



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

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DIRECTORS

GAIL MORTON
President

JAN SHRINER
Vice President

HERBERT CORTEZ
BRAD IMAMURA
THOMAS P. MOORE

Agenda

**Regular Board Meeting, Board of Directors
Marina Coast Water District**

and

**Regular Board Meeting, Board of Directors
Marina Coast Water District Groundwater Sustainability Agency
Hybrid Meeting**

**920 2nd Avenue, Suite A, Marina, California
and
Zoom Teleconference**

Monday, March 18, 2024, 6:00 p.m. PST

Staff and Board members will be attending the March 18, 2024 meeting in person. Members of the public may attend the Board meeting in person or can continue to attend remotely via Zoom conference.

Persons who are participating via telephone will need to press *9 to be acknowledged for comments. Members of the public participating by Zoom will be placed on mute during the proceedings and will be acknowledged only when public comment is allowed, after requesting and receiving recognition from the Board President. Public comment on the action item can also be submitted in writing to Paula Riso at priso@mcwd.org by 9:00 am on Monday, March 18, 2024; such comments will be distributed to the MCWD Board before the meeting.

This meeting may be accessed remotely using the following Zoom link:

<https://us02web.zoom.us/j/85821937603?pwd=QXUxWWdOYitkYS9oSnlwZVJITHNpdz09>

Passcode: 720081

To participate via phone: 1-669-900-9128; Meeting ID: 858 2193 7603 Passcode: 720081

Our Mission: We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.

- 1. Call to Order**
- 2. Roll Call**
- 3. Pledge of Allegiance**

This agenda is subject to revision and may be amended prior to the scheduled meeting. Pursuant to Government Code section 54954.2(a)(1), the agenda for each meeting of the Board shall be posted at the District offices at 11 Reservation Road, and 920 2nd Avenue, Suite A, Marina. A complete Board packet containing all enclosures and staff materials will be available for public review on the District website, Thursday, March 14, 2024. Information about items on this agenda or persons requesting disability related modifications and/or accommodations should contact the Board Clerk 48 hours prior to the meeting at: 831-883-5931.

4. **Presentation**

- A. [Adopt Resolution No. 2024-12 to Recognize Garrett Beck, System Operator II, for 5 Years of Service to the Marina Coast Water District](#)
(Page 1)

5. **Public Comment on Closed Session Items** *Anyone wishing to address the Board on matters appearing on Closed Session may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board. Disruptive behavior may result in removal of the individual responsible.*

6. **Closed Session**

- A. Pursuant to Government Code 54957.6
Conference with Labor Negotiators
Agency Negotiators (General Manager)
Employee Organization: Marina Coast Water District Employees Association
- B. Pursuant to Government Code 54957.6
Conference with Labor Negotiators
Agency Negotiators (General Manager)
Employee Organization: Teamster Local Union No. 856

Reconvene to Open Session Estimated to be at 7:00 p.m.

7. **Reportable Actions Taken During Closed Session** *The Board will announce any reportable action taken during closed session and the vote or abstention on that action of every director present and may take additional action in open session as appropriate. Any closed session items not completed may be continued to after the end of all open session items.*

8. **Oral Communications** *Anyone wishing to address the Board on matters not appearing on the Agenda may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board. Disruptive behavior may result in removal of the individual responsible.*

9. **Consent Calendar**

- A. [Receive and File the Check Register for the Month of February 2024](#)
(Page 6)
- B. [Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of February 20, 2024](#)
(Page 13)
- C. [Approve the Draft Minutes of the Special Joint Board/GSA Meeting of February 22, 2024](#)
(Page 20)
- D. [Approve the Draft Minutes of the Special Joint Board/GSA Meeting of March 12, 2024](#)
(Page 23)

10. Action Items *The Board will review and discuss agenda items and take action or direct staff to return to the Board for action at a following meeting. The public may address the Board on these Items as each item is reviewed by the Board. Please limit your comment to four minutes.*

- A. [Adopt Resolution No. 2024-13 to Approve a Contract with an Independent Auditor for FY 2023/2024 through FY 2025/2026](#)
(Page 26)
- B. [Consider Adoption of Resolution No. 2024-14 to Place a Director in Nomination to the Coastal Network, Seat A, of the California Special Districts Association Board](#)
(Page 156)
- C. [Provide Direction to the Board President Regarding Voting for Election of One Special District Regular Member to the Local Agency Formation Commission](#)
(Page 167)

11. Informational Items *Informational items are normally provided in the form of a written report or verbal update and may not require Board action. The public may address the Board on Informational Items as they are considered by the Board. Please limit your comments to four minutes.*

- A. General Manager's Report
- B. Committee and Board Liaison Reports
 - 1. M1W Board Member Liaison

12. Board Member Requests for Future Agenda Items

13. Director's Comments *Director reports on meetings with other agencies, organizations and individuals on behalf of the District and on official District matters.*

14. Adjournment *Set or Announce Next Meeting(s), date(s), and time(s):*

Regular Meeting: Monday, April 22, 2024, 6:00 p.m.

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 4-A

Meeting Date: March 18, 2024

Prepared By: Derek Cray

Approved By: Remleh Scherzinger, PE

Agenda Title: Adoption of Resolution No. 2024-12 in Recognition of Garrett Beck, System Operator II, for five years of Service to the Marina Coast Water District

Staff Recommendation: Staff recommends the Board of Directors adopt Resolution No. 2024-12 in recognition of Garrett Beck for five years of service with the Marina Coast Water District.

Background: *Strategic Plan, Strategic Element 5.0 – Our objective is to recruit and retain a highly qualified, diverse and inspired workforce that delivers the essential services of our mission statement to the public while providing outstanding customer service. Our strategy is to utilize sound policies and personnel practices, offer competitive compensation and benefits, and provide opportunities for training, development, and professional growth while ensuring a safe and secure workplace.*

Garrett Beck started with the Marina Coast Water District (District) as a full-time System Operator I on March 3, 2019. On August 1, 2022, Garrett was promoted to a System Operator II.

Discussion/Analysis: During Garrett’s tenure with the District, he has been an instrumental team member of the Operations and Maintenance department. Garrett’s positive attitude, willingness, and enthusiasm to take on challenging projects have driven his participation in many complex Capital Improvement Projects performed in-house by the department. Garrett has worked on most in-house wastewater lift station rehabilitation and rehabs, including Neeson, Booker, Hatten, and Hodges Lift Stations. Garrett has also spent significant time with the District’s Electrical/Mechanical Technician, assisting in troubleshooting and installing motor control center components. Through his hard work and dedication, Garrett was promoted to his current position as a System Operator II and performs special duties, including ongoing calibration and maintenance of the District’s critical water quality analyzers and system monitoring processes.

Currently, Garrett holds the following professional certifications:

- State Water Resources Control Board (SWRCB) Water Distribution Operator Grade III
- SWRCB Water Treatment Operator Grade II
- California Water Environmental Association (CWEA) Collection System Maintenance Grade II
- AWWA Backflow Assembly Testers

Garrett’s positive attitude and willingness to help resonate well with his coworkers, and he is always a pleasure to be around. Garrett’s ongoing commitment and critical thinking skills are a great asset to the organization, and it is with great pleasure that we recognize and congratulate Garrett Beck on five years of dedication to the District. We look forward to many more years together.

Environmental Review Compliance: None required.

Climate Adaptation: Not applicable.

Financial Impact: Yes No Funding Source/Recap: Expenditures for a gift card and plaque are allocated across four cost centers: 01-Marina Water, 02-Marina Sewer, 03-Fort Ord Water, and 04-Fort Ord Sewer, in account number 01-035-009.

Other Considerations: None.

Material Included for Information/Consideration: Resolution No. 2024-12.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

March 18, 2024

Resolution No. 2024-12
Resolution of the Board of Directors
Marina Coast Water District
Recognizing Garrett Beck, System Operator II,
For Five Years of Service to the Marina Coast Water District

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on March 18, 2024, at 920 Second Avenue, Suite A, Marina, California.

WHEREAS, Garrett Beck joined the District as a System Operator I on March 3, 2019; and,

WHEREAS, on August 1, 2022, Garrett was promoted to a System Operator II; and,

WHEREAS, Garrett has been an instrumental part of the Operations and Maintenance team and has worked on many critical in-house Capital Improvement Projects; and,

WHEREAS, on top of Garrett’s regular operator duties, he performs special duties, which include calibration and maintenance of the District’s water quality analyzers; and,

WHEREAS, Garrett has actively sought out State certifications and currently holds a California Environmental Water Association (CWEA) Collections System Maintenance grade II, State Water Resources Control Board (SWRCB) Water Distribution Operator grade III, SWRCB Water Treatment Plant Operator grade II, and an American Water Works Association, Backflow Tester; and,

WHEREAS, Garrett shows up every day with a positive attitude and is always willing to help out wherever he is needed; and,

WHEREAS, Garrett’s ongoing commitment and critical thinking skills are a great asset to the District, and he has been a crucial team member in the Operations and Maintenance department.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby recognize and appreciate Garrett Beck for five years of service to the Marina Coast Water District, hereby presenting him with a gift certificate and plaque and wishes him continued success and many more years with the District.

PASSED AND ADOPTED on March 18, 2024, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Gail Morton, President

ATTEST:

Remleh Scherzinger, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2024-12 adopted March 18, 2024.

Remleh Scherzinger, Secretary

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 9

Meeting Date: March 18, 2024

Prepared By: Paula Riso

Approved By: Remleh Scherzinger, PE

Agenda Title: Consent Calendar

Staff Recommendation: Approve the Consent Calendar as presented.

Background: *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

Consent calendar consisting of:

- A) Receive and File the Check Register for the Month of February 2024
- B) Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of February 20, 2024
- C) Approve the Draft Minutes of the Special Joint Board/GSA Meeting of February 22, 2024
- D) Approve the Draft Minutes of the Special Joint Board/GSA Meeting of March 12, 2024

Discussion/Analysis: See individual transmittals.

Environmental Review Compliance: None required.

Legal Counsel Review: See individual transmittals.

Climate Action: Not applicable.

Other Considerations: The Board of Directors can approve these items together or they can pull them separately for discussion.

Material Included for Information/Consideration: Check Register for February 2024; draft minutes of February 20, 2024; draft minutes of February 22, 2024, and draft minutes of March 12, 2024.

Action Required: Resolution Motion Review
(Roll call vote is required.)

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 9-A

Meeting Date: March 18, 2024

Prepared By: Mary Lagasca, CPA

Approved By: Remleh Scherzinger, PE

Agenda Title: Receive and File the Check Register for the Month of February 2024

Staff Recommendation: Receive and file the February 2024 expenditures totaling \$2,035,195.71.

Background: *Strategic Plan, Objective No. 3 – Our objective is to manage public funds to assure financial stability, prudent rate management and demonstrate responsible stewardship. Our fiscal strategy is to forecast, control and optimize income and expenditures in an open and transparent manner. We will efficiently use our financial resources to assure availability to fund current and future demands.*

Discussion/Analysis: These expenditures were paid in February 2024 and the Board is requested to receive and file the check register.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

Financial Impact: ____ Yes X No **Funding Source/Recap:** Expenditures are allocated across the six cost centers; 01-Marina Water, 02-Marina Sewer, 03- Ord Water, 04- Ord Sewer, 05-Recycled Water, 06-Regional Water.

Other Consideration: None.

Material Included for Information/Consideration: February 2024 Summary Check Register.

Action Required: ____ Resolution X Motion ____ Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

FEBRUARY 2024 SUMMARY CHECK REGISTER

DATE	CHECK #	CHECK DESCRIPTION	AMOUNT
02/06/2024	ACH	Friedman & Springwater LLP	72,050.00
02/06/2024	74890 - 74926	Check Register	655,217.07
02/14/2024	74927 - 74958	Check Register	113,782.83
02/22/2024	74959 - 75014	Check Register	559,313.68
02/02/2024	ACH	Payroll Direct Deposit	137,283.91
02/02/2024	ACH	CalPERS	34,729.15
02/02/2024	ACH	Empower Retirement	22,162.66
02/02/2024	ACH	Internal Revenue Service	55,964.30
02/02/2024	ACH	State of California - EDD	12,568.59
02/02/2024	ACH	WageWorks, Inc.	1,299.16
02/02/2024	501626 - 501627	Board Compensation Checks and Direct Deposit	831.14
02/02/2024	ACH	Internal Revenue Service	137.72
02/02/2024	501628	Check Register	599.00
02/06/2024	501629 - 501640	Check Register	7,717.82
02/16/2024	ACH	Payroll Direct Deposit	133,684.91
02/16/2024	ACH	CalPERS	34,765.39
02/16/2024	ACH	Empower Retirement	19,525.20
02/16/2024	ACH	Internal Revenue Service	54,033.10
02/16/2024	ACH	State of California - EDD	11,884.96
02/16/2024	ACH	WageWorks, Inc.	1,299.16
02/22/2024	501641 - 501648	Check Register	105,700.05
02/23/2024	501649 - 501650	Board Compensation Checks and Direct Deposit	554.09
02/23/2024	ACH	Internal Revenue Service	91.82
TOTAL DISBURSEMENTS			<u>2,035,195.71</u>

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
ACH	01/05/2024	02/06/2024	Friedman & Springwater LLP	Legal Services 12/2023	72,050.00
74890	01/10/2024	02/06/2024	Quinn Company	Oil Analysis - Gigling LS; Automatic Transfer Switch Repair - Airport LS	2,546.20
74891	01/10/2024	02/06/2024	Monterey Peninsula Unified School District	Water Conservation Education 12/2023	2,362.13
74892	01/10/2024	02/06/2024	PG&E	Electric Service 12/2023	2,169.16
74893	01/04/2024	02/06/2024	Grainger	General Operations/ Maintenance Supplies	764.81
74894	11/09/2023	02/06/2024	Monterey Peninsula Engineering	Ord Village/ Gigling LS - Construction Pmt #24 (Retention)	194,494.29
74895	12/31/2023	02/06/2024	Peninsula Welding & Medical Supply, Inc.	(3) Gas Cylinder Tank Rental Fees; Nitrogen UHP Gas Tank - Annual Lease	137.70
74896	01/17/2024	02/06/2024	Monterey Bay Analytical Services	Laboratory Testing	790.00
74897	01/12/2024	02/06/2024	Monterey One Water	Ground Water Replenishment - Billing for Usage 12/2023	15,812.34
74898	12/29/2023	02/06/2024	Maggiora Bros Drilling	Video/ Oil Bailing - Well 12	7,400.00
74899	01/16/2024	02/06/2024	HD Supply, Inc.	General Operations/ Maintenance Supplies	467.07
74900	01/05/2024	02/06/2024	University of Southern CA	2024 Water Purveyor Membership - Cross Connection Control	250.00
74901	01/29/2024	02/06/2024	CSMFO	2024 Membership Renewal	135.00
74902	12/20/2023	02/06/2024	SWRCB	Community Water System Drinking Water Program Fees 07/2023 - 06/2024	49,231.36
74903	01/19/2024	02/06/2024	Fastenal Industrial & Construction Supplies	General Operations/ Maintenance Supplies	27.45
74904	01/25/2024	02/06/2024	Geiger	(500) Final Billing Statement Paper	256.07
74905	01/22/2024	02/06/2024	Val's Plumbing & Heating, Inc.	Smoke Detector Inspection; Boiler Fuse, Capacitor Replacement - IOP Office	1,535.91
74906	01/01/2024	02/06/2024	Imjin Office Park Owners Association	2024 Association Fees - IOP/ BLM Offices	47,510.00
74907	01/16/2024	02/06/2024	Calcon Systems, Inc.	Control Integration, Variable Frequency Drive Installation - Well 11; Control Troubleshooting - Imjin/ Airport LS; SCADA Programming; SCADA Upgrade - Phase 1 10/2023	65,015.63
74908	01/12/2024	02/06/2024	Monterey County Water Resources Agency	Technical/ Professional Assistance - GSP Development 12/2023	914.50
74909	12/19/2023	02/06/2024	Green Rubber-Kennedy AG, LP	General Operations/ Maintenance Supplies	7.22
74910	01/12/2024	02/06/2024	Richards, Watson & Gershon	Legal Services 12/2023	43,460.94
74911	01/26/2024	02/06/2024	U.S. Bank National Association	IOP Office Copier Lease 01/20 - 02/19	287.34
74912	01/11/2024	02/06/2024	Remy Moose Manley, LLP	Legal Services 12/2023	82,811.00
74913	01/22/2024	02/06/2024	ICONIX Waterworks (US), Inc.	General Operations/ Maintenance Supplies	107.16
74914	01/11/2024	02/06/2024	Griffith, Masuda & Hobbs	Legal Services 12/2023	13,645.88
74915	01/22/2024	02/06/2024	Access Monterey Peninsula, Inc.	Filming and Production 12/2023 - 01/2024	920.00
74916	01/05/2024	02/06/2024	Everbank, N.A.	Ord Office Copier Lease 01/2024	251.28
74917	12/18/2023	02/06/2024	Verizon Connect NWF, Inc.	On-Board Diagnostic Unit - Fleet	35.00
74918	12/14/2023	02/06/2024	Psomas	Construction Management/ Inspection - Ord Village LS	353.33
74919	01/19/2024	02/06/2024	Ferguson Enterprises, Inc.	Brass Waterworks Supplies	3,396.69
74920	01/10/2024	02/06/2024	Zanjero, Inc.	CIP Tool/ Programming Services Support; Preliminary Design/ Permitting - RDP Comprehensive Improvements, Reservation Rd Desal Plant; Water Supply Investigations 12/2023	27,225.21
74921	02/01/2024	02/06/2024	The Ferguson Group, LLC	Grant Writing and Legislative Advocacy 02/2024	1,700.00

