had nothing other than a title to represent their presentation. The committee discussed whether a simple abstract describing the topic of the presentation was already required or whether one should be required for the talk to be accepted. Most committee members supported this requirement, but there was concern that it may lead to a reduced number of submissions. During the Laboratory Technologies Committee meeting there was discussion as to whether it was feasible and of interest to continue planned work on a multi-agency peer-reviewed manuscript on WALs. There was support and interest for this project, the next step will be to determine the focus of the manuscript, identify interested participants, and draft a study proposal. The Lab Technologies and Research Committees will work together on this project.

Vector and Vector-Borne Disease Committee – Marcia Reid

CDPH staff went over the annual totals for sentinel chicken, dead bird and mosquito pool testing for the state. They also described their work on hantavirus, plague and tick borne disease investigations. It was noted that CDPH will test ticks submitted to them for a variety of tick borne disease pathogens, however they do not test ticks that were submitted after being attached to humans. The committee then discussed updates to the invasive Aedes guidance document they have been working on. The committee plans to finalize the document for the surveillance and control of invasive Aedes as well as coordinate annual updates to the living document where very specific details for each District's approach are described. The committee discussed potential new charges including adding tick surveillance and control topics as well as a charge involving the vector borne disease issues affecting the homeless populations across the state. No decisions have been made on whether these will be added or not. Finally, it was noted that there is one opening on the committee which wasn't filled this year, and there will be an opening for a Sacramento Valley representative for next year. The chairperson requested people turn in their statements of interest to remain, or to be added to the roster of the committee.

LABORATORY

Monthly Report for the November 2021 Board Meeting

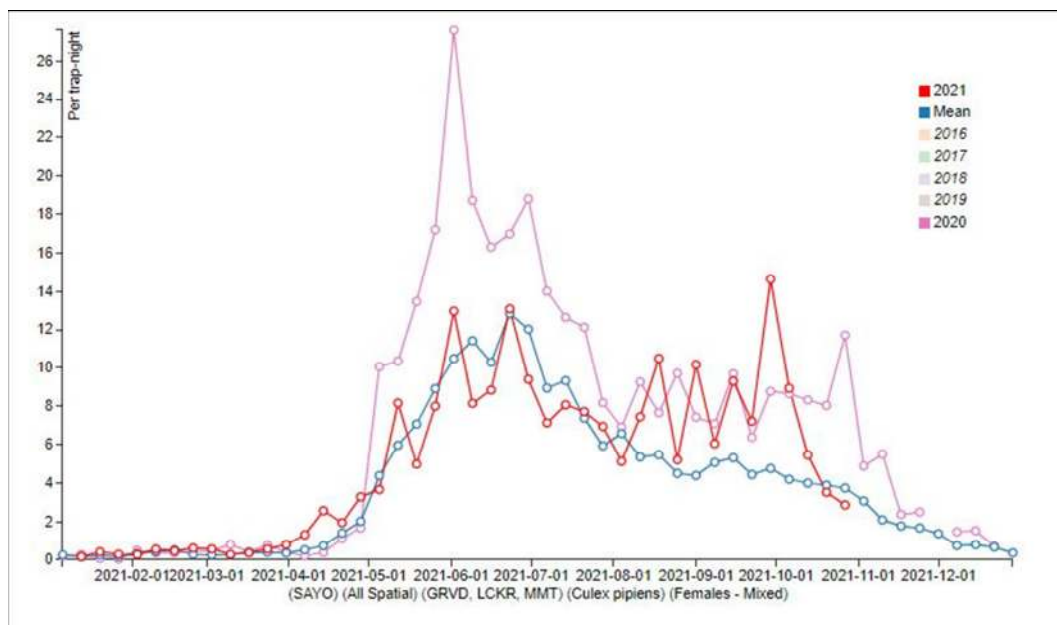
Insectary:

Colonies maintained: *Culex tarsalis* Kern National Wildlife (susceptible)
Culex quinquefasciatus Cq1 (susceptible)
Culex pipiens Woodland (resistant)
Culex tarsalis Vic Fazio (resistant)
Aedes sierrensis wild - Marin - Sonoma County

