



BETTY T. YEE
California State Controller

October 23, 2015

Mark Cowin, Director
Department of Water Resources
1416 Ninth Street, Room 1115-1
Sacramento, CA 95814

Dear Mr. Cowin:

The State Controller's Office reviewed claims submitted by City of Santa Cruz under the Flood Control Subventions Program. Our review objective was to determine whether the costs claimed as presented in the attached Summary of Project Costs are allowable and in compliance with the California Department of Water Resources' Guidelines for State Reimbursement on Flood Control Projects. Our review was limited to validating employee salary costs.

The city claimed costs of \$19,788 for the San Lorenzo River project for the period of July 1, 2012, through December 31, 2013. Our review disclosed that the entire amount is allowable.

If you have any questions, please contact Mike Spalj, Chief, Local Government Audits Bureau, at (916) 324-6894.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/lis

Attachment:

Attachment 1—Summary of Project Costs

cc: Patrick Luzuriaga, Chief
Flood Control Subventions Program
Division of Flood Management
Department of Water Resources
Martin Bernal, City Manager
City of Santa Cruz
Joe Hall, Project Manager
Economic Development and Redevelopment Department
City of Santa Cruz

RE: S15-FLC-9001

**Attachment 1—
Summary of Project Costs
July 1, 2012, through December 31, 2013**

| <u>Project/ Claim Number</u> | <u>District Claim Number</u> | <u>Costs Claimed</u> | <u>Allowable Per Audit</u> | <u>Review Adjustments</u> | <u>State Share of Eligibility Percentage¹</u> | <u>State Share of Allowable Costs¹</u> |
|--|----------------------------------|--------------------------|--------------------------------|-------------------------------|--|---|
| San Lorenzo River Flood Control Project SLOR 2014-01 | 27 | \$ 19,788 | \$ 19,788 | \$ — | 70% | \$ 13,852 |
| Totals | | \$ 19,788 | \$ 19,788 | \$ — | | \$ 13,852 |

¹ The state share of allowable project costs represents the percentage of state funding, as stipulated in the California Water Code, for each project cost category.