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
74922	01/15/2024	02/06/2024	HPS West, Inc.	(200) 1" Meters with Allegro Register	88,093.56
74923	01/16/2024	02/06/2024	Conservation Rebate Program	152 Dolphin Cir - Landscape Rebate	855.00
74924	01/16/2024	02/06/2024	Conservation Rebate Program	3003 Bluffs Dr - Washer Rebate	150.00
74925	07/20/2023	02/06/2024	Customer Service Refund	Refund Check - 18447 McClellan Cir (Re-Issue)	40.00
74926	12/20/2023	02/06/2024	Customer Service Refund	Refund Check - 3201 Crescent Ave (Re-Issue)	57.84
74927	01/31/2024	02/14/2024	Ace Hardware of Watsonville, Inc.	General Operations/ Maintenance, Meter Reader Supplies	456.36
74928	01/15/2024	02/14/2024	Quinn Company	Annual Load Bank Testing, Oil Analysis - (10) Generators	13,595.00
74929	06/30/2023	02/14/2024	Denise Duffy & Associates, Inc.	Parcel Surveying - B2 Zone Tank 04/2023 - 06/2023	2,463.05
74930	12/28/2023	02/14/2024	Home Depot Credit Services	General Operations/ Maintenance, Meter Reader Supplies	1,034.53
74931	01/17/2024	02/14/2024	Grainger	General Operations/ Maintenance Supplies	2,196.57
74932	01/31/2024	02/14/2024	Monterey One Water	Sewer Treatment Charge 01/2024 - 02/2024	388.50
74933	01/18/2024	02/14/2024	Verizon Wireless	Cell Phone Service 01/2024	953.72
74934	01/17/2024	02/14/2024	Harris & Associates	Developers (Dunes 2 East, Terracina/ University Villages 1 (Imjin), Dunes 2 North)	6,076.00
74935	01/17/2024	02/14/2024	Johnson Controls Security Solutions LLC	Smoke Detector Inspection - IOP Office	985.98
74936	01/23/2024	02/14/2024	Core & Main LP	General Operations/ Maintenance Supplies	1,294.88
74937	01/31/2024	02/14/2024	American Supply Company	Janitorial Supplies	834.84
74938	01/28/2024	02/14/2024	O'Reilly Automotive Stores, Inc.	Auto/ General Supplies	56.94
74939	02/05/2024	02/14/2024	McGrath Rent Corp.	Locker Room Trailer Rental - Ord Office 02/2024	7,286.98
74940	12/14/2023	02/14/2024	Calcon Systems, Inc.	Software Subscription 11/2023 - 10/2026; Alarm Troubleshooting; Security Assessment; Flow Meter Calibration/ Verification - (12) Sites	9,104.14
74941	01/31/2024	02/14/2024	Pacific Ag Rentals LLC	Mobile Restroom Rental - Beach Office 01/2024	94.31
74942	01/08/2024	02/14/2024	U.S. Bank Corporate Payment Systems	(10) Monitors, Computer Supplies - O&M, IT Administrator, Customer Service, DAS; ACFR Application Fee; GFOA Membership Renewal; CWEA Membership Renewal; Workzone Traffic Control/ Flagger, Excavation Training - (8) O&M; Freeze Kit Repair Shipping; Monthly Software Services; General Supplies	7,053.00
74943	01/25/2024	02/14/2024	Monterey Bay Technologies, Inc.	IT Support Services 01/2024	3,600.00
74944	01/31/2024	02/14/2024	Peninsula Messenger LLC	Courier Service 02/2024	275.00
74945	02/05/2024	02/14/2024	Everbank, N.A.	Ord Office Copier Lease 02/2024	251.28
74946	01/22/2024	02/14/2024	AT&T	Phone and Alarm Line Services 01/2024	147.21
74947	01/31/2024	02/14/2024	Marina Coast Water District (BLM)	BLM Water, Sewer, Fire Service 01/2024	400.95
74948	01/30/2024	02/14/2024	Johnson Electronics	BLM Fire Alarm Monitoring 01/2024 - 03/2024	84.00
74949	01/25/2024	02/14/2024	Ferguson Enterprises, Inc.	Brass Waterworks Supplies; Fittings - Bermad Valve Replacement Project	24,143.72
74950	01/25/2024	02/14/2024	U.S. Bank National Association (Bond Payments)	2019 Bond Administration Fee 01/2024 - 12/2024	2,640.00
74951	01/26/2024	02/14/2024	TW Associates, LLC	General Operations/ Maintenance Supplies	2,032.79
74952	01/22/2024	02/14/2024	Conservation Rebate Program	266 Reservation Rd - Landscape Rebate	4,863.00
74953	01/18/2024	02/14/2024	SBRK Finance Holdings, Inc.	CivicPay/ IVR Transaction Fees 12/2023; HR Data Fix	2,480.50
74954	01/22/2024	02/14/2024	Conservation Rebate Program	East Garrison Community Association - Landscape Rebate	17,074.00
74955	01/30/2024	02/14/2024	K&D Landscaping, Inc.	Conservation Booth - 2024 Central Coast Water Summit	250.00

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
74956	01/21/2024	02/14/2024	T-Mobile	Cell Phone Service 01/2024	1,365.58
74957	01/22/2024	02/14/2024	Conservation Rebate Program	3015 Arroyo Dr - Washer Rebate	150.00
74958	01/30/2024	02/14/2024	Conservation Rebate Program	4988 Beach Wood Ct - Washer Rebate	150.00
74959	01/31/2024	02/22/2024	PG&E	Gas and Electric Service 01/2024	101,945.02
74960	02/09/2024	02/22/2024	PG&E	Electric Service 01/2024	2,457.92
74961	02/07/2024	02/22/2024	Area Communications	Answering Service 01/10 - 02/06	314.58
74962	12/31/2023	02/22/2024	Schaaf & Wheeler	Cost Estimate for Steel vs Concrete Tanks - B2 Zone Tank; Prepare Record Drawings - Ord Village LS; Developers (Campus Town, Dunes 1B Bldgs A-G, Dunes 1B Promenade, Dunes 2 North, Marina Station)	17,757.75
74963	01/31/2024	02/22/2024	Monterey Newspapers Partnership	Monterey Herald E-Edition All Access Subscription 03/2024 - 02/2025	211.84
74964	01/29/2024	02/22/2024	McMaster-Carr Supply Co.	General Operations/ Maintenance Supplies	156.72
74965	02/08/2024	02/22/2024	Monterey Bay Analytical Services	Laboratory Testing	2,084.00
74966	02/05/2024	02/22/2024	Rauch Communication Consultants, Inc.	Public Relations 12/2023	17,475.22
74967	12/29/2023	02/22/2024	Anderson Pacific Engineering Construction, Inc.	A1/A2 Tanks B/C Booster - Construction Pmt #26	144,685.00
74968	02/06/2024	02/22/2024	Orkin Franchise 925	BLM/ IOP Pest Control 02/2024	219.00
74969	01/29/2024	02/22/2024	Johnson Controls Security Solutions LLC	Fire Alarm Troubleshooting - IOP Office	985.98
74970	02/08/2024	02/22/2024	Federal Express	Shipping Charges	11.10
74971	01/23/2024	02/22/2024	Maynard Group	Installation of 5G Internet Backup - MCWD Offices	5,739.98
74972	01/29/2024	02/22/2024	Shape Incorporated	(2) Flygt Pumps - Reservation LS; General Operations/ Maintenance Supplies	84,752.87
74973	01/31/2024	02/22/2024	DataProse, LLC	Customer Billing Statements 01/2024	6,251.11
74974	02/15/2024	02/22/2024	Conservation Rebate Program	4695 Peninsula Point Dr - Toilet Rebate	75.00
74975	01/11/2024	02/22/2024	Carollo Engineers, Inc.	Preparation of Record Drawings for RUWAP Distribution Mains	4,432.50
74976	01/19/2024	02/22/2024	Fastenal Industrial & Construction Supplies	General Operations/ Maintenance Supplies	544.83
74977	01/22/2024	02/22/2024	Wallace Group	Developer (Dunes 1B Bldgs A-G)	2,697.33
74978	01/26/2024	02/22/2024	Muniquip, LLC	(2) Pulsar MMWave Level Transducers, Cables	3,327.16
74979	01/20/2024	02/22/2024	Don Chapin Co., Inc	(30.7) tons Base Rock, (41.1) tons Fill Dirt	2,583.80
74980	01/29/2024	02/22/2024	Calcon Systems, Inc.	Variable Frequency Drive Installation - Well 11; PLC Parts Replacement, Programming; SCADA Upgrade - Phase 1 12/2023	79,009.85
74981	02/20/2024	02/22/2024	Daiohs USA	Coffee Supplies	903.14
74982	01/09/2024	02/22/2024	Green Rubber-Kennedy AG, LP	General Operations/ Maintenance Supplies	187.76
74983	02/14/2024	02/22/2024	U.S. Bank National Association	Beach Office Copier Lease 02/10 - 03/09	275.32
74984	02/05/2024	02/22/2024	ICONIX Waterworks (US), Inc.	Waterworks Supplies - Bermad Valve Replacement Project	547.02
74985	01/25/2024	02/22/2024	Western Exterminator Company	Pest Control - Beach Office 01/2024	119.60
74986	01/31/2024	02/22/2024	Iron Mountain, Inc.	Shredding Service 01/2024	334.44
74987	01/28/2024	02/22/2024	AT&T	Phone and Alarm Line Services 01/2024	101.32
74988	02/01/2024	02/22/2024	Pure Janitorial, LLC	Janitorial Service - MCWD, BLM Offices 01/2024	5,691.42
74989	01/25/2024	02/22/2024	EKI Environment & Water, Inc.	Monterey Subbasin Groundwater Sustainability Plan Implementation 12/2023	34,580.00

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
74990	02/01/2024	02/22/2024	Verizon Connect NWF, Inc.	GPS Service - (36) Fleet Vehicles 12/2023 - 01/2024	1,309.75
74991	01/10/2024	02/22/2024	Psomas	Construction Management/ Inspection - Ord Village LS	214.20
74992	02/02/2024	02/22/2024	Ferguson Enterprises, Inc.	Brass Waterworks Supplies	800.14
74993	01/25/2024	02/22/2024	WEX Bank	Fleet Gasoline 01/2024	4,900.13
74994	01/26/2024	02/22/2024	BSK Associates	Laboratory Testing	2,332.00
74995	02/02/2024	02/22/2024	Hildebrand Consulting, LLC	Water, Wastewater, Recycled Water Rate Study; 2024 Cost Allocation Plan 01/2024	22,500.00
74996	02/06/2024	02/22/2024	Office Depot Business Credit	Office Supplies	792.61
74997	02/06/2024	02/22/2024	Conservation Rebate Program	3057 Frederick Cir - Toilet Rebate	50.00
74998	02/01/2024	02/22/2024	Greenwaste Recovery, Inc.	Garbage Collection & Recycling Services 02/2024	847.96
74999	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 234 Mortimer Ln	40.00
75000	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 3072 Zanetta Dr	5.32
75001	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - Hydrant Meter	2,129.42
75002	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 106 Rabaul Rd	32.20
75003	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 3135 Ocean Ter	15.37
75004	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 166 Okinawa Rd	17.50
75005	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 457 Gloria Cir	28.34
75006	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - Hydrant Meter	2,231.97
75007	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 3114 Arnold Ct	25.56
75008	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 254 Boardwalk Ave	86.99
75009	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 2967 Carpenter Ct	91.99
75010	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 2607 3rd Ave	24.50
75011	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 455 Reservation Rd #H	6.73
75012	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 417 Radden Rd	171.83
75013	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 3091 Messinger Dr	68.05
75014	02/21/2024	02/22/2024	Customer Service Refund	Refund Check - 2974 Bluffs Dr	132.54
ACH	02/02/2024	02/02/2024	Payroll Direct Deposit	Payroll Ending 01/26/24	137,283.91
ACH	02/02/2024	02/02/2024	CalPERS	Payroll Ending 01/26/24	34,729.15
ACH	02/02/2024	02/02/2024	Empower Retirement	Payroll Ending 01/26/24	22,162.66
ACH	02/02/2024	02/02/2024	Internal Revenue Service	Payroll Ending 01/26/24	55,964.30
ACH	02/02/2024	02/02/2024	State of California - EDD	Payroll Ending 01/26/24	12,568.59
ACH	02/02/2024	02/02/2024	WageWorks, Inc.	Payroll Ending 01/26/24	1,299.16
501626 - 501627	02/02/2024	02/02/2024	Board Compensation Checks and Direct Deposit	Board Compensation 12/2023	831.14
ACH	02/02/2024	02/02/2024	Internal Revenue Service	Board Compensation 12/2023	137.72
501628	02/02/2024	02/02/2024	Teamsters Local Union No. 856	Payroll Ending 01/26/24	599.00
501629	02/06/2024	02/06/2024	Calif-Nevada Section, AWWA	Water Use Efficiency Practitioner II Certification	100.00
501630	01/18/2024	02/06/2024	SWRCB - DWOCP	Grade II Water Treatment Certification Renewal	60.00
501631	01/25/2024	02/06/2024	AFLAC	Employee Paid Benefits 01/2024	1,781.22
501632	01/26/2024	02/06/2024	Employee Reimbursement	CA-NV Section AWWA Journey to AMI Training	25.00
501633	02/05/2024	02/06/2024	Employee Reimbursement	CA-NV Section AWWA Journey to AMI Training	45.00

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
501634	01/18/2024	02/06/2024	Principal Life	Employee Paid Benefits 02/2024	263.60
501635	12/31/2023	02/06/2024	Justifacts Credential Verification, Inc.	Background Check - New Hire	210.69
501636	01/11/2024	02/06/2024	Lincoln National Life Insurance Company	Life, Disability, AD&D Insurance 02/2024	3,303.03
501637	01/24/2024	02/06/2024	WageWorks, Inc.	FSA Admin Fees 01/2024	176.00
501638	01/17/2024	02/06/2024	Transamerica Life Insurance Company	Employee Paid Benefits 01/2024	313.96
501639	01/31/2024	02/06/2024	Cintas Corporation No. 630	Uniforms, Towels, Rugs 01/2024	1,339.32
501640	01/02/2024	02/06/2024	Agile Occupational Medicine, PC	Pre-Employment - New Hire	100.00
ACH	02/16/2024	02/16/2024	Payroll Direct Deposit	Payroll Ending 02/09/24	133,684.91
ACH	02/16/2024	02/16/2024	CalPERS	Payroll Ending 02/09/24	34,765.39
ACH	02/16/2024	02/16/2024	Empower Retirement	Payroll Ending 02/09/24	19,525.20
ACH	02/16/2024	02/16/2024	Internal Revenue Service	Payroll Ending 02/09/24	54,033.10
ACH	02/16/2024	02/16/2024	State of California - EDD	Payroll Ending 02/09/24	11,884.96
ACH	02/16/2024	02/16/2024	WageWorks, Inc.	Payroll Ending 02/09/24	1,299.16
501641	02/02/2024	02/22/2024	ACWA/ JPIA	Medical, Dental, Vision, EAP Insurance 03/2024	88,112.08
501642	02/02/2024	02/22/2024	SWRCB - DWOCB	Grade I Water Treatment Operator Certification Fee	70.00
501643	02/13/2024	02/22/2024	Employee Reimbursement	CA Irrigation Institute Conference Per Diem Meals	141.00
501644	02/06/2024	02/22/2024	Boutin Jones, Inc.	Legal Services 01/2024	6,040.00
501645	01/10/2024	02/22/2024	Federico Embroidery	Uniform Benefit - GM	166.49
501646	02/07/2024	02/22/2024	California Landscape Contractors Association	2024 Membership Dues	175.00
501647	02/20/2024	02/22/2024	Employee Reimbursement	APWA General Meeting, Parking; Professional Engineer License Renewal	237.00
501648	12/31/2023	02/22/2024	Regional Government Services Authority	Human Resource Consulting Services 12/2023	10,758.48
501649 - 501650	02/23/2024	02/23/2024	Board Compensation Checks and Direct Deposit	Board Compensation 01/2024	554.09
ACH	02/23/2024	02/23/2024	Internal Revenue Service	Board Compensation 01/2024	91.82
Total Disbursements for February 2024					2,035,195.71

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 9-B

Meeting Date: March 18, 2024

Prepared By: Paula Riso

Approved By: Remleh Scherzinger, PE

Agenda Title: Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of February 20, 2024

Staff Recommendation: Approve the draft minutes of the February 20, 2024 regular joint Board/GSA meeting.

Background: *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: The draft minutes of February 20, 2024 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

Financial Impact: Yes No **Funding Source/Recap:** None

Other Considerations: The Board can suggest changes/corrections to the minutes.

Material Included for Information/Consideration: Draft minutes of February 20, 2024.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____



Marina Coast Water District

Marina Coast Water District

Regular Board Meeting/Groundwater Sustainability Agency Board Meeting
February 20, 2024

Draft Minutes

1. Call to Order:

President Morton called the meeting to order at 6:03 p.m. on February 20, 2024 both in-person at 920 2nd Avenue, Suite A, Marina, California; and, via Zoom teleconference.

2. Roll Call:

Board Members Present:

Gail Morton – President
Jan Shriner – Vice President
Herbert Cortez
Brad Imamura – arrived at 6:04 p.m.
Thomas P. Moore

Board Members Absent:

None

Staff Members Present:

Remleh Scherzinger, General Manager
Roger Masuda, District Counsel
Derek Cray, Operations and Maintenance Manager
Mary Lagasca, Director of Administrative Services
Garrett Haertel, District Engineer
Patrick Breen, Water Resources Manager
Teo Espero, IT Administrator
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Andy Sterbenz, Schaaf & Wheeler Consulting Civil Engineers
Phil Clark, Seaside Resident
Joe Pinada, MCWD
Kurt Gonzalez, MCWD
Alec Irwin, MCWD
Sarah Hargrave, SVBGSA
Nishi Patel, City of Seaside

3. Pledge of Allegiance:

Director Cortez led everyone present in the pledge of allegiance.

4. Presentation:

A. Adopt Resolution No. 2024-10 to Recognize Teodulfo Espero, Information Technology Administrator, for 5 Year of Service to the Marina Coast Water District:

Mr. Garrett Haertel, District Engineer, introduced this item and voiced his appreciation of Mr. Espero's hard work and creative abilities.