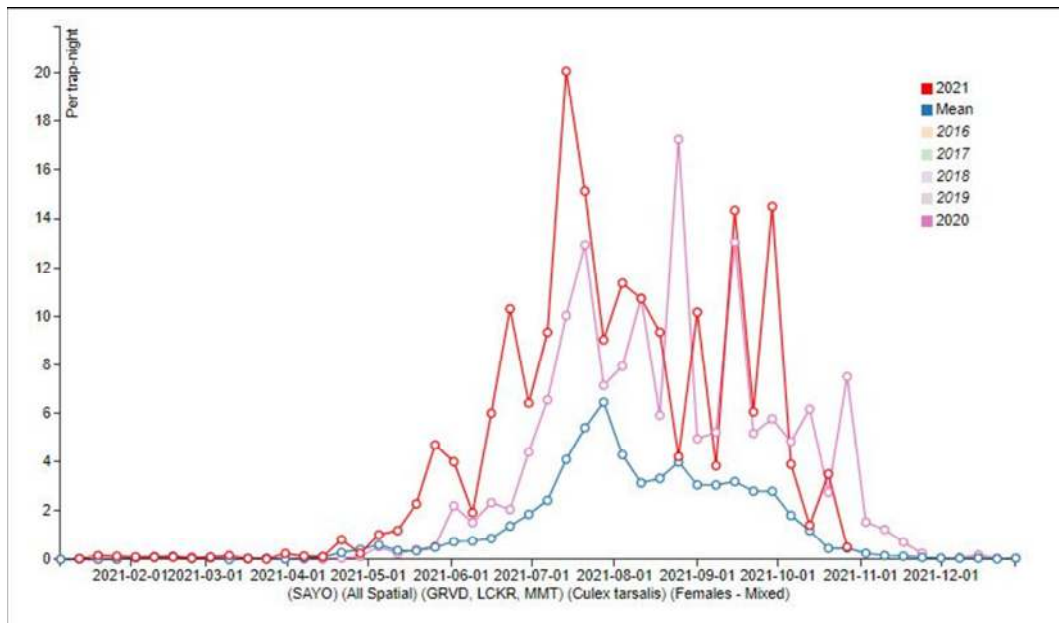
Surveillance:

Weekly collections - The abundance trap graphs below show that our West Nile vector mosquito populations have continued to drop as usual this time of year. An *Anopheles freeborni* graph is included to show how low our rice field Anopheles mosquito population was this year compared to last year.

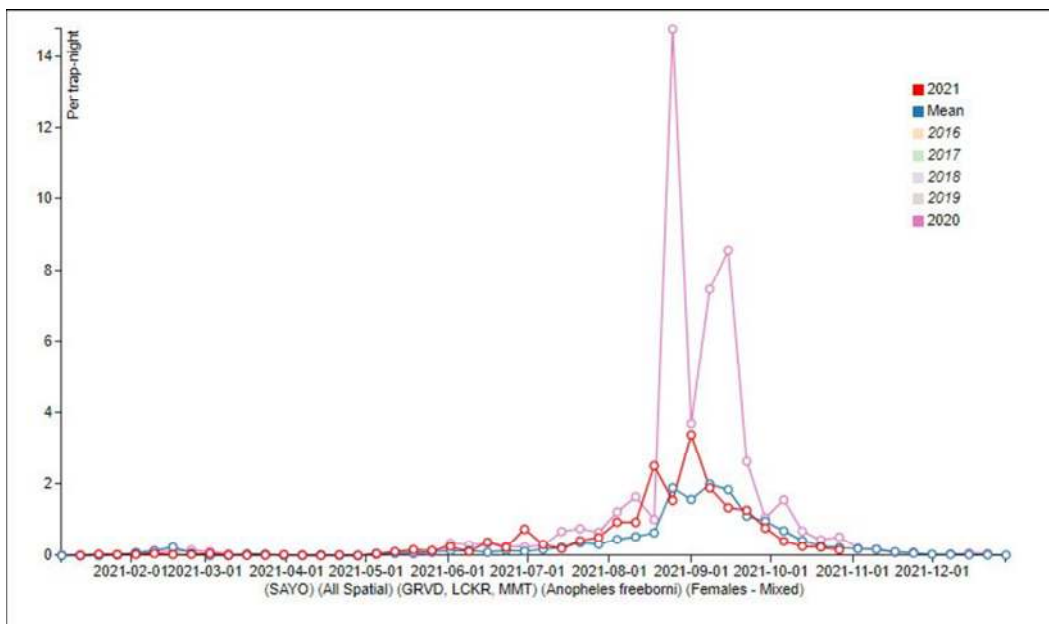
Culex pipiens in weekly abundance traps (LCKR, GT):



Culex tarsalis in weekly abundance traps (LCKR, GT):



