



May 9, 2011

The Honorable Christine Kehoe
California State Senate
State Capitol, Room 5050
Sacramento, CA 95814

Re: SB 186
Position: Oppose

Dear Senator Kehoe:

The Kings River Water Association (KRWA) and the Kings River Conservation District (KRC D) are in opposition of SB 186, an act to amend Section 12464 of the Government Code, relating to the Controller.

KRWA and KRC D are regional agencies that oversee the operation of the Kings River in the San Joaquin Valley of California. KRWA is an association comprised of the 28 public and private agencies with rights or entitlements to water from the Kings River. The organization manages those water entitlements and deliveries, and is engaged in various environmental enhancement and water quality-related projects. KRC D is a public agency responsible for flood control, power, on-farm water management, environmental programs and groundwater management.

We are opposed to SB 186 because this bill would grant the State Controller broad discretion to audit local agencies with only a "reason to believe, supported by documentation," the local agency is not complying with state financial laws, grant agreements, or local ordinances. In addition, SB 186 proposes that the Controller can force the affected local agencies to pay for these audits. This gives no incentive to make the administration of these audits efficient and reasonable.

Please contact us or our government relations representatives Jackson R. Gualco or Kendra Daijogo at 916/441-1392 if you have any questions or comments regarding this correspondence.

Sincerely,

David Orth, General Manager
Kings River Conservation District

Steve Haugen, Watermaster
Kings River Water Association

DO/SH/ct
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cc: The Honorable Chair and Members of the Senate Committee on Appropriations
Mr. Mark McKenzie
Mr. Joe Shinstock
The Gualco Group, Inc.