Director Moore made a motion to adopt Resolution No. 2024-10 to recognize Teodulfo Espero, Information Technology Administrator, for 5 year of service to the Marina Coast Water District. Vice President Shriner seconded the motion. Director Cortez thanked Mr. Espero for all his assistance with the technical equipment. Vice President Shriner thanked Mr. Espero for all his magic in making things work. Director Moore commented that Mr. Espero is the District's first line of defense in keeping all the private data safe and secure. President Morton thanked Mr. Espero for keeping things running smoothly so no one has to worry about anything. Mr. Remleh Scherzinger, General Manager, commented that Mr. Espero is quite artistic, and he appreciates Mr. Espero's ability to take an idea and pull together a beautiful, finished product. He added that when it comes to education, he happily signs more education slips for Mr. Espero than the entire District combined.

Mr. Derek Cray, Operations and Maintenance Manager, thanked Mr. Espero for all his hard work and quick response time.

Director Imamura thanked Mr. Espero for keeping the District safe from any potential hacking.

Mr. Patrick Breen, Water Resources Manager, thanked Mr. Espero for everything he does and added that he is one of the nicest people to be around.

Ms. Mary Lagasca, Director of Administrative Services, thanked Mr. Espero for his generosity with his time and knowledge and added that the District is very lucky to have someone as dedicated as Mr. Espero.

Mr. Pineda, MCWD employee, thanked Mr. Espero for all the help he has given and for his kind and friendly attitude.

Mr. Gonzalez, MCWD employee, commented that Mr. Espero was both a good friend and co-worker and how proud he was that Mr. Espero has intentions of staying with the District until his retirement.

Agenda Item 4-A (continued):

Mr. Alec Irwin, MCWD employee, mentioned how motivated Mr. Espero is with working full-time, furthering his education, taking under graduate classes, and GIS training and is amazed at how easy he makes it seem.

The motion was passed by the following vote:

Director Cortez	-	Yes	Vice President Shriner	-	Yes
Director Imamura	-	Yes	President Morton	-	Yes
Director Moore	-	Yes			

President Morton, Director Moore, Vice President Shriner, and, Director Cortez shared in the reading of the Resolution. President Morton presented Mr. Espero with a plaque and gift certificate.

- B. Receive Two Plaques from the American Public Works Association, Monterey Bay Chapter, for Two Capital Improvement Projects - 1) the Ord Village Lift Station and Force Main Replacement Project; and, 2) the Regional Urban Water Augmentation/Recycled Water Distribution Pipelines:

Mr. Remleh Scherzinger, General Manager, introduced this item and shared the plaques the District received in recognition for two outstanding projects that were recently completed.

5. Public Comment on Closed Session Items:

There were no comments made.

The Board entered into closed session at 6:30 p.m. to discuss the following items:

6. Closed Session:

- A. Pursuant to Government Code 54956.9(d)(2)
Conference with Legal Counsel – Threat of Potential Litigation
Two Potential Cases
- B. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator
Property: Armstrong Ranch Property
Negotiating Parties: Sunberry Growers, LLC. and MCWD Negotiators (Legal Counsel and General Manager)
Under Negotiation: Price and Terms

The Board ended closed session at 8:36 p.m. President Morton reconvened the meeting to open session at 8:38 p.m.

7. Reportable Actions Taken During Closed Session:

President Morton stated that there were no reportable actions taken during closed session.

8. Oral Communications:

There were no public comments.

9. Marina Coast Water District Groundwater Sustainability Agency Matters:

A. Action Item:

1. Adopt Resolution No. 2024-GSA01 Authorizing a Sub-grant Agreement between Marina Coast Water District Groundwater Sustainability Agency and the Salinas Valley Basin Groundwater Sustainability Agency for Department of Water Resources Grant Number 4600015624 Sustainable Groundwater Management Act Implementation Grant for the Monterey Subbasin:

Mr. Patrick Breen, Water Resources Manager, introduced this item explaining that this sub-grant agreement was to formalize how the grant funds would be disbursed for the Corral de Tierra sub-basin. The Board asked clarifying questions.

Vice President Shriner made a motion to adopt Resolution No. 2024-GSA01 authorizing a Sub-grant Agreement between Marina Coast Water District Groundwater Sustainability Agency and the Salinas Valley Basin Groundwater Sustainability Agency for Department of Water Resources Grant Number 4600015624 Sustainable Groundwater Management Act Implementation Grant for the Monterey Subbasin. Director Moore seconded the motion. Ms. Sarah Hargrave, SVBGSA, thanked Mr. Breen and the Steering Committee for their quick review of the agreement and is grateful for the harmonious working relationship between the MCWDGSA and the SVBGSA. The motion was passed by the following vote:

Director Cortez	-	Yes	Vice President Shriner	-	Yes
Director Imamura	-	Yes	President Morton	-	Yes
Director Moore	-	Yes			

10. Return to Marina Coast Water District Matters:

11. Consent Calendar:

President Morton noted there was a typo on the first page of the minutes where it stated “President Shriner” instead of “President Morton”. President Morton made a motion to approve the Consent Calendar consisting of: A) Receive and File the Check Register for the Month of January 2024; B) Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of January 22, 2024; C) Receive the 4th Quarter 2023 Sewer Flow Report; and, D) Receive the District FY 2024-2005 Draft Budget Schedule and Set Date for the FY 2024-2005 Budget Workshop, with the typo to the January minutes amended. Director Moore seconded the motion.

Agenda Item 11 (continued):

The motion was passed by the following vote:

Director Cortez	-	Yes	Vice President Shriner	-	Yes
Director Imamura	-	Yes	President Morton	-	Yes
Director Moore	-	Yes			

12. Action Item:

- A. Adopt Resolution No. 2024-11 to Approve the Application for the U.S. Bureau of Reclamation WaterSMART Grant Program for FY 2024/2025:

Mr. Haertel introduced this item explaining that this grant will allow the District to upgrade over 9,000 meters that can be read remotely through radio towers. He added that these meters will also be able to be electronically monitored by customers themselves in order to check their water use and/or any possible leaks in their lines.

Vice President Shriner made a motion to adopt Resolution No. 2024-12 to Approve the Application for the U.S. Bureau of Reclamation WaterSMART Grant Program for FY 2024/2025. Director Cortez seconded the motion. The Board asked clarifying questions. The motion was passed by the following vote:

Director Cortez	-	Yes	Vice President Shriner	-	Yes
Director Imamura	-	Yes	President Morton	-	Yes
Director Moore	-	Yes			

13. Informational Items:

- A. General Manager's Report:

Mr. Scherzinger reported the following:

1. the Strategic Planning process is just beginning, and Mr. Rauch will reach out to talk with each of the Board members;
2. the rate study is progressing and the next meeting will review the information gathered during the process;
3. staff is looking forward to meeting with the State Lands Commission regarding environmental justice and CEQA issues;
4. with regards to the Castroville Inter-tie project, this project will also help the Monterey One Water and Monterey Regional Waste Management Plant with their water supply issues;
5. approximately \$240,000 in federal funds were received to help with delinquent customer accounts.

B. Committee and Board Liaison Reports:

1. Executive Committee:

President Morton gave a brief update.

2. Community Outreach Committee:

Director Moore and Director Imamura gave a brief update.

3. M1W Board Member Liaison:

Director Moore gave a brief update.

14. Board Member Requests for Future Agenda Items:

President Morton asked for quarterly reports on sub-grant updates.

15. Director's Comments:

Director Cortez, Director Imamura, Director Moore, Vice President Shriner, and President Morton made comments.

16. Adjournment:

The meeting was adjourned at 9:30 p.m.

APPROVED:

Gail Morton, President

ATTEST:

Paula Riso, Deputy Secretary

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 9-C

Meeting Date: March 18, 2024

Prepared By: Paula Riso

Approved By: Remleh Scherzinger, PE

Agenda Title: Approve the Draft Minutes of the Special Joint Board/GSA Meeting of February 22, 2024

Staff Recommendation: Approve the draft minutes of the February 22, 2024 special joint Board/GSA meeting.

Background: *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: The draft minutes of February 22, 2024 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

Financial Impact: Yes No **Funding Source/Recap:** None

Other Considerations: The Board can suggest changes/corrections to the minutes.

Material Included for Information/Consideration: Draft minutes of February 22, 2024.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____



Marina Coast Water District

Marina Coast Water District

Special Board Meeting/Groundwater Sustainability Agency Board Meeting
February 22, 2024

Draft Minutes

1. Call to Order:

President Morton called the meeting to order at 6:05 p.m. on February 22, 2024, at 920 2nd Avenue, Suite A, Marina, California.

2. Roll Call:

Board Members Present:

Gail Morton – President
Jan Shriner – Vice President
Herbert Cortez
Brad Imamura
Thomas P. Moore

Board Members Absent:

None.

Staff Members Present:

Remleh Scherzinger, General Manager
David Hobbs, Assistant District Counsel
Mary Lagasca, Director of Administrative Services
Derek Cray, Operations and Maintenance Manager
Garrett Haertel, District Engineer
Patrick Breen, Water Resources Manager
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Mark Hildebrand, Hildebrand Consulting
Andrew Sterbenz, Schaaf & Wheeler
Nisha Patel, City of Seaside
Doug Yount, Shea Homes
Deborah Krammerer
Martin Rauch, Rauch Communications
Sophia Fore
Layne Long, City of Marina
Peter Le, Marina Resident

3. Workshop:

A. Receive a Presentation on the Preliminary Findings of the 2024 Water, Wastewater, and Recycled Water Rate Study from Hildebrand Consulting:

Ms. Mary Lagasca, Director of Administrative Services, introduced this item and Mr. Hildebrand, who gave a presentation on his preliminary findings of the 2024 Water, Wastewater, and Recycled Water Rate Study. Mr. Hildebrand reviewed the Prop. 218 process and requirements; preliminary findings; and, the rate setting process which went over the revenue requirements, cost-of-service, and rate design. He discussed the District's operating costs; growth and water demands; cost escalation assumptions; and, Capital Improvement Program goals. After reviewing the five cost center financial plans, Mr. Hildebrand noted that the scenarios in the preliminary financial plan findings are informational only and represent base level of funding. He then discussed rate design topics that looked at water rates, current and recommended; and, sewer rates, current and recommended. Mr. Hildebrand concluded by stating the next steps were to review capital spending projections and complete the financial plans; complete billing data analysis and rate design; and, present revised findings to the Board in March. The Board asked clarifying questions and asked to see some sample rate options and bills at the next workshop.

Mr. Doug Yount, Shea Homes, questioned if this rate study will have an effect on capacity charges, and he cautioned about underfunding and deferring maintenance with regards to renewal and replacement. Mr. Yount added that it is an obligation that the District has to provide the water services and infrastructure needed by developers to fulfil development.

Mr. Layne Long, City of Marina's City Manager, commented that the Board should never second guess past Board decisions. He stated that by looking at what is being presented to the Board, and keeping the public involved, the right decision will be made.

Mr. Scherzinger answered Mr. Yount's question stating that the rate study has no impact on capacity charges as they are fees, not rates.

4. Adjournment:

The meeting was adjourned at 8:21 p.m.

APPROVED:

Gail Morton, President

ATTEST:

Paula Riso, Deputy Secretary

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 9-D

Meeting Date: March 18, 2024

Prepared By: Paula Riso

Approved By: Remleh Scherzinger, PE

Agenda Title: Approve the Draft Minutes of the Special Joint Board/GSA Meeting of March 12, 2024

Staff Recommendation: Approve the draft minutes of the March 12, 2024 special joint Board/GSA meeting.

Background: *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: The draft minutes of March 12, 2024 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

Financial Impact: Yes No **Funding Source/Recap:** None

Other Considerations: The Board can suggest changes/corrections to the minutes.

Material Included for Information/Consideration: Draft minutes of March 12, 2024.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____



Marina Coast Water District

Marina Coast Water District

Special Board Meeting/Groundwater Sustainability Agency Board Meeting

March 12, 2024

Draft Minutes

1. Call to Order:

President Morton called the meeting to order at 6:02 p.m. on March 12, 2024, at 920 2nd Avenue, Suite A, Marina, California.

2. Roll Call:

Board Members Present:

Gail Morton – President
Jan Shriner – Vice President
Herbert Cortez
Brad Imamura
Thomas P. Moore

Board Members Absent:

None.

Staff Members Present:

Remleh Scherzinger, General Manager
David Hobbs, Assistant District Counsel
Mary Lagasca, Director of Administrative Services
Derek Cray, Operations and Maintenance Manager
Garrett Haertel, District Engineer
Patrick Breen, Water Resources Manager
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Mark Hildebrand, Hildebrand Consulting
Jean McCauley, Rauch Communications
Adam Pinterits
Peter Le, Marina Resident

3. Workshop:

A. Receive a Presentation on the Rate Scenarios for the 2024 Water, Wastewater, and Recycled Water Rate Study from Hildebrand Consulting:

Ms. Mary Lagasca, Director of Administrative Services, introduced this item and Mr. Hildebrand, who gave a presentation on two rate scenario options for the 2024 Water, Wastewater, and Recycled Water Rate Study. He reviewed the Scenario 1 option for all five cost centers and the Scenario 2 option for all five cost centers which defers approximately \$9.2 million in Renewal and Replacement capital spending.

Mr. Hildebrand then reviewed the proposed change in water rates to a uniform rate for commercial and multifamily customers and increasing the portion of the fixed revenue to about a 50% fixed cost. The single residential customers will remain at the two-tiered consumption charge and increase the portion of the fixed revenue to about a 50% fixed cost.

For the sewer rates, Mr. Hildebrand proposed moving from a fixed rate for all customers, to a 50% fixed cost and to develop a 50% variable rate based on actual winter water usage for residential customers. For non-residential customers, a variable rate based on their monthly water use. The Board held a discussion and asked clarifying questions.

Mr. Peter Le, Marina resident, questioned the proposed sewer rate with regards to charging residential customers according to their actual water usage, and asked if it was legal to do. Mr. Hildebrand answered that the variable rate was based on actual winter water usage for residential customers since ideally, there should be little to no outdoor water use during the winter season. He added this method was an industry standard and would more accurately show actual indoor water use.

President Morton requested that staff bring back the Scenario 1 option to the next public meeting for more discussion.

4. Adjournment:

The meeting was adjourned at 9:07 p.m.

APPROVED:

Gail Morton, President

ATTEST:

Paula Riso, Deputy Secretary

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 10-A

Meeting Date: March 18, 2024

Prepared By: Mary Lagasca, CPA

Approved By: Remleh Scherzinger, PE

Agenda Title: Adopt Resolution No. 2024-13 to Authorize a Contract to Provide Annual Audit Services to the District

Staff Recommendation: The Board of Directors adopt Resolution No. 2024-13 to approve a 3-Year Contract with an option to renew for 2 additional years, to provide audit services to the District; and authorizing the General Manager to execute all necessary documents as may be necessary.

Background: *Strategic Plan, Objective No. 3.4 – To close and audit financial statements in a timely manner.*

Pursuant to California Government Section Code 26909, Special Districts are required to have annual independent audits conducted by the County Auditor or a certified public accountant. This information is filed with the State Controller's Office (SCO).

Discussion/Analysis: In February 9, 2024, the District issued a Request for Proposal (RFP) for independent audit services to the District. Staff issued the RFP with a proposal due date of March 1, 2024. In addition to posting the RFP on the District's website, staff reached out to 8 independent audit firms. Staff received and reviewed 3 proposals. A summary of the results is included in this staff report to assist the Board with their evaluation.

The District's current auditors, the Pun Group has been the District's auditors since fiscal year 2012. The firm's name was originally Pun & McGeady from fiscal year 2012 to 2014. It was later changed to the Pun Group in 2015 when the lead partner Mark McGeady left the firm.

Government Code Section 12410.6 (b) states that commencing with fiscal year 2014, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead partner having primary responsibility for the audit has performed audit services for that local agency for six consecutive fiscal years.

Mr. Ken Pun was the District's lead audit partner from fiscal year 2015 to 2019. Ms. Frances Kuo, was the District's lead audit partner from fiscal year 2020 to 2021. Mr. Ken Pun resumed being the District's lead audit partner from fiscal year 2022 to 2023.

The 3 proposals received by District were from the Pun Group, Chavan and Associates, and Maze and Associates. Given the previous direction of the Board to switch auditors, staff has limited its options to Chavan and Associates LLP, and Maze and Associates.

Staff reached out to some of the auditing firm's current clients, specifically other mid-size water agencies to get some feedback from their overall experience from their auditing firm. Based on the staff research and the evaluation matrix, staff is recommending awarding the contract to Chavan and Associates, LLP.

Chavan and Associates, LLP has over 80 years of combined experience auditing local governments. They have provided similar engagements to Bay Area Water Supply Conservation Agency, Mid-Peninsula Water District, Tres Pinos Water District, West Valley Clean Water Authority and Westborough Water District. Sheldon Chavan, CPA is going to be the lead managing partner for this engagement. His detailed resume is included on page 9 of the proposal submitted by Chavan and Associates, LLP.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

Financial Impact: Yes No **Funding Source/Recap:** Services performed will be funded through the FY 2024/2025 Operating Budget. Expense allocation will be Marina Water (MW) - 27%, Marina Sewer (MS) - 5%, Ord Water (OW) - 55%, Ord Sewer (OS) – 12% and Recycled Water (RW) – 1%

Material Included for Information/Consideration: Resolution No. 2024-13; RFP list and staff matrix of proposals; and, copies of Cost and Audit Proposals.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

March 18, 2024

Resolution No. 2024-13
Resolution of the Board of Directors
Marina Coast Water District

Approve a 3-Year Contract With An Option to Renew For 2 Additional Years with
Chavan and Associates, LLP, to provide Audit Services to the District
for Fiscal Year 2024 to Fiscal Year 2028

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), a regular meeting duly called and held on March 18, 2024 at 920 Second Avenue, Suite A, Marina California as follows:

WHEREAS, California Government Section Code 26909 requires that Special Districts have an annual independent audit conducted by the County Auditor or a certified public accountant; and,

WHEREAS, staff issued a RFP in February 9, 2024, with a due date of March 1, 2024, and received 3 proposals; and,

WHEREAS, a summary of the proposals was prepared by staff to assist the Board with their evaluation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2024-13 to approve a 3-Year contract, with an option to renew for 2 additional years with Chavan and Associates, LLP, for a not-to-exceed amount of \$20,000 per year to provide annual audit services to the District, and authorizes the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on March 18, 2024, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Gail Morton, President

ATTEST:

Remleh Scherzinger, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2024-13 adopted March 18, 2024.