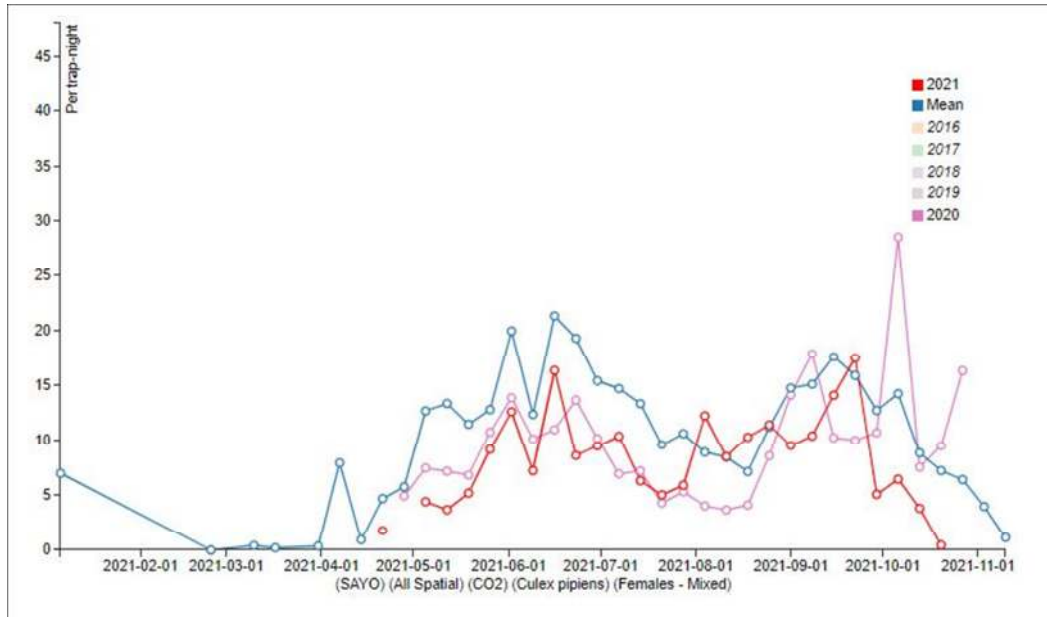
Anopheles freeborni in weekly abundance traps (LCKR, GT):



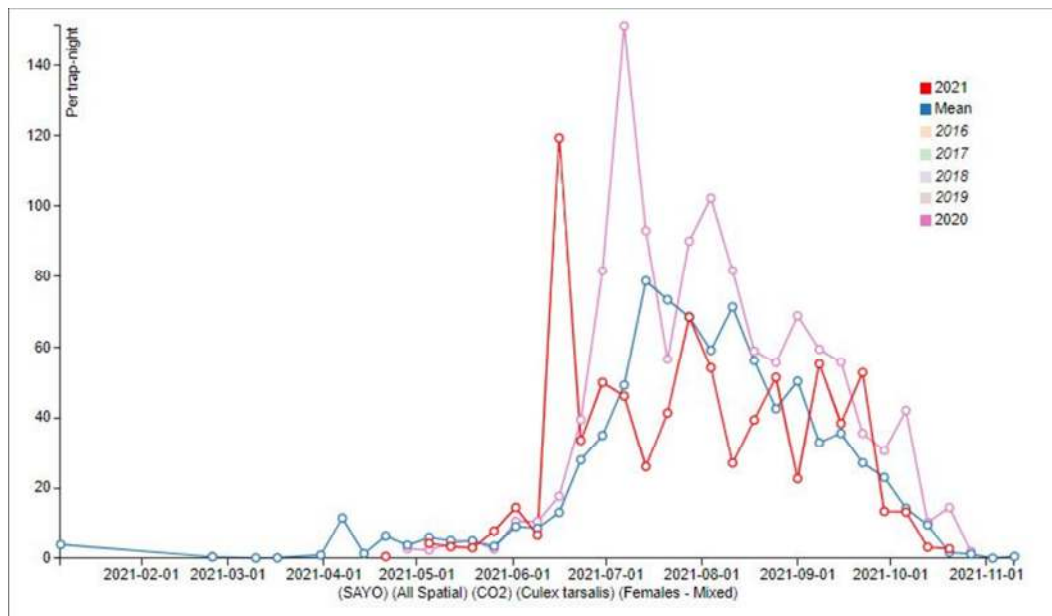
Encephalitis virus surveillance (EVS)

Encephalitis virus surveillance (EVS) – Mosquitoes –

Culex pipiens in CO₂ traps:



Culex tarsalis in CO₂ traps:



We have finished the season having tested 7244 mosquito pools of which 197 were positive for West Nile Virus. The majority of the positive pools were from Sacramento County.

Encephalitis virus surveillance (EVS) – Sentinel Chickens – We have concluded the chicken surveillance program for the season. We ended the season with 5 chickens which had tested positive for West Nile Virus exposure; three from Knight’s Landing, one from Dunnigan and one from Isleton. We will be cleaning and winterizing the coops this month.

Encephalitis virus surveillance (EVS) – Dead Birds –The dead bird surveillance program has also ended for the season. We have picked up and tested 478 dead birds and have detected 110 positive carcasses. The dead bird hotline will reopen in the spring.

Encephalitis virus surveillance (EVS) – Sugar Baits – We have tested 335 sugar bait samples and have found five positive samples. We will be evaluating how to utilize this surveillance tool for next season.