Remleh Scherzinger, Secretary

**MARINA COAST WATER DISTRICT
2024 Audit RFP Sent To List**

	Firm	Locale	RFP Sent Via	Results
1	The PUN Group Accountants & Advisors	Walnut Creek, CA	Email	Proposal Received
2	Badawi & Associates, CPA's	Oakland, CA	Contact Us Page	Did Not Submit Proposal
3	Chavan and Associates, LLP CPA's	Morgan Hill, CA	Email	Proposal Received
4	Macias Gini & O'Connell LLP (MGO) CPA	San Francisco, CA	Contact Us Page	Did Not Submit Proposal
5	DavisFarr, CPA	Irvine, CA	Contact Us Page	Did Not Submit Proposal
6	Eide Bailly LLP	Menlo Park, CA	Contact Us Page	Did Not Submit Proposal
7	Maze & Associates	Pleasant Hill, CA	Contact Us Page	Proposal Received
8	CLA Clifton Larson Allen, CPA	Salinas, CA	Contact Us Page	Did Not Submit Proposal

**MARINA COAST WATER DISTRICT
2024 Summary of Audit Proposals**

	Firm	Locale	# of Staff	Related Experience	Staff Ranking of Proposal	Proposed Price (Base Price)	Comments/References
1	The PUN Group Accountants & Advisors	Walnut Creek, CA	60 FT audit, accounting, tax and advisory professionals	Serves 81 Municipal Clients; 44 of which are Special Districts and Authorities		Year 1 - \$25,000 Year 2 - \$26,250 Year 3 - \$27,563 Year 4 - \$28,941 Year 5 - \$30,388 Average Cost Per Year - \$27,628 Average Cost Per Hour - \$99/Hr	Services 17 Water Districts; Winner of 2024 "Best of Accounting" Award from ClearlyRated; client satisfaction score of 9 out of 10 from 94.1% of their clients
2	Chavan and Associates, LLP CPA's	Morgan Hill, CA	Total Staff - 17 Partners - 3 FT Professional Staff - 13 Admin Staff - 1	Total no. of clients - 110 Cities/Towns - 14 clients Special Districts - 19 clients	1	Year 1 - \$20,000 Year 4 - \$22,500 Year 5 - \$23,500 Average Cost Per Year - \$22,700 Average Cost Per Hour - \$115/Hr	Services 5 water districts
3	Maze & Associates	Pleasant Hill, CA	Total Staff - 55 Shareholders - 7 Directors - 3 Managers - 6 Supervisors - 10 Audit Associates/Tax/Office Staff - 29	Serves 200 municipal clients Cities/Towns - over 50 clients Special Districts - over 50 clients (of which over 40 cities/special districts are ACFR Award Winners)	2	Year 1 - \$30,100 Year 2 - \$31,200 Year 3 - \$32,400 Year 4 - \$33,600 Year 5 - \$34,800 Average Cost Per Year - \$32,420 Average Cost Per Hour - \$119/Hr	Services 15 water districts


COST PROPOSAL

FOR THE ANNUAL INDEPENDENT AUDIT

OF THE

MARINA COAST WATER DISTRICT

Submitted March 1, 2024



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037
Phone: (650) 346-1329
Fax: (408) 872-4159
E-mail: sheldon@cnallp.com
Contact: Sheldon Chavan, Partner

Cost Proposal

Marina Coast Water District Proposal for Auditing Services

Date: March 1, 2024

Firm: Chavan & Associates, LLP (C&A)
 15105 Concord Circle, Suite 130
 Morgan Hill, CA 95037
 Phone: (650) 346-1329

Contact Person: Sheldon Chavan, Managing Partner
 Sheldon@cnallp.com
 650-346-1329

Price per Year by Service Level:

Services	Hours	Optional				
		2024	2025	2026	2027	2028
Audit and Management Letters	184	\$ 20,000	\$ 20,000	\$ 20,000	\$ 22,500	\$ 23,500
Additional Printed Copies of Reports	N/A	Included	Included	Included	Included	Included
GASB implementation and guidance	N/A	Included	Included	Included	Included	Included
Present Reports to Board and Committees	N/A	Included	Included	Included	Included	Included
Meals, Lodging and Transportation	N/A	Included	Included	Included	Included	Included
Subtotal Base Audit	184	20,000	20,000	20,000	22,500	23,500
SCO AFTR	10	1,250	1,250	1,250	1,500	1,500
Single Audit - Federal Awards	30	3,000	3,000	3,000	3,500	3,500
Total All-Inclusive Maximum Price	224	\$ 24,250	\$ 24,250	\$ 24,250	\$ 27,500	\$ 28,500

Certification: I, the undersigned, certify I am duly authorized to represent C&A and I am empowered to submit this bid. In addition, I certify I am authorized to contract with the Marina Coast Water District on behalf of C&A.



Managing Partner

March 1, 2024

Signature

Title

Date

Sheldon Chavan
 Name

Cost Proposal

Marina Coast Water District Proposal for Auditing Services

Schedule of Professional Fees

Our professional fees are based on actual time devoted to an engagement, at hourly rates related to the experience levels of the individuals performing the work. The following is our standard fee schedule for our audit personnel:

	Standard & Quoted Hourly Rates		Optional				
			Fiscal Year Ending				
	Hours	2024	2025	2026	2027	2028	
Engagement Partner	\$ 200	32	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,592	\$ 6,790
Associate Partner/Reviewer	200	8	1,600	1,600	1,600	1,648	1,697
Senior Auditor	115	48	5,520	5,520	5,520	5,686	5,856
Professional Staff	90	88	7,920	7,920	7,920	8,158	8,402
Administrative Staff	90	8	720	720	720	742	764
Professional Discount	N/A	N/A	(2,160)	(2,160)	(2,160)	(325)	(10)
Total Fees Base Audit		184	20,000	20,000	20,000	22,500	23,500
Optional Services:							
AFTR (SCO)	N/A	10	1,250	1,250	1,250	1,500	1,500
Single Audit (1 Major Program)	N/A	30	3,000	3,000	3,000	3,500	3,500
Total All-Inclusive Maximum Price		224	\$ 24,250	\$ 24,250	\$ 24,250	\$ 27,500	\$ 28,500

Manner of Payment


Progress payments will be made on the basis of actual audit work completed during the course of the audit and out-of-pocket expenses incurred in accordance with the firm’s proposal. Interim billing shall cover a period of not less than a calendar month. Details of staff hours with billing rates will be required to be included on each invoice. Payment will be made based upon actual costs not to exceed the maximum outlined in the proposal.

Rates for Additional Professional Services

In the event that extraordinary circumstances require additional services beyond the agreed upon scope, C&A will provide, in writing and in advance, the reasons for the additional services along with our estimated costs and a statement that no work will be performed prior to District approval. **Rates for additional services would be the same as those identified under the quoted hourly rates above.**

**PROPOSAL FOR CONDUCTING
THE ANNUAL INDEPENDENT AUDIT
OF THE
MARINA COAST WATER DISTRICT**

Submitted March 1, 2024



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037
Phone: (650) 346-1329
Fax: (408) 872-4159
E-mail: sheldon@cnallp.com
Contact: Sheldon Chavan, Partner

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Chavan and Associates, llp
Certified Public Accountants

March 1, 2024

Marina Coast Water District
920 2nd Avenue, Suite A
Marina, CA 93933

We are pleased to have this opportunity to submit our proposal to provide auditing services for the Marina Coast Water District (the "District"). Our understanding of the work outlined in the request for proposal is that we will audit the financial statements of the District for fiscal years ending June 30, 2024, 2025, 2026, with options for 2027, and 2028.

Our audits will be performed in accordance with auditing standards generally accepted in the United States of America and the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*. We will also apply the necessary procedures to prepare the reports as requested in the RFP and noted in our cost proposal. As a result of our audit, we will express an opinion on the fair presentation of the basic financial statements, as listed in the RFP, in accordance with GAAP. We will also issue a report on internal controls over financial reporting and on compliance with applicable laws and regulations in accordance with *Government Auditing Standards*.

Throughout the contract period, we will provide consultation on accounting and compliance issues and attend meetings to discuss the audit and management comments. It is our commitment to the District that we will complete the work within the agreed time frame and that we have the resources, time and personnel to dedicate to this engagement for the entirety of the contact. We are confident Chavan & Associates LLP ("C&A") is the best-qualified firm to serve as your independent auditors. A brief list of reasons includes:

- We specialize in the audits of local governments and not for profit entities.
- Our partners have 80 years of combined experience auditing local governments.
- Our firm and key professionals are properly licensed to practice in the state of California.
- Our service will be dependable, reliable and timely.
- We will be sensitive to your workload. We understand you and your staff must keep up with your current work as well as deal with the audit.
- Our staff and partners are available twelve months of the year to serve our audit clients. You are important to our firm and we promise a high level of involvement and enthusiasm at all levels.
- The engagement partner will be the lead for your audit, will attend all conferences and meetings, and will supervise the audit directly during each year and phase of the engagement.



Chavan and Associates, LLP
Certified Public Accountants

- We offer flexible staffing and scheduling, especially during COVID-19. We can send a full team onsite, work 100% remotely, or send a small team on site to minimize exposure. All of our team members are vaccinated and will follow your policies in regard to COVID-19.
- To improve the efficiency of the audit process, we use an online software, Engagement Organizer (EO), to provide a list of information and monitor the workflow during the audit. The link to EO is provided early during the planning process and includes items for both interim and year-end work, such that we can edit the list as needed moving forward. All documents can be uploaded here and notes, status updates and comments are done through EO. We also have a secure portal as an additional way to share information.
- We provide monthly and annual consulting, accounting and CFO services for the Purissima Hills Water District.

We are secure in our belief that our firm is the best qualified to meet your needs and we commit to perform the services required in the time period specified. Once you have examined our proposal and contacted our references, we feel you will agree.

Staffing for the audit will include one Engagement Partner, one Associate Partner, one Supervisor, one Professional Staff and one Administrative Staff. The Engagement Partner, one Senior and two Staff will be assigned to visit your offices, as feasible with regard to COVID-19 circumstances. The Engagement Partner, Associate Partner, Supervisor and Senior Auditor will be available throughout the entire contract period. The firm and all assigned key personnel are licensed to practice in California. Please see page 7 of our proposal for the audit timeline. We expect this schedule to be consistent for each year of the audit, except that we have added one day to the first biennial audit. We will also add one team member for the biennial audit.

Sheldon Chavan and Paul Pham (15105 Concord Circle, Suite 130, Morgan Hill, CA, 95037, 650-346-1329, Sheldon@cnallp.com) are the partners authorized to sign and obligate the firm contractually and represent the firm. He is empowered to submit the bid and authorized to sign a contract. This proposal is a firm and irrevocable offer for 90 days.

We look forward to being of service to you.

Very truly yours,

Sheldon Chavan, C.P.A., Partner
Chavan & Associates, LLP

Section A

Background & Experience

Section A Background & Experience

Marina Coast Water District Proposal for Auditing Services

Independence

C&A is independent of the District and all of its component units as defined by generally accepted auditing standards and the **U.S. General Accountability Office's Government Auditing Standards**. *In all matters relating to the audit work, the audit organization and individual auditors, whether government or public, should be free from personal and external impairments to independence, should be fiscally independent, and should maintain an independent attitude and appearance.*

C&A did not have any professional relationships involving the Marina Coast Water District, or any of its agencies and component units, for the past five (5) years that would cause a conflict of interest relative to the scope of services identified in the request for proposal.

License to Practice in the State of California

C&A and all key professionals are properly licensed to practice as certified public accountants in the State of California and do not have any record of substandard work or unsatisfactory performance pending with the State Board of Accountancy. C&A is registered with the California State Board of Accountancy and our state number is PAR 7294.

Contractor Identification and Introduction

Company Name: Chavan & Associates, LLP (C&A)
Address: 15105 Concord Circle, Suite 130, Morgan Hill, CA 95037
Office: 408-217-8749
Fax: 408-872-4159
E-mail: Sheldon@cnallp.com
CA File Number: 202009218003
FEIN: 27-0630496
Authorized to Sign: Sheldon Chavan, Partner; Paul Pham, Partner

Our partners have performed audits under Governmental Auditing Standards, the Single Audit Act and the State Controller's Office Minimum Audit Requirements for a combined 79 years; Sheldon for 24 years, Jeff for 40 years and Paul Pham for 15 years. In August of 2009, we established C&A as a limited liability partnership. C&A is a local audit firm in San Jose, CA specializing in local government auditing and consulting. We have audited and prepared Annual Comprehensive Financial Reports (**ACFRs**) and basic financial statements as required by the Government Finance Officers Association (**GFOA**) and the Governmental Accounting Standards Board (**GASB**) for cities, fire districts, water districts, sanitation districts, JPAs and other types of special districts. Our partners have been reviewers of ACFRs for the **GFOA and CSMFO**. Most recently, C&A prepared **ACFRs** of the Town of Los Gatos, City of Oroville, City of Suisun, and City of Carmel-by-the Sea for the year ending June 30, 2023 (partial list). Our goal at C&A is to provide premium audit services at a reasonable fee. We believe that continuous partner involvement helps us achieve our goal, which is why our partners are constantly involved in every audit. Ultimately, minimizing on-the-job training allows us to focus exclusively on servicing our clients.



*Single Audit
Experience*

Section A Background & Experience

Marina Coast Water District Proposal for Auditing Services

Firm Size, Staff Size, Location and Staffing

We also have **Thirteen** professional, full-time staff in addition to our three partners/reviewers and one administrative person that will be available to assist as needed throughout the engagement. Our engagement partners are directly involved with the audits. Our central office is located in Morgan Hill, CA. Staffing for the District’s audit will include the following professionals (audit experience):

Sheldon Chavan, CPA, Managing Partner (25 years)
 Paul Pham, CPA, Associate Partner (15 years)
 Jeff Ira, CPA, Independent Reviewer (40 Years)
 Andrew Quintero, Senior Auditor (5 years)
 Matthew Ojeda, Senior Auditor (7 years)

One of the professional staff could change from year to year. The District will be notified of any staff changes prior to fieldwork. The Engagement Partner, manager, and supervisor will be the same during each year of the engagement.

Range of Services

The following summarizes the range of services we provide:

Entity Type	Number of Clients	Percent by Entity	Auditing	Management, Accounting & Other	Nonprofit Tax
Local Education Agencies	33	30%	100%	0%	0%
Charter Schools	13	12%	100%	0%	100%
Non-profit Organizations	22	20%	91%	0%	68%
Cities and Towns	14	13%	79%	0%	0%
Special Districts	19	17%	84%	16%	0%
Privately Held	9	8%	67%	22%	0%

	GAAS Audit	GAGAS Audit	Single Audit	Bond Audit	EAAP Audit
Percent by Service Type	92%	75%	39%	19%	41%

Contract Terminations and Affirmation Concerning Substandard Audit Work

C&A and all assigned personnel do not have any record of substandard work, contract failures, outstanding claims, litigation, investigations, or other unsatisfactory performance issues against us or pending with the State Board of Accountancy or any other entity. In addition, we have not had any federal or state desk review or field reviews of our audits. C&A has no record of lost clients or contract failures.

Section A

Background & Experience

Marina Coast Water District Proposal for Auditing Services

Equal Opportunity Employer

C&A is an equal opportunity employer and is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all applicable federal and state laws and regulations relating to equality.

Subcontractor

C&A will not be engaged with any subcontractors during this engagement.

Business Licenses

C&A will obtain and maintain a valid business license throughout the duration of the contract, as applicable.

Quality Control Review

We are enrolled in the AICPA quality control peer review program. Our peer review was performed in compliance with AICPA and GAO requirements and included a selection of government audit engagements. Our audits complied with auditing standards generally accepted in the United States of America and Generally Accepted Governmental Auditing Standards.

Insurance

C&A maintains the following insurance:

- Commercial General Liability Insurance (bodily injury and property damage) is \$4,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Automobile Bodily Injury and Property damage liability insurance is \$2,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Professional Liability Insurance carrier is Philadelphia Insurance Company. The per claim/aggregate limit of the liability is \$3,000,000.
- Workers Compensation Insurance carrier is Twin City Insurance Company. The per claim/aggregate limit of the liability is \$1,000,000.

Section B

Audit Methodology and Approach

Section B - Audit Methodology and Approach

Marina Coast Water District Proposal for Auditing Services

The C&A audit approach begins with an entrance conference between Sheldon Chavan and management to gather information for risk assessment and audit planning. Upon the conclusion of the entrance conference, Sheldon will plan and schedule C&A's **three phase audit** approach and prepare a list of items to be provided for Phase I of the audit. Significant aspects of each phase are outlined below as augmented based on our review of the District's financial reports, RFP, Budget documents, and Council and Finance Commission agendas and minutes:

Three Phase Audit Approach

Phase I - Planning and Risk Assessment

This phase is designed to evaluate your operating and accounting procedures and will provide the basis for a significant portion of our letter to management. The results of our work during this phase will determine our audit approach for significant accounts and compliance. We plan to begin this phase by meeting with management and relevant committees to plan the audit and discuss any significant issues with the proposed audit plan and timeline.

At least four weeks prior to the beginning of this phase, we intend to provide the District with a link to Engagement Organizer ("EO") detailing the information and timing that will be needed in order to facilitate the completion of the audit in a timely manner. Having all items in EO uploaded prior to the beginning of the audit field work will allow us to complete the audit within the allotted time frame or earlier. We will also begin the testing of federal compliance for major programs during this phase, if applicable. The EO will include Phase I, II, and III items once uploaded and will be updated during the year. The District will be able to leave notes on each item, upload attachments and message our team through EO.

We plan the audit and obtain our **understanding of the internal control structure**, control environment, and accounting system through:

Internal Controls Documentation

- Inquiries of appropriate management and staff personnel.
- Inspection of the District's documents, records, budget and related materials, organizational charts, manuals and programs.
- Observation of the District's activities and operations to corroborate the results of inquiries.
- Testing of the controls to determine they are operating as planned.
- Performance of preliminary analytical review on interim financials. The analytical review entails comparing similar information for the same time frame from the prior year and also comparing current year-to-date information to the budget to determine areas that may need additional attention during Phase II.
- Review and evaluation of the District's financial and other management **information system controls** and procedures. Our staff has gained invaluable experience with systems such as HTE, Multiple Operation Management (MOM), Springbrook, Pentamation, QuickBooks, Digital Schools, SunGuard, Escape, FUNDS, CECC, SACS, Financial 2000, SASi and many others. It is our goal to maximize the usage of your computer system during the audit.