Invasive *Aedes spp.* Surveillance – We now have seven areas of known infestation of *Aedes aegypti* in the District. An area of Rosemont has been added to list of *Ae. aegypti* positive locations. We have worked to delineate the boundaries of all of these areas. The positive areas are in: Rosemont, Winters, Arden, Orangevale, West Elk Grove, East Elk Grove, and South Sacramento. We will be setting up permanent sites to monitor *Ae. aegypti* activity during the winter.

Tick and Lyme disease surveillance – November marks the first tick flagging surveillance of this winter at our 20 sites. The sites are focused along the American River near Folsom in Sacramento County and along Cache and Putah Creeks in Yolo County.

BG Counter Traps – These traps have been removed from the field, they will be cleaned and stored ready for deployment next summer.

Disease Response Surveillance – We have not had any imported human disease cases reported to us since the last Board update. We did have one West Nile Virus case reported in Sacramento in the 95826 zip code area in October. We set EVS CO₂ and gravid traps and tested one pool of four *Culex pipiens* female mosquitoes. They were negative and no further trapping was done.

Collaborations and District Studies –

We have completed our collaborations and studies for the season. Staff will be presenting on numerous topics during the annual mosquito association meetings this winter. We have submitted an abstract for a talk on the new adulticide product from Valent. We have also submitted abstracts for a talk on our work with larvicide bioassay assessments of *Culex pipiens* populations and our work with bottle bioassay assessments using actual product versus analytical standards. Our work with Jane Bonds on deposition, with Clarke Mosquito on using Natular SC in our truck mounted widespread larvicide applications and our sentinel cage work with Dr. Cornel and his staff will all be used in either publications or presentations by the researchers we collaborated with.

California Arbovirus Surveillance Bulletin #27: week 43, Friday Oct. 29, 2021

2020 & 2021 YTD West Nile Virus Comparisons		
	2020	2021
Total # Dead Bird Reports	5,230	4,847
# Positive Counties	38	36
# Human Cases	135	92
# Positive Dead Birds / # Tested	333 / 1,472	209 / 1,610
# Positive Mosquito Pools / # Tested	2,598 / 38,770	2,256 / 37,113
# Seroconversions / # Tested	129 / 5,939	88 / 5,482

YTD WNV Activity by Element and County, 2021					
County	Humans	Horses	Dead Birds	Mosquito Pools	Sentinel Chickens
Alameda			2		
Amador		1			
Butte	13		2	80	27
Colusa					1
Contra Costa	2		4	8	
El Dorado	1				
Fresno	8	2		219	
Glenn	2				
Kern	3			103	
Kings	5	1		34	
Lake				4	4
Los Angeles	13		43	259	3
Madera	3			131	
Merced	5	1	1	10	19
Napa				1	
Nevada			2		
Orange	2		7	49	
Placer	2		5	63	
Riverside	1			108	
Sacramento		2	100	120	1
San Bernardino	1		1	9	
San Diego	2				
San Francisco	1				
San Joaquin	5	3	17	389	
San Luis Obispo	2				
Santa Clara			1	4	
Shasta	3			28	3
Solano	2		2	22	
Sonoma			1	2	
Stanislaus	7	1	2	152	
Sutter			1	18	11
Tehama					5
Tulare	8		7	375	8
Ventura			1		
Yolo	1		10	56	4
Yuba		2		12	2
Totals	92	13	209	2,256	88

ECOLOGICAL MANAGEMENT DEPARTMENT
Monthly Report for the November 2021 Board Meeting

Wetland Program / Fall Flooding

The District ended the Fall Flooding program with the first storm of the season coming through, thus making it too wet to continue field operations. Billing for the landowner's portion of the treatment costs will be sent out shortly. Due to water shortages this year, total flooded acreage by the end of October was greatly diminished from normal years.

Stormwater / Creek Program

Staff checked on the status of various creeks and drainages that were part of season long projects to assess the condition after the last extreme rain storm. Additional winter brush projects have been identified with the changes noted upon inspections. Previously scheduled brush projects have been postponed while waiting for more favorable weather and site conditions.

UAS Program

Staff assisted Control Operations with the coordinating of UAS applications over many agricultural, riparian, seasonally flooded wetlands and habitat areas over the course of the season. A total of 4882 acres were treated by Leading Edge Aerial Technologies, Inc. Of those acres, 1749 were treatments specific to Fall Flooding. Staff shuttled inventory on an as needed basis to keep inventory at the District's Woodland pesticide storage facility for Leading Edge to pick up for each order.



BIOLOGICAL CONTROL

Monthly Report for the November 2021 Board Meeting

In the month of October the Fisheries department continued to stock wetlands with mosquitofish with a potential end date in mid-November. To date fisheries has stocked just over 450 pounds in 30 different seasonal wetlands, ponds and duck clubs. We will continue to seine our open ponds and move remaining fish to our predatory exclusion ponds for overwintering. As the end of our main mosquito season ends, priorities will shift to maintenance. Daily activities such as tank cleaning, water quality monitoring, setting out aerators and pumps were also performed to maintain the high quality of our fish population. The Fisheries department continues with many projects including monitoring dissolved oxygen levels, determining maximum pond holding capacity, crayfish trapping and trying to determine ideal stocking rates in rice fields and wetlands.

Log of Treatment Applied for October

<u>Material</u>	<u>AMT</u>	<u>Area Treated</u>	<u>Rate</u>	<u>Treatments</u>
Mosquitofish	415.1 lbs.	1,906.45Acres	.21 lbs. /ac	97

Log of Treatment Applied for the year 2021

<u>Material</u>	<u>AMT</u>	<u>Area Treated</u>	<u>Rate</u>	<u>Treatments</u>
Mosquitofish	3,060.21 lbs.	13,071.93 Acres	.23lbs./ac	3,109

Fisheries Budget

<u>Total</u>	<u>Spent</u>	<u>Remaining</u>	<u>% Spent</u>
32,000.00	10,683.28	21,316.72	33%

The photos below are the newly installed predatory exclusion fencing. These caged ponds will allow our district to culture more fish. Caged ponds with nets have proven larger fish yields and healthier fish overall.



CONTROL OPERATIONS

Monthly Report for the November 2021 Board Meeting

Aerial Applications

Air treatments for both larval and adult control came to a close in mid-October with lower temperatures helping reduce adult and larval counts. In October, just over 2700 acres were treated by larvicides with another 1100 acres via drone applications. All of these treatments were for duck ponds. There were only two adult treatments in October over the rice growing areas of El Macero and Natomas. There are no further aerial treatments anticipated until next spring.

Trials

Trial work data analysis continues on the numerous trials the District performed this year. Many of the trials that were performed during the summer will be presented during the MVCAC and AMCA annual meetings. Some trials will be required to continue into next season so more information can be gathered through multiple seasons.

Culex and West Nile Virus (WNV) Control

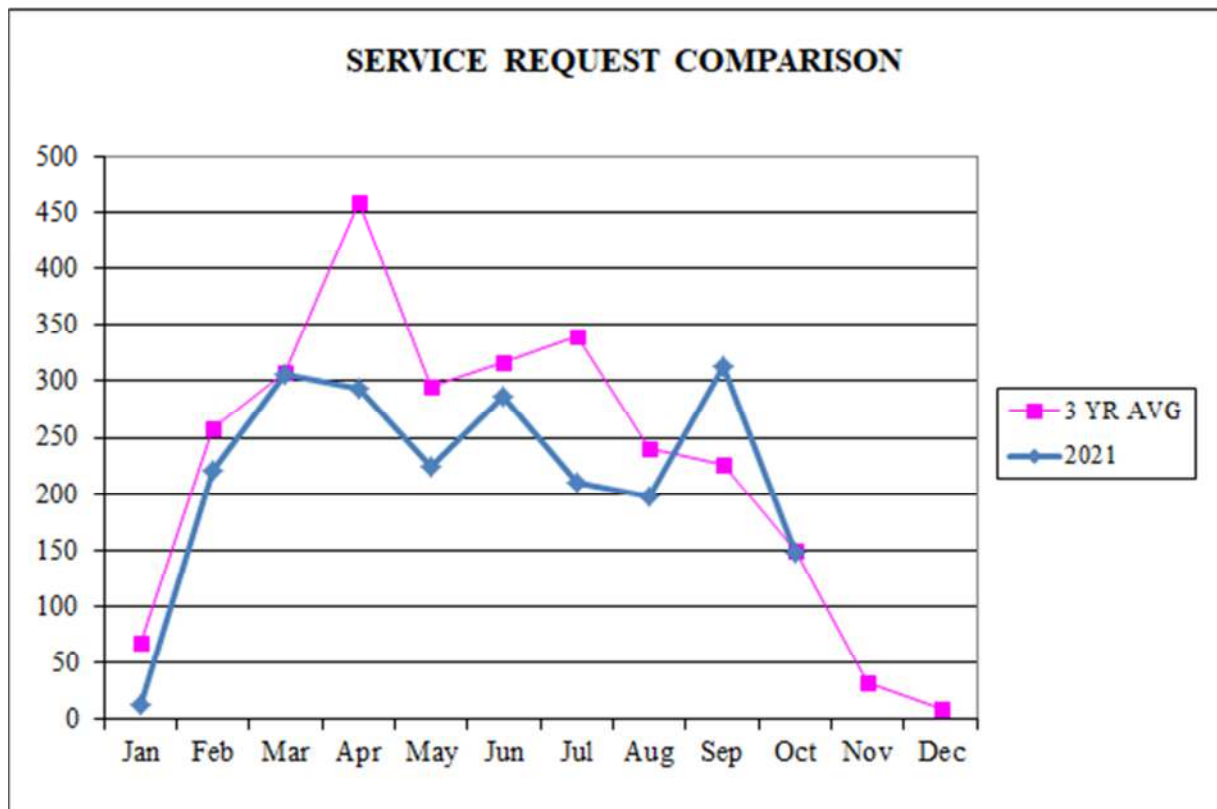
October West Nile virus activity dropped significantly with the District responding to 6 different mosquito sample pools testing positive for WNV and one positive bird. Crews responded with radius inspections and treatments of sources around those positive detections. Field Technicians continued source management through October as breeding is still active, though slower, with cooler temperatures.