This phase constitutes approximately 30% of all non-clerical hours of the engagement and may be combined with Phase II if desired. At the completion of Phase I, an exit conference will be held to discuss findings and recommendations and prepare for Phase II.

Section B - Audit Methodology and Approach

Marina Coast Water District Proposal for Auditing Services

Phase II - Substantive Audit Procedures and Compliance

This phase is designed to complete our substantive and compliance audit procedures on the accounts of the District. The approach for Phase II will be based on the results of Phase I. Audit programs will be tailored for your District's needs. This work will begin after the closing of your books.

Sample size and selection is based on our assessment of risk and planned or actual deviations. A typical **sample size will be 25 to 60** items and be randomly selected. Our sampling methods vary depending

Sampling Methods

on the type of tests we perform. Sample selection for compliance work will be based on the respective compliance and audit guides, KC, our experience and judgment, and other various sources. We use Knowledge Coach (KC) audit programs by Commerce Clearing House (CCH) to assist in our risk determination and sampling selection. We also use **ProSystems fx Engagement** paperless audit, Microsoft Excel, and Microsoft Word on laptops to perform the audit. Generally, we prefer

information provided in electronic format, however we use production scanners in the office and portable scanners in the field for information that is unavailable in electronic format.

Analytical procedures during Phase II involve comparing current data to prior year and budget data, calculating dollar and percentage variances and investigating differences. We also analyze trends and relationships of the various financial statement components and ratios.

Analytical Procedures & Laws and Regulations

Laws and regulations subject to audit will be determined based on inquiry and familiarity we gain with the District and with state and federal compliance requirements. We also attend seminars and webinars related to state and federal regulations to keep abreast of new requirements.

Phase II will take approximately 40% of the engagement hours. At this time, an exit conference will be held to discuss findings and recommendations, the status of new accounting principles and reporting requirements, and prepare for Phase III.

Phase III - Financial Statement Preparation and Review

This phase consists of preparing or assisting with the preparation of your financial statements, **as required in the RFP**, in conformity with accounting principles generally accepted in the United States of America. We will also prepare all other financial and compliance reports required of us as listed on the RFP. The required reports and management letter will be submitted to management as noted in the timeline in the RFP, unless otherwise agreed. We will also ensure that new GASB pronouncements identified in phase I and II have been appropriately accounted for and disclosed in the financial statements and that the impact of these statements is sufficiently presented in our audit reports. The most efficient way to ensure we meet the reporting deadlines is to have the audited trial balance and final adjustment completed by the last day of fieldwork. This, in combination of the automation provided by **Prosystems Engagement** will reduce the lag time from the completion of field work and report issuance.

Our reporting process is automated through our audit software. Once we obtain the District's trial balance in electronic format, we can import that into our system, which will automatically code and update all financial statements and most note disclosures in the financial statements and notes. We can

Section B - Audit Methodology and Approach

Marina Coast Water District Proposal for Auditing Services

also auto link tables, charts and other documents the District would like to generate. **All of this information can be shared through our online secure lockbox/filesshare website at www.cnallp.com** and through our **online engagement portal** which is linked to our list of items. All agreed upon adjustments will be linked in our audit software. This greatly reduces the report preparation time and involvement of District staff and creates more opportunity for review of information systems, internal controls and management recommendations. At the end of this phase we will provide a summary of audit adjustments and uncorrected misstatements (passed adjustments).

We anticipate that Phase III will comprise approximately 30% of the engagement hours, including the majority of the clerical hours. The timing of each phase of the audit is estimated based on the assumption that the District will meet their close schedule and responsibilities as noted in the request for proposal.

Please note that we generally hold entrance conferences at the beginning of Phase I and II and exit conferences at the end of Phase I, II and III. However, we are available to meet with the District at any time.

Compliance and Program Specific Auditing

Included in all phases are specific procedures required to complete individual compliance items. Analytic and sampling procedures generally follow those described in the preceding phase, but are modified, when needed, to meet specific guidelines of the programs audited.

Recommendations for Improved Operations

We feel we have accumulated valuable knowledge in accounting and auditing which has allowed us to offer a wide range of specific recommendations to increase the efficiency and effectiveness of our audit clients. With our background, we can provide services that may be very beneficial to you presently and in the future. As our client, you can look to us for informed support **year-round in all areas of interest or concern**. In the course of our engagement with the District, we will provide prompt, knowledgeable answers to your questions regarding all aspects of accounting, finance, management, and operations. It is our policy to discuss discrepancies and recommendations with District staff directly involved and then with management, as necessary. If an item warrants inclusion in the report as a finding, we will obtain management's responses to each finding. All responses will be reviewed with management and relevant committees before they are presented to the District Board

Irregularities and Illegal Acts

We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the Audit Committee (or similar) and Attorney.

Control Risk Assessment

As part of our audit approach, we use KC forms, narratives, questionnaires and summary schedules to gain an understanding of the control environment and assess its overall effectiveness. This helps us identify the types of potential misstatements and factors that affect the risk of material misstatement and their impact on the audit plan.

Analytical Procedures

Analytical procedures are used at three points of time during our audit; planning, substantive testing, and final review of the completed financial statements. Analytical procedures are used to obtain

Section B - Audit Methodology and Approach

Marina Coast Water District Proposal for Auditing Services

knowledge of conditions and events, to indicate the presence of possible misstatements, to provide substantive evidence of balances and to assess the financial condition of the District.

As we obtain knowledge about the District, we will be able to direct our attention to areas requiring greater audit emphasis as well as provide substantive evidence in support of recorded account balances.

Identification of Potential Audit Problems

Each year we approach the audit objectively and use a risk-based approach to anticipate any potential audit problems. If anything were to come to our attention during the course of the audit, it would be reported to the proper management level depending on the nature of the problem and as noted in the RFP.

Resources Available for Standards Interpretations

In addition to the items published by GFOA, AICPA, FASB, and GASB, we use RIA checkpoint and Thompsons as our main online reference material. As our client, the District will have access to all our resources.

Summary of Staff Hours by Phase

Level of Staff	Phases			Total Hours
	I	II	III	
Engagement Partner	12	12	8	32
Associate Partner/Reviewer	2	2	4	8
Senior Auditor	16	24	8	48
Professional Staff	32	48	8	88
Administrative Staff	2	2	4	8
Totals	64	88	32	184

Summary Timeline

Segment	Estimated	Phase
Entrance Conference	March 22, 2024	I
Audit Planning C&A's Office	March 22, 2024	I
List of Items Required by Client	March 29, 2024	I
Interim Testing	May 20, 2024	I
Interim Exit Conference and Completion	May 22, 2024	I
Preparation and Mailing of Confirmation Letters to 3rd Parties	July 1, 2023	II
Year-end Field Work Planning Meeting	July 8, 2024	II
Progress Conference	July 10, 2024	II
Update List of Items Required by Client - Final (Initial Done at Interim)	July 12, 2024	II
Year-end Field Work and Compliance Testing	September 9, 2024	II
Exit Conference	September 13, 2024	II
Progress List of Management Point and Recommendations	September 13, 2024	II
Final List of Management Point and Recommendations	September 27, 2024	II/III
Audit Adjustments	September 27, 2024	II/III
Draft Reports, Financials, Management Letters	September 27, 2024	III
Final Reports, Financials, Management Letters	October 11, 2024	III
Council, Commission & Public Presentations	As Needed	III

⁽¹⁾ The estimated dates are flexible based your needs and staff availability

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Section C

Scope of Services

Section C - Scope of Services
Marina Coast Water District Proposal for Auditing Services

Audit Scope

We understand, accept, and have included in our work plan the following scope of services:

- A. Perform Audit of Financial Statements and Prepare Auditor’s Report:
 - a. Audit the District’s financial statements in accordance with Generally Accepted Accounting Principles, as set forth by the American Institute of Certified Public Accountants (AICPA), Governmental Accounting Standards Board (GASB), and the “Minimum Audit Requirements and Reporting Guidelines for California Special Districts,” as required by the California State Controller’s Office.
 - b. Prepare an audit report of the District’s financial statements, which the District will prepare with assistance and recommendations from C&A..
 - i. C&A will provide examples of suggested changes or additions to footnote disclosure.
 - ii. The audit report shall include at least the auditor’s comments on the study and evaluation of the internal control structure of the District. It must identify the organization’s significant internal accounting controls. This report must identify the controls not evaluated and any material weaknesses identified due to the evaluation.
 - iii. The audit report must contain other applicable law requirements under the Governmental Accounting Standards Board.
 - iv. C&A will review the draft report and management letter with the District staff before submitting the final report.
- B. If required, State Controller’s Report:
 - a. Pursuant to Government Code 53891, prepare an Annual Audit Report of Financial Transactions of the Special District and submit it to the California State Controller’s Office by the State Deadline.
- C. Management Letter:
 - a. Prepare a report on any reportable conditions, if any, discovered during the audit. A reportable condition shall be defined as a significant or material deficiency in the design or operation of the internal control structure that could materially adversely affect the District’s ability to record, process, summarize, and report financial data consistent with management’s assertions in the financial statements.
 - b. If conditions are discovered that lead to the belief that material errors defalcations, or other irregularities may exist, or if any other circumstances require extended services, the auditor will promptly advise the District’s General Manager and the Board.
- D. If required, prepare a Single Audit Report.
- E. Board Presentation:
 - a. Attending publicly noticed Board of Directors meetings and presenting the audit report and results.

Section D

Partner, Supervisory and Staff Resumes

Section D - Partner, Supervisory and Staff Resumes

Marina Coast Water District Proposal for Auditing Services

We are aware of the need for continuity of personnel on the engagement and promise that the Engagement Partner will be directly involved in the audit **during each year** of the contract. We believe that extensive partner involvement provides continuity that could not be achieved in any other way. All staff committed in this proposal will be available for the entire June 30, 2024, audit and are available 12 months a year for questions, comments and implementation support. We understand that the Engagement Partners, managers and other supervisory staff and specialists may be changed only with the express prior written permission of the District. Other audit personnel may be changed at our discretion as long as the replacements have substantially the same or better qualifications or experience. The District retains the right to approve or reject replacements.

Sheldon Chavan, CPA

Managing Partner (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)



Sheldon holds a B.S. in Accounting from San Jose State University. He began his career in public accounting in **1998** and has been auditing local governments and nonprofit organizations ever since. Sheldon is a CPA licensed in California and a member of AICPA, CalCPA, CSMFO, GAQC and GFOA. **He has also been a member of the GFOA Special Review Committee, with responsibility for reviewing ACFR's for award of the Certificate of Excellence in Financial Reporting.** Sheldon has prepared/reviewed ACFR's for the City of Berkeley, City of Sunnyvale, City of Pittsburg and many others over his career. Most recently, Sheldon prepared the ACFR of the City of Oroville, City of Saratoga and the City of Pacific Grove for the fiscal years ended June 30, 2021 (partial listing).

ACFR
Preparation

Sheldon has managed governmental audits his entire career, which includes the technical review of all work papers, staffing, scheduling, reporting, state compliance, federal compliance, state controllers reports and much more. He is responsible for running the audit in the field and providing accounting and auditing technical support to other partners and staff, primarily in the areas of compliance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, and the provisions of the Federal Single Audit Act and the United States Office of Management and Title 2 CFR Part 200 (Uniform Guidance). Sheldon also ensures that each staff has met the continuing professional education requirements under these standards and teaches several in-house seminars a year. He also administers our firm's quality control system as required by GAAS and Yellow Book standards. Sheldon has been performing audits under the Single Audit Act his entire career. Understanding the complexities of the various federal programs is one of his specialties. Over the years, Sheldon has audited major programs such as National School Lunch, Title II Education Technology, IDEA Special Education Local Assistance, Title I, Education Jobs Fund, Title IV Drug Free Schools, NCLB Title III, Title II Improving Teacher Quality, CDBG, Shelter Plus Care, Home Investment in Affordable Housing, HUD Section 8, Highway Planning and Construction, Medi-Cal, Low-income Low Energy Assistance, and many more.

Sheldon has extensive experience auditing government bond programs and can assist the District with bond covenant calculations, bond compliance, tax filings, bond arbitrage issues and any other general

Section D - Partner, Supervisory and Staff Resumes

Marina Coast Water District Proposal for Auditing Services

reporting requirements. In addition, we currently have multiple clients for which we complete special bond performance audits each year. We also provide contractor prequalification services for some clients who use restricted bond funds for modernization and infrastructure improvements.

Sheldon's recent continuing professional education:

Description of Program/Training
Yellow Book: Revised Government Auditing Standards
Government Auditing Standards - Yellow Book
Frequent Government and NPO Frauds: Misuse of Assets
Governmental and Nonprofit Annual Update: Federal Government Activities
Single Audit Lighting Round
Governmental Audit Quality Center Annual Update Webcast
Program-Specific Audits' plus 'Audit Tools and Guidance'
Applying Risk Assessment Standards: Understanding the Entity and Its Environment
GASB Updates
Governmental Accounting and Auditing Conference Webcast - 5121266C
Not-for-Profit Organizations Conference Webcast - 5121343C
Cases in NFP Acct. & Auditing: 'Financial Statement Requirements' plus 'Net Asset Classifications'
Governmental Auditing: Course Two Performance Audits
Governmental Auditing: Course Three Financial Audits, Attestation Engagements, and..
Governmental Accounting and Reporting
Ethics: AA&C LLP - Accounting Firm Practice Development Committee
State and Local Govt Planning Considerations
Cases in NFP Acct. & Auditing: Contributions
Field Work Documentation: Preparation, Maintenance, Types of Workpapers
School District Update Including LCFF and LCAP Compliance
School Districts Conference
Understanding the Changes to Yellow Book Independence
California Regulatory Review Course
Fraud Audit Techniques Using Excel
Applying the Uniform Guidance in Your Single Audits
Testing Compliance' plus 'Reporting Requirements
Fid Act Understanding impacts of GASB 84
Its Here! Fid Act Implementation Considerations
Accounting and Auditing Conference
Bernard Madoff Investment Securities' Auditor'
The Detection and Prevention of Fraud in Financial Statements
Governmental Auditing: Course One Fundamental Principles for Government Auditing

Section D - Partner, Supervisory and Staff Resumes

Marina Coast Water District Proposal for Auditing Services

The following is a **partial list** of Sheldon’s clients over the years:

Cities and Towns	Special Districts/JPA's	School Districts/COE's	Nonprofits and Other
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	2006 Washington St.
City of Berkeley	Central Marin Sanitation Agency	Belmont Redwood Shores	Bay Area Special Education JPA
City of Carmel-by-the-Sea	East Bay Dischargers Authority	Burlingame	Bay Area Water Users Association
City of Del Rey Oaks	Fairfield-Suisan Sanitation	Cabrillo Unified	Black Adoption Placement
City of Marina	Half Moon Bay Fire Protection	Campbell Union	Boys and Girls Clubs of Sonoma
City of Novato	Hayward Area Parks and Rec	Cloverdale Unified	Center for Empowering Refugees
City of Oroville	Highland Recreation District	Cotati Rohnert Park	Children of Grace
City of Pacific Grove	Los Trancos Water District	Hillsborough City	Collective Roots
City of Pittsburg	Mckinney Water District	La Honda Pescadero	Credo High School
City of Point Arena	Menlo Park Fire Protection	Lakeside	Diagnostics for the Real World
City of Salinas	Midpen Regional Open Space	Las Lomas Elementary	Hidaya Foundation
City of San Rafael	Pleasant Hill Parks and Rec	Lassen View Elementary	Livebooks
City of Saratoga	Point Montara Fire District	Los Altos Elementary	Mashery
City of Scotts Valley	Santa Clara Regional Open Space	Luther Burbank	Mission Charter
City of Sonoma	Saratoga Cemetery District	Manton Joint Union	Mission Language and Vocational
City of South San Francisco	South Bayside System Authority	Menlo Park City	Morgan Hill Charter Foundation
City of Suisun City	South San Francisco Conf. Ctr.	Millbrae Elementary	Morgan Hill Charter School
City of Sunnyside	Sausalito-Marín City Sanitation	Mineral	Nob Hill Home Owners Assoc.
City of Tracy	Tahoe Regional Planning Agency	Mountain View Whisman	O'Conner Water
Town of Los Gatos	The Cities Group	Orchard	One Million Lights
Town of Windsor	Valley of the Moon Fire	Pacifica	Orange County Charter School
	West Bay Sanitary District	Plum Valley	Pathway to Choices
	West County Wastewater District	Portola Valley Elementary	Pyramid Alternatives
	Westborough Water District	Red Bluff	Redwood City Education Foundation
	Woodside Fire Protection District	Salinas Union High	San Jose Conservation Charter
		San Bruno Park	San Jose Conservation Corps
		San Carlos Elementary	Singularity University
		San Mateo County Office	Sociometrics
		San Mateo Union High	South Tahoe Area Transit Authority
		Scotts Valley Unified	Stone Bridge Charter School
		Sequoia Union High	Woodside Atherton Authority
		Sonoma Valley Unified	Work2future Foundation
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Jeffrey J. Ira, CPA

Independent Reviewer (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)



Jeffrey is a graduate of Humboldt State University with a B.S. in Business with a concentration in Accounting. He is a CPA licensed in California, a member of the AICPA, the California Society of CPAs, the GFOA and the CSMFO. Jeff joined our firm in 2017 and has been auditing local governments since 1981. Jeff is a member of the GFOA Special Review Committee, with responsibility for reviewing CAFR’s for award of the Certificate of Excellence in Financial Reporting. **Jeff served as a Councilmember and the Mayor for Redwood City.** He has also served on various local governing boards and committees, which makes him acutely aware of both your financial and management needs. Jeff will be responsible for concurrent review of your audit, which is a quality control measure designed to ensure the audit is completed effectively and in compliance with governmental auditing standards, compliance requirements and uniform guidance requirements.