Invasive Aedes Control

All known Aedes detection area traps continued to catch invasive mosquitoes into October. New detections in the Rosemont area near Rancho Cordova prompted more trapping, inspections, and resident education about the invasive mosquito. Trapping is expected to continue through mid-November as the weather allows and permanent trap sites in Aedes detection areas are still being sought out.

Technician John Snell explaining possible *Aedes aegypti* breeding sites to a resident





Larvicide Applications thru October 31 st				
Locations/Roles	2021		2020	
	Treatments	Acres	Treatments	Acres
Sacramento County	7,057	14,908	9,116	9,962
Sac County Aerial	33 Orders	18,077	29 Orders	21,994
Sac County Drone Treatments	40 Orders	2,032	16 Orders	643
Yolo County	1,510	8,608	2,144	7,761
Yolo County Aerial	75 Orders	129,743	98 Orders	117,919
Yolo County Drone Treatments	39 Orders	2,849	15 Orders	1,107
CB Treated	204,104	--	166,8424	--
CB Inspected -not treated	171,638	--	152,943	--

Aerial Adulticide Summary thru October 31st				
	<u>2021</u>		<u>2020</u>	
<u>County</u>	<u># Applications</u>	<u>Acres</u>	<u># Applications</u>	<u>Acres</u>
Sacramento Ag	20	139,765	16	114,772
Sacramento Urban	0	0	0	0
Yolo Ag	50	424,118	62	475,124
Yolo Urban	0	0	0	0
Totals		563,883		582,728

Adulticide Summary through September 30th, 2021 **compared to: 2020**

Contract Acres (our portion) =	530,000	530,000
Acres used =	563,883	589,896
Acres remaining =	(-33,883)	(-59,896)
% Acres used =	106%	111%
% Acres remaining =	0%	0%

San Joaquin County MVCD has used 213,982 acres of their 190,000 acre contract commitment.
Placer MVCD has used 69,158 acres of their 100,000 acre commitment.
Turlock MAD has used 96,882 acres of their 180,000 acre commitment.

PUBLIC INFORMATION AND EDUCATION
Monthly Report for the November 2021 Board Meeting

Invasive Mosquitoes:

In late October there were a few new sites with detections of invasive mosquitoes including a larger area than initially expected in the south part of the City of Sacramento and a new area near Rosemont. As a result of these new findings we reached out to local elected officials to inform them about District activities taking place in the area including extensive door-to-door inspections by field crews as well as larviciding and adulticiding treatments being performed. New detections within Sacramento are in addition to permanently established sites in Winters, Arden-Arcade, Orangevale and Elk Grove.

Media Coverage:

Upon new the new detection of invasive mosquitoes in the City of Sacramento, we issued a press release and obtained media interest from ABC 10. We coordinated a field day where camera crews were able to join a Field Technician as he conducted an inspection and backyard treatment. It was great media coverage that explained the ongoing issues posed by new detections of invasive mosquitoes.

As a result of the ongoing detections of invasive mosquitoes within our District area and throughout the entire state, we were contacted by USA Today for an interview. The article also featured an interview with staff from the San Gabriel Mosquito and Vector Control District for an overview of the spread of invasive mosquitoes in Southern California. The article appeared in the digital version of USA Today and other national publications including the New York Times and CBS Sunday Morning.

Social media and Nextdoor

As the detections of invasive mosquitoes continue in new areas, social media messages specific to *Aedes aegypti* continued to be posted on all outlets along with Facebook posts that were boosted and targeted specifically to residents located within the detection areas. We also used Nextdoor to post specific messages regarding the invasive mosquito findings and included photos of backyard sources, District staff knocking on doors and interacting with residents.

Government affairs:

As part of our ongoing detection of invasive mosquitoes we continued to keep local elected officials informed by sending them regular email updates with our findings and response activities. Council member Eric Guerra from the City of Sacramento included an article about invasive mosquitoes in the weekly newsletter sent out to his constituents.

Repellent Distribution

Repellent was given to My Sister's House, a local non-profit organization that held an annual 5K race and other community activities. In addition, wipes were distributed to a local community organization called Break the Gap that provides services to homeless residents in the area.

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Sacramento-Yolo Mosquito and Vector Control District

November 16, 2021 Board Meeting

5. **Closed Session- Provide Instruction to Designated Labor Representatives (Gov. Code s. 54957.6-Labor Negotiations)**
Agency Designated Representatives : [Gary Goodman, Janna McLeod, Samer Elkashef, Chris Voight] **Employee Organization:**
[Operating Engineers Local Union #3]

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Sacramento-Yolo Mosquito and Vector Control District

November 16, 2021 Board Meeting

6. Board Review and Consideration for Approval of Assistant Manager Employment Agreement

Staff Report:

The President created an Ad Hoc Committee consisting of the Manager, Craig Burnett, Sean Denny, and Lyndon Hawkins at the February 16th, 2021 Board meeting to explore the possibility of modifying the Assistant Manager position to a contract. The committee met virtually on Feb 26th to discuss the position and the rationale for the potential move to a contract-based position. The findings of the Ad Hoc Committee were presented to the full Board at the March 2021 meeting and direction was given to the Manager to work on a contract for the Assistant Manager. The contract is attached for your review.

Recommendation:

Approve the Contract with the Assistant Manager

**SACRAMENTO-YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
ASSISTANT MANAGER EMPLOYMENT AGREEMENT**

THIS AGREEMENT is made and entered into effective January 1, 2022, by and between the Sacramento-Yolo Mosquito and Vector Control District, a public agency ("District"), and Samer Elkashef, an individual ("Employee"), who agree as follows:

1. Employment. District hereby appoints and employs Employee as Assistant Manager of the District, and Employee hereby accepts such employment, on and subject to the terms and conditions of this Agreement. Employee acknowledges that he is an at-will, exempt, management employee appointed by, and working at the pleasure of, the District Board of Trustees ("Board").

2. Term.

a. This Agreement becomes effective on the date set forth above and terminates on December 31, 2024, unless sooner terminated as provided by the termination provisions in section 7.

b. If Employee's evaluation in the year immediately preceding the last year of this Agreement is deemed as "progressing acceptably" or better in all areas by a majority of the Board, this Agreement may be extended by the Board for whatever duration is deemed appropriate by the Board. If extended, this extension will be confirmed publicly by the Board at an open and public Board meeting. In the event this Agreement is extended by operation of this provision, this provision will continue to apply to the extended Agreement. Employee shall provide notice to the Board or its designated representative about this provision and the Agreement termination date at least two months before the termination date. Extension of the term of the Agreement pursuant to this subsection will not affect the ongoing applicability of the termination provisions in section 7.

3. Duties. Employee's duties under this Agreement shall be those assigned based on the job description for the Assistant Manager position as adopted and amended from time to time by the Board, and such other duties and responsibilities as assigned by the General Manager or Board. The job description in effect as of the Effective Date of this Agreement is attached as Exhibit A. Employee will serve as a management-level officer of the District and work under the direction and control of the General Manager and in accordance with applicable District policies and procedures.

4. Hours. Employee shall devote his full-time attention and energies to the job duties and be available to work at such times as necessary to fully and competently perform the duties of the position, regardless of the number of hours or time of day involved. Employee acknowledges that the duties of his position may require an average of more than 40 hours per week, and that some day-to-day hours may vary from well above eight hours to below eight hours. Employee shall not be compensated for overtime hours worked or otherwise earn or be entitled to compensatory time off for hours worked in excess of eight per day or 40 per week. Employee shall not engage in any conduct or other employment or business that would unreasonably interfere with his responsibilities and duties to the District or that would reflect unfavorably upon the interests of the District.

5. Compensation. For all services to be rendered by Employee under this Agreement, District shall provide to Employee the following salary and benefits:

a. Salary. Salary in the amount of \$140,000 per year. The Board, at any time during the term of this Agreement, may adjust Assistant Manager's salary.

b. Other Benefits. All other employee benefits (including vacation and sick leave; retirement {00259050.1})

system membership and employer contributions; employee and dependent coverage on health, dental and other group insurance programs) will be as provided in the District Personnel Manual and as otherwise provided to other regular full-time District employees, except that Employee shall not be entitled to accrue any benefits related to overtime or compensatory time off.

6. Other Terms and Conditions of Employment. Except as expressly set forth in this Agreement, all terms and conditions of Employee's employment will be governed by the District Personnel Manual (as the same may be amended by the District from time to time), and the Parties will comply with all applicable provisions of the Personnel Manual. If any term or condition of this Agreement is inconsistent or in conflict with a term or condition of the Personnel Manual, the Agreement will govern. If any term or condition of this Agreement is inconsistent or in conflict with a federal or state law, the law will govern.