Section D - Partner, Supervisory and Staff Resumes

Marina Coast Water District Proposal for Auditing Services

Jeff has forty years of professional experience and has participated in a variety of auditing and consulting engagements with cities, school districts, and special districts including the following (partial listing):

Cities and Towns	Special Districts	School Districts/COE's
City of Berkeley	Bay Area Water Supply Conserv. Agency	Antelope Elementary
City of Cloverdale	Central Marin Sanitation Agency	Cabrillo Unified
City of Oroville	East Bay Dischargers Authority	Cotati Rohnert Park
City of Point Arena	Half Moon Bay Fire Protection	La Honda Pescadero
City of Saratoga	Los Trancos Water District	Lassen View Elementary
City of Sonoma	Menlo Park Fire Protection	Las Lomas Elementary
City of Tracy	Pleasant Hill Parks and Rec	Los Altos Elementary
Town of Los Gatos	Point Montara Fire Protection District	Luther Burbank
City of Pittsburg	Santa Clara Regional Open Space Auth	Redwood City Elementary
City of San Rafael	Saratoga Cemetery District	Menlo Park City
City of Concord	South Bayside Systems Authority	Millbrae Elementary
City of Salinas	South San Francisco Conf. Ctr.	Santa Cruz City
City of Sunnyvale	Tahoe Regional Planning Agency	Mountain View Whisman
City of San Carlos	The Cities Group	Orchard School District
City of South San Francisco	West Bay Sanitary District	Burlingame
City of Marina	West County Wastewater District	Jefferson Union High
City of San Bruno	Westborough Water District	Portola Valley Elementary
City of Campbell	Woodside Fire Protection District	Red Bluff
City of Novato	Highland Recreation	San Bruno Park
Town of Atherton	Coast side Water District	San Mateo County Office
City of Cupertino		Sequoia Union High
		Sonoma Valley Unified
		San Mateo Unified
		Ravenswood Elementary
		Windsor Unified
		Woodside Elementary

A summary of Jeff's recent professional education includes:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

Section D - Partner, Supervisory and Staff Resumes

Marina Coast Water District Proposal for Auditing Services

Paul Pham, CPA

Associate Partner (AICPA, CalCPA)



Paul received his Bachelor of Science from Pacific University and hopes to pursue a Master of Accountancy in the near future. Paul has been working in public and private accounting since 2007 and has completed Fourteen governmental audit seasons. He has completed financial and compliance audits for the entities listed below since 2007. Besides the standard control documentation and substantive testing required for GAAS audits, Paul has performed audits and prepared reports under OMB Subpart F and the Single Audit Act for most of the entities listed below. He has audited Federal grants from various agencies, including FEMA, HUD, FTA, the Department of Education (Title I, Special Education, Title II, Adult Ed) and much more.

Paul's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a partial list of Paul's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Charter Schools
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	Bay Area Water Users Association
City of Berkeley	Central Marin Sanitation Agency	Burlingame	Black Adoption Placement
City of Carmel-by-the-Sea	Fairfield-Suisan Sanitation District	Cabrillo Unified	Boys and Girls Clubs of Sonoma
City of Del Rey Oaks	Menlo Park Fire Protection	Cotati Rohnert Park	Center for Empowering Refugees
City of Oroville	Midpen Regional Open Space	Hillsborough City	Children of Grace
City of Pacific Grove	Santa Clara Regional Open Space	La Honda Pescadero	Collective Roots
City of Point Arena	Saratoga Cemetery District	Las Lomitas Elementary	Crede High School
City of Rocklin	South Bayside System Authority	Lassen View Elementary	Hidaya Foundation
City of Saratoga	South San Francisco Conf. Ctr.	Los Altos Elementary	Livebooks
City of Sonoma	Suasalito-Marin City Sanitation District	Luther Burbank	Mashery
City of Suisun City	Tahoe Regional Planning Agency	Manton Joint Union	Mission Charter
City of Tracy	The Cities Group	Millbrae Elementary	Mission Language and Vocational School
Town of Los Gatos	Valley of the Moon Fire	Mineral	NASA AMES Exchange
	West Bay Sanitary District	Mountain View Whisman	Orange County Charter School
	Westborough Water District	Orchard	Pathway to Choices
		Pacifica	Pyramid Alternatives
		Plum Valley	Redwood City Education Foundation
		Portola Valley Elementary	San Jose Conservation Charter
		Red Bluff	San Jose Conservation Corps
		San Bruno Park	Sociometrics
		San Carlos Elementary	South Tahoe Area Transit Authority
		San Lorenzo Valley Unified	Stone Bridge Charter School
		San Mateo County Office	Work2future Foundation
		Scotts Valley Unfied	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Section D - Partner, Supervisory and Staff Resumes

Marina Coast Water District Proposal for Auditing Services

Andrew Quintero

Senior Auditor

Andrew has successfully completed five seasons of governmental auditing. Andrew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and cities. He has been the Senior Auditor in-charge of clients such as the Town of Yountville, City of Suisun City, Fairfield-Suisun Sanitary District and many more. Besides the standard control documentation and substantive testing required for GAAS audits, Andrew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

Matthew Ojeda

Senior Auditor

Matthew graduated from the San Jose State University, with a B.S. in Accounting. Starting in public accounting in 2014, he has successfully completed seven seasons of governmental auditing. Matthew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and school districts. Besides the standard control documentation and substantive testing required for GAAS audits, Matthew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

Professional Education and Training

Our professionals complete 80 hours of continuing professional education every two years in auditing and accounting which includes at least 80 hours of governmental auditing and accounting training specific to local governments. We use a combination of in-house seminars, self-study and outside seminars sponsored by AICPA, GFOA, the California Education Foundation and other recognized groups.

All assigned staff meet the educational requirements for Governmental engagements as specified by the California Board of Accountancy, Federal General Accounting Office, Governmental Accounting Standards Board, and the AICPA as appropriate.

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Section E

Similar Engagements

Section E - Similar Engagements

Marina Coast Water District Proposal for Auditing Services

Client References and Similar Engagements

The following projects were completed by C&A:

Entity Name	Bay Area Water Supply & Cons Agency	Sonoma Valley Fire District	Midpeninsula Regional Open Space
Contact Person	Deborah Grimes	Steve Akre	Rafaela Ocegüera
Title	Finance Manager	Fire Chief	Budget & Finance Manager
Address	155 Bovet Rd., Ste 650, San Mateo, CA 94402	630 2nd St W, Sonoma, CA 95476	5050 El Camino Real, Los Altos, CA 94022
Phone	650-349-3000	707-996-2102	650-625-6587
E-mail	DGrimes@bawasca.org	SteveA@sonomavalleyfire.org	rocegüera@openspace.org
Partner	Paul Pham	Sheldon Chavan	Sheldon Chavan
GFOA Award	No	No	Yes
Type:	Special District	Special District	Special District
Scope of Work	Revenue Bond Audit GAGAS Audit SCO Min Audit Req Review SCO Report SAS 114 Report Management Letter Year Round Consultation	GAGAS Audit SCO Min Audit Req GASB 34 Reconciliation SAS 114 Report Management Letter Year Round Consultation	ACFR GO Bond Audit GAGAS Audit SCO Min Audit Req GASB 34 Reconciliation SAS 114 Report Management Letter Year Round Consultation

Section F

Additional Information

Section F - Additional Information

Marina Coast Water District Proposal for Auditing Services

Current Client List

Cities/Towns	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
City of Albany	✓	✓	✓			✓	
City of Carmel-by-the-Sea	✓	✓	✓			✓	
City of Del Rey Oaks		✓	✓			✓	
City of El Cerrito	✓	✓	✓	✓		✓	
City of Lincoln	✓					✓	
City of Marina	✓	✓	✓			✓	
City of Oroville	✓	✓	✓	✓		✓	
City of Pacific Grove	✓	✓	✓	✓		✓	
City of Point Arena		✓	✓			✓	
City of Rocklin	✓	✓	✓	✓		✓	
City of Saratoga	✓	✓	✓	✓		✓	
City of Suisun City	✓	✓	✓	✓		✓	
Town of Los Gatos	✓	✓	✓	✓		✓	
Town of Yountville	✓	✓	✓			✓	

Local Education Agencies	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Antelope School District		✓	✓		✓		
Burlingame School District		✓	✓	✓	✓		✓
Cabrillo Unified School District		✓	✓	✓	✓		✓
Corning Union High School District		✓	✓	✓	✓		
Cotati-Rohnert Park Unified School District		✓	✓	✓	✓		✓
Cottonwood Union School District		✓	✓		✓		
Golden Valley Unified School District		✓	✓	✓	✓		
Hillsborough City School District		✓	✓	✓	✓		
Jefferson Union High School District		✓	✓	✓	✓		✓
Las Lomas School District		✓	✓		✓		✓
Lassen View Union Elementary School District		✓	✓		✓		
Los Altos School District	✓	✓	✓	✓	✓		✓
Luther Burbank School District		✓	✓	✓	✓		
Menlo Park City School District		✓	✓	✓	✓		
Millbrae School District		✓	✓		✓		✓
Mountain View Whisman School District		✓	✓	✓	✓		✓
Napa Valley Unified School District		✓	✓	✓	✓		✓
Orchard School District		✓	✓		✓		✓
Pacifica School District		✓	✓	✓	✓		
Red Bluff Joint Union High School District		✓	✓	✓	✓		✓
Red Bluff Union Elementary School District		✓	✓	✓	✓		
Roseland Elementary School District		✓	✓	✓	✓		✓
San Bruno Park School District		✓	✓	✓	✓		
San Carlos School District		✓	✓	✓	✓		✓
San Lorenzo Valley Unified School District		✓	✓	✓	✓		✓
San Mateo Foster City School District		✓	✓	✓	✓		✓
Santa Rosa City Schools		✓	✓	✓	✓		✓
Sequoia Union High School District		✓	✓	✓	✓		✓
Sonoma Valley Unified School District		✓	✓	✓	✓		✓
Soquel Union Elementary School District		✓	✓	✓	✓		✓
Union School District		✓	✓	✓	✓		✓
West County Transportation Agency		✓	✓		✓		
Woodside Elementary School District		✓	✓		✓		✓

Charter Schools	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Charter School of Morgan Hill		✓	✓		✓	✓	
Cottonwood Creek Charter School		✓	✓		✓	✓	
Credo High School		✓	✓		✓	✓	
Kid Street Charter School		✓	✓		✓	✓	
The Reach Charter School		✓	✓		✓	✓	
Mission Preparatory School		✓	✓		✓	✓	
Pathways Charter School		✓	✓		✓	✓	
Roseland Charter School		✓	✓	✓	✓	✓	
RSTEM Academy Charter School		✓	✓		✓	✓	
Stone Bridge Charter School		✓	✓		✓	✓	
Unity Schools		✓	✓		✓	✓	
University Preparatory Academy		✓	✓		✓	✓	
Woodland Star Charter School		✓	✓		✓	✓	

Section F - Additional Information

Marina Coast Water District Proposal for Auditing Services

Special Districts	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Bay Area Water Supply Conservation Agency		✓	✓	✓			
Castro Valley Sanitary District		✓	✓				
El Dorado Hills Community Services District	✓	✓	✓				
Lake Canyon Community Services District		✓	✓				
Midpeninsula Regional Open Space District		✓	✓	✓			
Mid-Peninsula Water District						✓	
North County Library Authority		✓	✓				
Purissima Hills Water District						✓	
Ross Valley Sanitary District	✓	✓	✓				
Sausalito-Marín City Sanitation District		✓	✓	✓			
Stege Sanitary District		✓	✓				
South San Francisco Conference Center		✓					
The Cities' Group			✓				
Tres Pinos Water District		✓	✓				
Valley of the Moon Fire District		✓	✓	✓			
West Bay Sanitary District		✓	✓				
West Valley Sanitation District		✓	✓				
West Valley Clean Water Authority		✓	✓				
Westborough Water District						✓	

NonProfit Organizations	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Boys and Girls Clubs of Sonoma Valley		✓				✓	
Center for Empowering Refugees & Immigrants		✓				✓	
Children of Grace						✓	
Hidaya Foundation		✓				✓	
Mission Language and Vocational School		✓				✓	
Morgan Hill Charter School Foundation		✓				✓	
Mountain View Educational Foundation						✓	
NASA AMES Exchange		✓				✓	
New Ballet School		✓					
O'Connor Tract Co-Operative Water Co.		✓				✓	
Peninsula College Fund		✓					
Peninsula Conflict Resolution Center		✓				✓	
Redwood City Education Foundation		✓				✓	
River of Life Foundation		✓	✓	✓			
San Mateo County Exposition and Fair Association		✓				✓	
Sonoma Valley Hospital Foundation		✓				✓	
St. Andrew's Residential Programs for Youth		✓	✓				
Starting Arts, Inc.		✓	✓				
STARS Preschool		✓	✓				
The San Jose Library Foundation		✓	✓	✓		✓	
Work2future Foundation		✓				✓	
Young Women's Christian Assoc. of Sonoma		✓	✓	✓			

Privately Held Corporations	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Air Filter/Control						✓	
Dfusion, Inc.		✓	✓	✓			
Diagnostics for the Real World		✓	✓	✓			
FRTek US, LLC		✓					
Pathway to Choices		✓					
Roberts of Woodside						✓	
System Services International		✓					
Tri-Cities Community Development Center		✓					
Tri-State Seminar, LLC		✓					

Section F - Additional Information

Marina Coast Water District Proposal for Auditing Services

Technology in the Audit

C&A is a paperless firm and we use secure cloud servers for file sharing. We have Lenovo laptops and Fujitsu scanners that we use in the field. Our secured laptops are synchronized to our cloud server every day to avoid loss of data. The scanners allow for flexibility during the audit since it is not feasible to expect every document in electronic format.

Our secure online file share and engagement organizer provide a better option over e-mailing electronic files. Each of our clients has an account login username and password through our website or an emailed link that allows them to upload files. This is especially helpful with sensitive information such as payroll data as it is much more secure than e-mail.

Our audit software is **ProSystems fx Engagement** which we compliment with Knowledge Coach (KC) audit programs and workpapers. These programs allow us to roll-forward audit information without having to replace the audit programs in the binder because they automatically update with changes in auditing and accounting standards every month. Finally, we have purchased data extraction software for each of our laptops that convert Adobe and other file types to Word and Excel.

All of the above-mentioned technological innovations make the audit more efficient and provides us the opportunity to spend time in areas that are more meaningful to the District. It also reduces the time and effort required by District staff to provide information and minimizes redundancy from year to year in the audit.

Proposal Exceptions

C&A did **not** have any exceptions or requested changes to the District's RFP conditions or requirements.

Attachments

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 18, 2021

To the Partners of Chavan & Associates, LLP
and the Peer Review Committee
of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Chavan & Associates, LLP in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements are identified as not having been performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

To the Partners of Chavan & Associates, LLP
and the Peer Review Committee
of the California Society of Certified Public Accountants
Page 2

Attachment A

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Chavan & Associates, LLP in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Chavan & Associates, LLP has received a peer review rating of *pass*.

The Peer Group, LLP

Santa Ana, California

AUDIT
SERVICES
COST PROPOSAL
03.01.24

PREPARED FOR



Marina Coast Water District
Attn: Mary Lagasca, CPA
Director for Administrative Services
920 2nd Avenue Suite A
Marina, CA 93933
MLagasca@mcwd.org

Whitney Crockett, CPA
3478 Buskirk Ave, Ste 217
Pleasant Hill, CA 94523
(925) 228-2800
whitneyc@mazeassociates.com



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COST PROPOSAL

Maze & Associates Certification

Whitney Crockett and David Alvey are authorized to submit this proposal and negotiate and sign a contract with the Marina Coast Water District. Our offer is firm and irrevocable for 90 days.

What Our Price Includes

Our price includes all the basic audit work and reports, statements and other deliverables specified in your request for proposal. Our price also includes the items below at **no additional cost**:

- 1) Year-round support and telephone consultation on pertinent issues affecting the District,
- 2) Copies of our journal entries and our leadsheets used to support the amounts in your financial statements,
- 3) **Free full day of training** at our annual MazeLive event,
- 4) Active Partner involvement in your work **every year**,
- 5) Our typed interim Accounting Issues Memorandum,
- 6) Overviews and summaries of upcoming pronouncements and regulation affecting the audited financial statements.
- 7) Direct dump of general ledger data into our ProSystems trial balance software which is fully linked to financial statement formats.

Fees and Billings

Progress billings will be made on the pro-rated audit work completed during the course of the engagement. Our fees are firm fixed prices. In determining our fees, we understand that the District's records will be in condition to be audited; that is, transactions will be properly recorded in the general ledger and subsidiary records, these accounting records and the original source documents will be readily available to use, we will be furnished with copies of bank reconciliations and other reconciliations and analyses prepared by the District and District personnel will be reasonably available to explain procedures, prepare audit correspondence and obtain files and records.

We do not post separate rate structures for municipal audit work. We view this work as being every bit as important and valuable as the work we perform for other clients and we put our best people on it. Any consulting work you request will be performed at the same rates as our audit work.

COST PROPOSAL (Continued)

Total All-Inclusive Maximum Price

MARINA COAST WATER DISTRICT
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30:

	Hours (2)	Hourly Rates (3)	2024	2025 (4)	2026 (4)	Optional 2027 (4)	Optional 2028 (4)	Total
Annual Comprehensive Financial Report (ACFR) & Management Letter on Internal Control:								
Partner	15	\$325	\$4,700	\$4,900	\$5,100	\$5,300	\$5,500	\$25,500
Supervisor	65	125	8,100	8,400	8,700	9,000	9,300	43,500
Associates	184	90	16,600	17,200	17,900	18,600	19,300	89,600
Office	9	80	700	700	700	700	700	3,500
ACFR & Management Letter on Internal Control:	272		30,100	31,200	32,400	33,600	34,800	162,100
Out-of-pocket expenses (1)			0	0	0	0	0	0
Additional Reports and Services:								
Single Audit (if needed)			4,500	4,700	4,900	5,100	5,300	24,500
State Controller's Special Districts' Financial Transactions Report (optional)			1,200	1,200	1,200	1,200	1,200	6,000
Total all-inclusive maximum price:			<u>\$35,800</u>	<u>\$37,100</u>	<u>\$38,500</u>	<u>\$39,900</u>	<u>\$41,300</u>	<u>\$192,600</u>

NOTES:

- (1) Out-of-pocket expenses are included in our standard hourly rate.
- (2) Estimated hours are expected to remain constant.
- (3) The hourly rates can be used for any additional work the District may request that would be outside the scope of the audit engagement.
- (4) Our policy is to attempt to keep our clients fees constant after inflation. The current CPI for San Francisco Bay Area Services Sector of the U.S. Department of Labor, Bureau of Labor Statistics for the San Francisco-Oakland Area is 3.8%. Therefore, fees for years subsequent to 2024 will be adjusted by the actual CPI, up to a maximum of 3.8%.

March 1, 2024

Marina Coast Water District
Attn: Mary Lagasca, CPA
Director for Administrative Services
920 2nd Avenue Suite A
Marina, CA 93933
MLagasca@mcwd.org

Dear Ms. Lagasca:

We are pleased to enclose an electronic copy of our Technical Proposal to provide Audit Services for the Marina Coast Water District for the fiscal years ending June 30, 2024 through June 30, 2026, with the option to extend for two subsequent fiscal years.

Yours very truly,



Whitney Crockett, CPA
Audit Partner

WC:rd
enclosures

AUDIT SERVICES PROPOSAL 03.01.24

PREPARED FOR



Marina Coast Water District
Attn: Mary Lagasca, CPA
Director for Administrative Services
920 2nd Avenue Suite A
Marina, CA 93933
MLagasca@mcwd.org

Whitney Crockett, CPA
3478 Buskirk Ave, Ste 217
Pleasant Hill, CA 94523
(925) 228-2800
whitneyc@mazeassociates.com



March 1, 2024

Marina Coast Water District
Attn: Mary Lagasca, CPA
Director for Administrative Services
920 2nd Avenue Suite A
Marina, CA 93933
MLagasca@mcwd.org

Dear Ms. Lagasca:

We appreciate this opportunity to submit our proposal to provide audit services to the Marina Coast Water District (District) for the three fiscal years ending June 30, 2024, 2025, and 2026 with the option to extend for two subsequent fiscal years. We understand that we will audit the District's basic financial statements in accordance and in compliance 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 and the provisions of the Title 2 US Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. We will also assist the District with the preparation of the Annual Comprehensive Financial Report including the financial statements, schedules and accompanying notes. Furthermore, we will perform additional procedures and complete the other services as specified in the District's Request for Proposal, within the time periods established by the District.

We are certain we are the most qualified firm to be your independent accountants. Maze & Associates began operating over forty years ago. Since that time, we have rigorously employed our philosophy that "We are in Business to Help Our Clients Succeed!" Our clients know from experience we employ a variety of techniques, technologies and strategies to maximize effective and efficient audits without shifting our work onto our clients' staff. We have summarized our reasons below and explained them in depth in our proposal.

- **We are the best-known regional municipal audit firm in Northern California.** Our firm has been in business over 40 years, and over that time, we have achieved national recognition with the consistently high quality of our work and with our leadership on issues such as GASB Statements 34, 68 and 75, and internal control enhancements. We frequently speak at CSMFO and CSDA events and webinars.
- **Municipal industry is our main business.** We know we have the necessary qualifications to perform your audit.
 - **Annually, we serve over 200 municipalities including cities, special districts, joint powers authorities, successor agencies, housing authorities and financing authorities in the greater San Francisco Bay Area.**
 - We currently have over forty City or Town clients ranging in size from small towns to large complex cities. We are proud to say that over forty of our clients publish award-winning Annual Comprehensive Financial Reports, the majority of which we have provided assistance in compiling reports.
 - **We conduct over three dozen Single Audits annually.**

- **Our Partners are actively involved** in planning, conducting and completing the audit in our client's offices, and our Partners are available when you need them. We resolve issues on the spot while the audit is going on.
- We have a long-term track record of client retention beyond our client's original contract terms because of the quality of our service.
- We are properly licensed to practice in California. All key staff assigned to this audit possess California CPA licenses.
- Everyone on our audit staff averages approximately **60 hours of training in municipal auditing and accounting and 1500 hours of municipal audit experience each year**. This means you do not train our staff!
- Our fee includes **one free day of training**. Starting in 2016, we implemented the annual Maze Live training. This will provide you with knowledge of upcoming GASB pronouncements and changes in the municipal field. Past classes included topics such as year two of GASB Statement 68, GASB Update, Implementation of GASB Statements 74, 75, 84 and 87, Fraud Environment, Cybersecurity and Single Audit under Uniform Guidance. Future Classes will focus on similar topics as well as the information to prepare for the implementation of GASB Statement 96.
- Our **Closing Checklists** help you prepare in advance for both our interim and year-end audits. These Checklists do away with last-minute requests for schedules and analyses at year-end and help identify potential problems early in the process. We will coordinate them with the work papers you are already preparing, so **you don't have to prepare workpapers only for the auditors**.

As with all our audits, we are committed to providing timely, quality audit services to the District. We are committed to meeting the District's deadlines as outlined in the RFP. We have no doubt that we are the firm best qualified to perform the services described in the request for proposal. After you have analyzed our proposal and - most important - talked with our references, we are quite confident you will agree.

Whitney Crockett, Vice President (whitneyc@mazeassociates.com), and David Alvey, Vice President Associates, a Professional Corporation, located at 3478 Buskirk Avenue, Suite 217, Pleasant Hill, California, 94523, (925) 228-2800.

We look forward to the opportunity to work with the Marina Coast Water District!

Yours very truly,



Whitney Crockett, CPA
WC:rd

**MARINA COAST WATER DISTRICT
AUDIT SERVICES PROPOSAL**

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**MARINA COAST WATER DISTRICT
AUDIT SERVICES PROPOSAL**

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Reputation

We believe quality and an emphasis on doing our job right is far more important than being cheaper than our competitors. Despite the economic pressures faced by municipalities and the need to save money, there are other, more serious concerns to be weighed. For instance, the perceived or actual audit failures in the municipal audit sector. The City of Bell news, especially the State Controller's Office Report on that City's audit firm, raised serious questions about municipal audit quality. Whether this is justified or not isn't really the issue. What is at issue is the perception of poor quality in municipal audits. We received a number of inquiries and requests for proposal from that firm's clients who desired a change in auditors. A former client of ours, which rotated to them several years ago, called us and asked if we would propose on the City's work. They said that the council simply did not want to expend the energy to defend whether that firm was providing quality work.

Audit Quality

Never has audit quality been the focus of more attention than now. With names like Orange County, San Diego and Bell in the news, municipal audits can no longer be relegated to a consent item. Ensuring quality audits is a necessity. Our commitment to quality remains our top priority.

Capacity and Resources

We have consistently demonstrated the ability of our capacity and resources to meet the demands of our clients. We have never missed a reporting deadline for any of our clients.

Over the years we have made substantial additional investments in our people and our systems. We have continued our policy of at least doubling the required amount of Continuing Education we provide our people. We routinely provide an average of one hundred hours of Continuing Education each year—the State requirement is forty hours. We routinely ensure that at least eighty of those hours are specific to municipal audit and accounting—the State and government auditing standard requirements are twenty-four hours.

We have more than doubled the number of people on our staff over the past ten years, and most of these new people are professional audit staff members. More people and more continuity combine to mean that our people capacity and resources have more than doubled.

Hand-in-hand with our continuing investment in our people has been our increased investment in systems and hardware support. Eight years ago, our systems work was handled by an outside consultant. **Today, we have a full-time staff of three people who maintain our state-of-the-art systems capabilities and provide increasing levels of such service to our clients.** Every person on our staff is now armed with a late model PC that communicates with all our other PCs, printers, servers, etc., via our own wireless network establish in each client's office at the start of each audit. Most of our work-papers are now prepared on these PCs as we continue to move toward paperless audit and paperless files.

SPECIFIC AUDIT APPROACH (Continued)

We have moved most of our clients from a manual input of their general ledger data to a **fully mechanized computer dump** of that data direct to our Excel-based financial statement formats. At the same time, we have added significant numbers of internal data controls to financial statement formats. This strategy has virtually eliminated input errors, increased efficiency, and allowed our clients to spend less time reviewing and approving the financial statements. Not only does our new direct dump produce fund-basis financial statements, it produces the Entity-wide financial statements. And these improvements have been made without a hiccup - we **consistently deliver final draft financial statements and reports to our clients the last day of our fieldwork in our client's offices.**

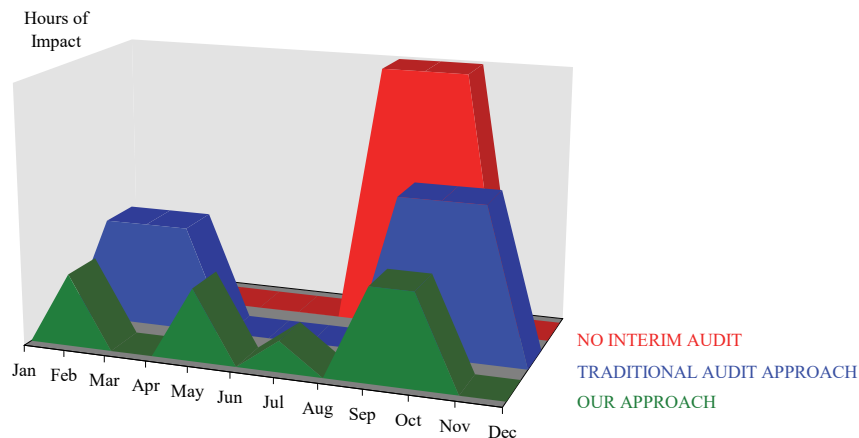
We are not relying on the capabilities or resources of any other firms in our proposal.

WORK PLAN

Audit Approach

Our audit strategy is designed specifically for municipalities. We perform half our audit well before year-end so we can identify problems early. Our strategy maximizes our efficiency and lessens the load on our clients. When engaged to prepare the financial statements, we prepare proformas of them for your review, well before year-end and we give you detailed interim and final-phase checklists of all the items we will need from you months in advance.

As you can see from the illustration below, our strategy significantly reduces our impact during the crucial year-end crunch.



We will plan the audit in detail and prepare an Audit Plan which details the information we will need from you to complete our interim and year-end audits, along with the person responsible for preparing it and the date they will have it ready. We tailor it to refer directly to the schedules you already prepare.

We do not require special reports or reconciliations just for our audit. We have found that coordinating our team and our client's staff works very well because it helps minimize the impact on your staff at year end. This way the Audit Plan includes most data we need from you so you and your staff can plan and schedule your work accordingly. **Our clients know from prior experience with our firm, that we excel at minimizing our impact on your staff.**

Specific Audit Strategy – Interim

Unlike older-style firms, **we perform most of our important work at interim**, well before the end of the fiscal year. We use our interim work to identify and solve problems and plan the year-end closing and audit in detail. Well before we begin our interim work, we will send you a list of the items we need, so you will have time to prepare.

We forecast many year-end amounts at interim, so that we can limit the amount of work required at year-end and concentrate instead on areas of concern. For example, we normally perform all our cash and investment testing at interim, including sending confirmation letters to depositories and determining financial statement categorizations. Performing these last two steps at interim allows plenty of time to follow up on confirmations or resolve questions about the proper categorization of an investment without delaying the audit. As another example, we test long-term debt at interim and forecast year-end balances and transactions for each debt issue.

We use **remote inquiry** as much as possible at interim, in order to increase our efficiency and reduce our impact on your staff. We can download Board minutes and other documents from your website for review. Combining these abilities with our checklists has allowed us to perform larger portions of the audit in our own offices and reduce our questions to writing so that you have more time to deal with them.

Laws, Regulations and Compliance

Our audits are designed to ensure that we test transactions for compliance with the Single Audit Act and other applicable laws and regulations, including the California Government Code, provisions of applicable grant guidelines, California Constitution Gann Limit requirements, requirements of local measures, Transportation Development Act requirements, etc. We identify applicable laws and regulations as part of our audit planning each year.

To the extent possible, we also begin our tests of compliance with laws and regulations at interim, including use of the Uniform Guidance and the OMB Compliance Supplement and any other applicable compliance guidelines. Even if the work cannot begin until year-end we determine the applicable laws and regulations for our compliance testing so that we may incorporate the necessary information into our year-end closing checklist. Our audit samples for purposes of compliance vary based on the grant or compliance guidelines and are program-specific. The samples are stratified to ensure we test transactions that are representative of the costs charged to grants.

Specific Audit Strategy – Analytical Procedures and Year End

At year-end we do not repeat any of the work we performed at interim. Instead, we focus on the items in your Audit Plan and on the Basic Financial Statements. Our Engagement Partner and Supervisor will meet with you on the first day of the year-end audit to review the status of the year-end closing and to determine if modifications to our year-end approach are needed. This meeting sets the stage for the year-end audit; by this time the format and content of the financial statements is pretty well set and most audit adjustments have been identified. If we find any material adjustments, we will discuss them with you immediately and provide you with the journal entries required; we do not propose adjustments that are not material.

At the conclusion of our year-end work, our Engagement Partner and Supervisor, will review the District's financial statement drafts and provide feedback before it is provided to you. Once the final financial statements draft is ready, a second partner not involved with the audit will perform a "quality assurance review" of the financial statements and workpapers so that we will be ready to sign the financial statement opinions as soon as possible.

You will find our strategy allows you to control the audit process, enables you to spread the work over the year as you wish and greatly reduces the pressure at year end.

Audit IT Systems, Security and Going Green

Hand-in-hand with our continuing investment in our people has been our increased investment in systems and hardware support. **We have a full-time IT staff who maintain our state-of-the-art systems capabilities and provide increasing levels of such service to our clients.**

Every person on our staff is provided with a Windows operating system PC networked with other audit team PCs and a printer via our own wireless LAN establish at the start of each audit in our client's office. Years ago, we completely eliminated hardcopy workpapers by converting to *ProSystems fx Engagement* paperless audit software published by Commerce Clearing House. We use Word as our word processor and Excel for preparation of financial statements and schedules and Outlook for personal information management.

Because of our shift from hardcopy documentation to softcopy and our obligation under professional standards to maintain confidentiality of client data, we instituted state-of-the-art security protections to ensure client data remains confidential and secure. For example, many CPAs use email as a method of communicating financial data to and from clients. But emails are not secure communications! We therefore employ a secure data file transfer system called "LeapFile" under which we exchange data files with our clients using a secure website. This keeps data confidential and has the added benefit of permitting downloads of large excel files or Microsoft Office files that may be erroneously rejected by some email scanning software. In the event one of our staff works out of the District's offices or telecommutes, they access data via our virtual private network. **Our VPN, LANs, and audit software are password protected and encrypted to ensure your data remains confidential and secure.**

We will also use some type of connection to the internet during our audit, but coordinate it with your IT Staff to ensure there are no breaches in security or protocols.

We have working experience with a broad range of accounting software and systems. We have reviewed and tested controls over these systems. We have used and tested reports produced by these systems. The newer systems allow on-line inquiry or query and custom report writing, and we use these functions whenever possible.

Local Expertise and Resources

Our expertise and resources are local which provides our clients with timely on-the-spot responses to issues and questions as they arise. Our Audit Supervisors are on site daily while the audit team is in the field. Our Engagement Partner is frequently checking on progress, discussing and resolving issues with the Audit Team, as well as meeting with our client as needed. In cases of highly complex operations or unusual issues, our Technical Review Partner is brought out to meet with the audit team and provide technical support, consultation and participate in meetings with our clients as needed. With all our resources available locally, our clients are assured of in depth, timely audits and expedient resolutions to questions and issues as they arise.

System Controls, Transaction Cycle Processing Verification and Sample Sizes

With any data processing system upon which we intend to rely as a means of reducing substantive testing, we perform a variety of tests to verify the accuracy of transaction processing, the reliability of system control points and authorization controls, appropriateness of profile structures including Super-user rights access, and automated functionality such as sub-ledger integration and auto-journal entry validity and set up controls.

Gaining an understanding of the design of relevant procedures, controls and authorization levels is integrated with our risk assessment procedures discussed under the ***Client Tailored Risk Assessment*** section below. As part of our risk assessment process we identify those transaction cycles we intend to rely on. Both processing procedures and controls that are to be relied on are tested with our audits.

Transaction cycle processing and control tests typically involve sampling techniques. Most of our transaction samples are selected and tested during the interim portion of our work. Each sample will run from twenty-five to sixty transactions in size. We use interval and judgment sampling techniques with a high degree of stratification. Most municipalities operate more than one major revenue system. Therefore, we typically determine which revenue transactions are processed with common procedures and controls and deem that to be a single population and subject it to a single sample. Other revenue cycles processed with separate controls are tested with their own samples. For example, it is common for separate samples to be selected for governmental receipts and each major enterprise fund. Transaction cycles we sample are dependent on materiality to each client's financial statements but typically include, payroll, disbursements, receipts, loans receivable, investments and budget transactions and in accordance with the requirements of Statement of Auditing Standards #99 we also sample journal entries. Samples from each grant audit or major federal award program are also made. Samples are triple purpose samples and we test for correct recording, compliance with applicable policy or regulation and key control attributes – both manual and automated. This includes verification of sub-ledger integration and auto-journal entry validity, if needed.

Profiles, Access and Setup Controls

Despite advances in information technology automation and system control features, classic segregation of duties concepts remain a mainstay for providing adequate internal controls. What has changed however, is the necessity to determine system profile structures and actual system access. We inquire how our clients establish and maintain system profiles for relevant staff with the objective of determining whether controls are in place to provide for adequate segregation of duties and to determine if system profiles are appropriate based on the individual's duties. We also determine how our clients monitor access and we test access through reviews of access logs, observation and in some extreme cases, with fully observed access attempts.

We will also inquire about procedures and controls used to ensure only those system functions and controls assigned to an employee are in fact setup in system profiles. Considerations include Super User Rights, system profile set up, and system authorization functionality such as transaction initiation, review and approval, automated entry setup and posting. Work typically involves inquiry of staff with Super-User Rights and determining how the organization provides a check and balance against the possibility that one person with Super-User Rights can intentionally or inadvertently assign unauthorized access. We often review access logs and examine approvals of profile changes and review authorization levels.