7. Termination. This Agreement may be terminated in any one of the following ways:

- a. By mutual agreement of the parties, expressed in writing.
- b. By Employee, upon giving to the District not less than 30 days' prior written notice of his election to terminate.
- c. By District, for cause, upon giving to Employee written notice of immediate termination. The written notice of termination shall specify (1) the particular cause or causes and the facts and circumstances justifying the termination of the Agreement for cause, and (2) the opportunity for the Employee to meet with the Board on the reasons for his termination. If Employee requests a meeting, the meeting shall be held at the Board's earliest convenience in a closed session, unless the Employee requests an open session. After the meeting, the Board may affirm, modify, or reverse its decision to terminate for cause. For purposes of this Agreement, the following will justify termination for cause: willful breach of duty; habitual neglect of duty; gross insubordination; conviction of a crime involving moral turpitude; conduct that makes it impossible or impracticable to perform the duties under this Agreement, or that seriously impedes District operations; conduct that tends to bring discredit to District, or conduct unbecoming an employee in public service; mishandling of District funds; any intentional misrepresentation or fraud in connection with the performance of his duties; theft of District property; violation of law; or violation of the District Personnel Manual.
- d. By District, without cause, upon giving to Employee written notice of immediate termination and payment of severance pay in an amount equal to the lesser of (1) Employee's then-monthly salary multiplied by the number of months left on the unexpired term of the Agreement, or 6 months if the number of months left is 6 months or less, or (2) Employee's then-monthly salary multiplied by 12 months.

8. Performance Evaluation and Goals.

a. The General Manager will evaluate the performance of Employee in writing on an annual basis. The evaluation will be related to the duties and responsibilities of Employee as determined by the General Manager. The evaluation format and procedures and Employee goals will be determined by the General Manager and may include Employee's self-evaluation.

- b. The evaluation format will be reasonably objective and contain at least the following:
 - i. Relationship with the General Manager;
 - ii. Staff and personnel relationships;

- iii. Personal qualities and development; and
- iv. Overall leadership

c. The General Manager will strive to evaluate Employee in writing not later than April 30th of each year during the term of this Agreement and a meeting will be held between Employee and General Manager to discuss Employee's evaluation on or before that date. Employee will provide notice to the General Manager of this requirement no later than December 15th of the prior year. A copy of the written evaluation will be delivered to Employee and Employee may make a written response to the evaluation. If the General Manager determines that Employee's performance is unsatisfactory in any respect, the written report will describe such unsatisfactory performance in reasonable detail. The evaluation may include recommendations for improvement. The evaluation format will provide for the following rating system such that the General Manager may indicate the Employee's performance is: Very Good, Good, Improvement Needed, or Unsatisfactory.

d. Not later than November 30th of each year of this Agreement, the Employee and General Manager will establish District goals and objectives for the subsequent year. The goals and objectives will be among the criteria by which the General Manager evaluates the Employee.

e. The deadlines in this section are directory only, and not mandatory. If a Party fails to meet a deadline, such failure will not be deemed a breach of this Agreement.

9. Entire Agreement. This writing constitutes the sole, entire, integrated and exclusive contract between the Parties respecting Employee's employment by District, and any other contracts, contract terms, understandings, promises or representations not expressly set forth or referenced in this writing are null and void and of no force and effect.

10. Notices. Any notice to be given to Employee shall be sufficiently served if: (a) given to him personally, (b) deposited in the United States Mail, with sufficient postage, or with a recognized overnight delivery courier service, such as Federal Express or UPS, addressed to him at his most recent residence address as shown on the District payroll records. Any notice to be given to District shall be addressed to the Board and hand-delivered, mailed, or delivered via a recognized overnight delivery courier service to the District Secretary at the District offices.

11. Successors and Assigns. This Agreement is personal to Employee. He may not transfer or assign the Agreement or any part of it. Subject to this restriction on transfer and assignment, this Agreement shall bind, and inure to the benefit of, the successors, assigns, heirs and legal representatives of the parties.

12. Amendments. This Agreement may be amended only by a subsequent writing approved and signed by both Parties. Any amendment by District must be approved by the Board at a public meeting. Individual Board members do not have the authority, express or implied, to amend, modify, waive or in any way alter this Agreement or the terms and conditions of Employee's employment.

13. Waiver. The waiver at any time by either Party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

14. Severability. If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, so long as the rights and obligations of the parties are not materially and adversely affected.

15. Construction and Interpretation. The Parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each Party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

Craig Burnett, Board President

Date

Marcia Mooney, Board Secretary

Date

Samer Elkashef, Employee

Date

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