Data Extraction

We employ rather simple data extraction techniques these days since most modern systems provide easy download capabilities to text or Excel files. We have been utilizing data extraction for over fifteen years. We first began data extraction as a means of downloading data from our client's financial systems for upload directly into the financial statements. Then we expanded this to include transaction details, account information and other data contained in our client's systems that we need for audit. Our Chief Operations Officer, Chris Hunt, oversees our data extraction needs and has successfully worked with all of our clients and their systems to achieve data extractions for our use. We are extremely adept at converting from text, delimited and fixed width files, and with every system used by clients.

Assessing Risks – Interim Phase

Beginning with fiscal year 2007-2008 audits, a new set of Statements of Auditing Standards became effective and required that most auditors change the way they audit. Much of this new guidance came out of the aftermath of highly publicized audit failures such as Enron, Global Crossings and the like. The Statements make it clear that a generalized one-size-fits all audit approach will not be permitted. An audit must be based on a unique audit strategy customized to fit each client and its industry.

The primary objective of these Standards is to require the auditor's application of an audit risk model. The concept is that a set of financial statements should be evaluated for the underlying risks of material misstatement. Then, a customized audit should be tailored to test for misstatements and verify that controls are designed and in place to prevent and detect misstatements.

We have consistently employed a risk-based concept from our firm's inception. Our audit checklists and programs were originated by reference to *Audits of Local Governments* published by the Practitioners' Publishing Company (PPC), a third-party vendor specializing in producing audit guides for unique industries. But we have not simply used their guide as our approach. We have customized it further for the simple reason that California municipalities have many unique risks not faced by municipalities in other states. As you know, California state law and applicable regulations cover a wide variety of areas such as cash and investment management, redevelopment compliance, transportation development act programs, and child development programs. Indeed, even revenues of California municipalities are unusual and complex such as the past Triple Flip and Proposition 1A securitization.

Our primary objective in an audit of each client's financial statements is to opine on whether the financial statements, including disclosures, are free of material misstatement. Our opinion must be based on sufficient, appropriate audit evidence that we obtain, and this evidence must be documented. To achieve this objective, we further refine our approach to be responsive to each individual audit. We may reduce the scope of our substantive audit tests provided we conclude there are effective specific controls in place which would detect and correct misstatements due to errors or fraud.

Fraud Considerations

Beginning with our 2004 audits, we employed additional audit steps required by Statement of Auditing Standards #99, *Consideration of Fraud in a Financial Statement Audit*. SAS #99 requires auditors to consider risk areas that may be susceptible to fraud and to then modify their audit strategy. We have been employing a variation of the SAS #99 concept since the early 1990's. For example, for many of our recurring clients, we visited all of their cash collection sites. We performed cash counts and reviewed cash handling practices and procedures, including security measures employed to limit access to cash. This and our planning meetings with our clients' staff have resulted in the inclusion of a variety of special emphasis areas in our audits. We combine our fraud consideration brain storming sessions with our overall risk assessment process discussed below.

Client Tailored Risk Assessment

Our strategy to assessing risk begins with a brainstorming session of our audit team where they review your prior year financial statements and operations to identify areas of major audit risk. We also incorporate our consideration of other factors such as the risk of fraud, the economy, regulatory complexities or changes, credit market conditions and others into our initial assessment. We may also compare unusual transactions and estimates to those used by other municipalities or to current trends and issues. Since we are a niche firm specializing in California municipalities this is relatively easy. For example, certain development agreements are unique to municipalities. These agreements usually contain complex financial transactions and legal restrictions. With so much experience in this area we can quickly design an efficient response to these risks.

Major audit risks are further evaluated through consideration of relevant assertions to determine inherent risk due to error or fraud. For example, cash on hand has a relative higher inherent risk of loss due to theft than an infrastructure asset. High and medium inherent risk audit areas are further evaluated to determine relevant internal controls needed to prevent, detect and correct errors or fraud.

We start our evaluation of your internal controls by interviewing staff and meeting with Department heads as needed. We review policies and procedure manuals and other documentation to determine the design of procedures and controls. As part of our evaluations we document narrative memoranda outlining the duties of each pertinent person as well as our GRID evaluation of the important nexus control points. The GRID is our own design; it is a two-axis chart we use to identify potential conflicts of duties in your controls. We enhance our evaluation by reviewing system profile reports, paying special attention to super-user rights. This data is then used to determine the presence or absence of compensating controls designed to mitigate conflicts of duties vested in a single individual.

We then test to verify that procedures and controls are operating effectively such that they reduce the risk that errors or fraud could occur and go undetected and uncorrected. We use a variety of techniques to verify controls are effective including: sampling, observation, documentation of reviews, examining system access reports and comparisons with other data.

After this has been completed, we assess the risk of material misstatement which is determined by the relative inherent risk of an area and the associated control risk to plan our substantive tests. That is, the risk that controls are not in place or are not operating effectively. Areas with a low risk of material misstatement assessment may receive limited substantive procedures while those with a high risk of material misstatement will receive significant substantive procedures.

We then design our final phase audit plan to ensure we obtain sufficient appropriate evidence about the financial statements and disclosures. Specific audit procedures are developed and documented in our audit programs and we develop potential internal control points for further evaluation as to significance and communicate those to staff.

Client Participation in the Risk Assessment Process

Of course, any risk assessment process is incomplete without our clients' active participation. We hold meetings with senior finance staff and others within the organization to discuss their views and assessments of risks affecting the financial statements. Our inquiries are backed up by reviews of the annual budget, mid-year budget revisions, internal audit reports, grantor performance and monitoring correspondence and any other pertinent data we deem relevant.

We must also establish two-way communication with the Board and Audit Committee which we typically accomplish by meeting to discuss the audit process and timing, management representations and fraud considerations. For those organizations without an Audit Committee, we typically attend a Board meeting or meet with representatives of the Board.

Assessing Risks – Final Phase

Although the majority of our evaluations and testing of internal controls is completed with our interim testing, it is during the final phase that actual year end balances, transactions and disclosures are known, and our substantive procedures are employed. These procedures and data often reveal unusual or unexpected results that must be considered in the risk assessment process. Risk assessment processes are iterative and cumulative. That is, we must continually re-evaluate our assessments based on information and procedures gathered. It is not uncommon for an initial assessment and the corresponding substantive audit work to be restructured as a result of new data. Indeed, it is the intent of current audit standards that the audit be responsive to risks.

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Our substantive procedures are selected to be responsive to the assessed risk and relevant assertion and typically involve analytical procedures, third-party confirmation, estimation techniques, mini-max tests, trend analyses, recomputations, corroboration with other tests, tests in total, sampling and comparisons to data gathered in other municipal audits.

Risk assessment procedures would be incomplete without an evaluation of the adequacy of our evidence obtained including internal control tests, any significant deficiencies or material weaknesses and substantive test results. **These factors are considered prior to the release of our opinion in a final re-assessment process that includes our quality assurance review.**

Communication and Coordination

We will meet with you at the start of each phase of work and conduct an exit conference at the end of each phase of work. This will ensure you know everything we do, with plenty of time to address any issues.

Two key objectives for a well-run audit are to ensure timely communication of the audit results and to provide for seamless coordination of the external auditors with staff. The concept is virtually identical to our Accounting Issues Memorandum and detailed Interim and Closing Checklists that we typically prepare for our clients.

The Accounting Issues Memorandum concept was originated by one of our staff over two decades ago to function as a partner's brief of an engagement's status. It worked so well we expanded it to all our audits and share it with our clients. It has proven to be an indispensable communication and coordination tool ever since. This informal memo condenses and summarizes the audit status and issues as of the end of our interim work. It includes housekeeping matters, major and minor potential findings, scheduled audit fieldwork start and finish dates, etc. We produce this memo right in your office before the conclusion of our interim work, so you have an idea of what we've found so far and whether there are areas that need work.

Our Memorandum on Internal Control is drafted at year-end and may include significant issues raised with our interim phase Accounting Issues Memorandum as well as issues arising from our year-end work. We review a draft with you, so that you will have plenty of time to consider the facts and discuss our findings before the audit results are presented to the Board and Audit Committee.

Our audit strategy emphasizes detail planning and coordination of our staff and client staff to complete the audit as efficiently as possible. We have found that completing all our work and our reports, if possible, as part of our fieldwork dramatically reduces the time required to issue final reports to our clients.

Our strategy allows our clients ample time to review all report drafts before issuance, while ensuring that all reports are issued timely.

Internal Quality Assurance System

Every one of our audit and assurance engagements has an Engagement Partner responsible for the successful completion of the work as well as ensuring we maintain quality levels that satisfy professional standards. Our very high Partner to staff ratio of one to six is double that of traditional firms. We specifically structure our work for on-site Engagement Partner participation while the audit is being conducted. This structure is by design to ensure we have active on the job oversight of staff and timely completion of the work.

We have always subjected our audit and assurance engagements to a second Quality Assurance Review. This is performed by a second partner that is not involved with the audit.

Use of Electronic Resources

As much as possible, we like to use electronic versions of documents. We find that this makes the audit not only efficient, but ecofriendly. We also set up OneDrive accounts in which files can be transferred regardless of their size.

Confirmations

As requested in the RFP, we confirm that we typically use bank confirmations to vouch cash and investments. From time to time, these confirmations can be difficult to obtain and we can use alternative procedures such as review of the monthly bank statements.

Client Training and Professional Development

We can provide you with varying levels of training and professional development resources. We provide our semi-annual continuing education to our staff and have on occasion opened it up to our clients who wish to keep their licensees current. Our audit fee includes providing training and assistance with the implementation of applicable new GASB statements, at no additional charge. Depending upon the complexity of the GASB Statement requiring implementation, the assistance could take the form of free access to web-based training, one-on-one or group training, suggested footnote disclosure templates and/or Excel spreadsheet templates.

We have also developed and conducted training specifically for our clients. Training can be general theory in nature, semi-customized or fully customized training that fits your operations. Theory intensity can be at the beginning, intermediate and advanced levels. On occasion, we have provided our clients with shorter presentations of new pronouncements and other requirements. At the City of Richmond, for example, we developed and taught monthly training sessions on virtually every major finance area to its staff over a twelve-month period. Much of their staff had assumed new functions in the aftermath of serious staffing cuts several years ago and their Finance Director was seeking an economical method of enhancing their knowledge base and skill sets. At the Cities of Richmond, Livermore, El Cerrito and Belmont we provided grants management training to several departments as a means of solving coordination weaknesses.

In 2016, we launched Maze Live – this is a full day of training which is free to our clients and qualifies for continuing education credit. Past classes included topics such as year two of GASB 68, GASB update, Implementation of GASB Statements 74, 75 and 87, Fraud Environment, Cybersecurity and Single Audit under Uniform Guidance. Future classes will focus on similar topics.

Anticipated Potential Audit Problems

We will provide the District with whatever support it needs with regard to gaining an understanding of new pronouncements affecting the financial statements and our audits. Our consistent approach is to provide our clients with advance identification of new GASBs as they are issued. With every audit, we provide overviews of new pronouncements including effective dates and we review these with District staff. In the year of implementation, we proforma new disclosures and add on additional data requests to our interim and closing checklists. For complex rules, we prepare course materials and conduct training and education sessions during interim for finance and other affected District staff to ensure they understand the requirements. We include the new GASB provisions as well as any additional resources such as implementation guides, practical application examples and additional technical resources and contacts. After District staff has had a chance to think about District's operations, we conduct a follow-up conference to determine the potential impact to the financial statements and audit. In unusual cases we will schedule additional field work before year end to ensure the new rules do not affect year end timing. We have not identified any potential audit problems related to the Dublin San Ramon Services District.

DESCRIPTION OF FIRM'S EXPERIENCE

Firm Profile

We are a professional services corporation located in Pleasant Hill, California. We presently have a total of approximately 55 employees, including seven shareholders, three Directors, six Managers, ten Supervisors and many more Audit Associates and Tax/Office Staff. Sixteen (16) of our professional staff are California Certified Public Accountants and two additional staff are in the process of completing their applications for licensure. Thirty-six of our professional staff comprise our governmental audit staff, as our firm's emphasis is on governmental auditing and accounting. Several of our professional staff have national accounting firm experience, which we have blended with the more personal approach of a smaller firm.

The majority of our clients are cities, special districts, or other municipal entities and we do this work twelve months of the year. We limit our practice in other areas and focus on being the best municipal audit firm in Northern California. Our clients include several special districts similar to the District in size. Our audit strategy is tailored to municipalities and is quite different from the traditional approach adapted from commercial clients by general practice accounting firms.

We have focused on municipalities since our inception in 1986. We are active in GFOA, CSMFO, CSDA, CalCPA and CMTA, and our Partners have been speakers at many GFOA, CSMFO, CSDA and CMTA functions.

We are in business to help our clients succeed. We help you use the ever-growing tangle of accounting rules properly, but to your best advantage, by helping you keep out of trouble and helping you do the right thing. We stay in touch throughout the year to keep you abreast of municipal accounting developments and to help you avoid problems, instead of coming in afterwards to assess the damage. We rotate our audit emphasis based on our planning meetings with you as well as our fraud and audit planning discussions with Board members, so areas that concern you can be addressed as a normal part of the audit at no extra cost.

Federal or State Desk Reviews

We have not been subject to any desk reviews or field reviews by any Federal Agencies or State Agencies during the past five years.

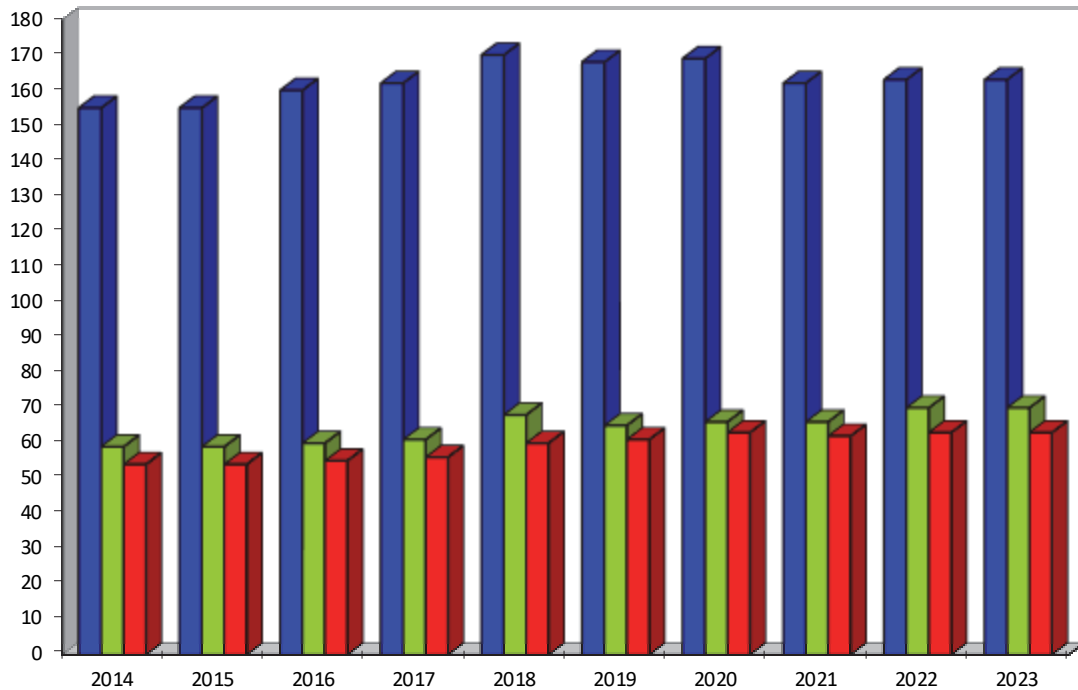
Litigation

We have not been sued over poor work quality, nor have we paid any such claims out of court in the past five years, and there are no current and we are not aware of any potential lawsuits. In addition, we have not received any disciplinary action taken or pending action against us during the past five years with state regulatory bodies or professional organizations.

DESCRIPTION OF FIRM'S EXPERIENCE (Continued)

Experience

Our practice includes over fifty city and town clients and more than fifty special districts, including over forty city and special district ACFR award winners—more award winners than any other Northern California accounting firm or international firm branch office. Included in those totals are six award-winning Special District ACFRs. Eighty percent of our practice is municipal auditing, accounting and consulting, continuing throughout the entire year. Our growth can be seen in the graph below, which shows the growth in the number of our total municipal entity clients in blue, City audit clients in green and ACFR award winners in red.



Every one of the above ACFRs won awards from GFOA and/or CSMFO.

As you can see from the client list in the Firm Qualifications and Experience – City and Town Clients Section and Special District/ Other Section below we have a winning combination that has resulted in **strong client loyalty and retention**. Several clients who left have returned after seeing the difference between our firm and our competitors. **Others have remained our clients after completing a full-blown proposal** process, most recently Cities of San Rafael, Santa Clara, Contra Costa Water District, LAVTA, and Novato Sanitary District.

DESCRIPTION OF FIRM'S EXPERIENCE (Continued)

City and Town Clients

The table below summarizes our most recent experience with audits of cities and towns, **all of whom are current clients**. We are responsible for all phases of the work on these clients. **All of this work represents recurring annual audit and related work; all this work and that presented in the table was completed on or before the deadline from the first year listed for each client.** Please also see the References Section for names and current phone numbers for contacts on work quality and performance.

CITY AND TOWN EXPERIENCE

Client Name	Scope of Work	Client Start Date	Annual Comprehensive Financial Report		
			Submission	GFOA Award	Single Audit
Population > 100,000					
Concord	Audits of City financial statements, Successor Agency, Healthcare District, Financing Authority, Single Audit	2019 - Present	✓ Yes	✓ Yes	✓ Yes
Daly City	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit, Transportation Measures, JPAS audits	1992 - Present	✓ Yes	✓ Yes	✓ Yes
Elk Grove	Audit of City financial statements and Single Audit	2017 - Present	✓ Yes	✓ Yes	✓ Yes
Hayward	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit, Transportation Measure, Financing Corporation Audit	2011 - Present	✓ Yes	✓ Yes	✓ Yes
Santa Clara	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit, Silicon Valley Power Audit	2012 - Present	✓ Yes	✓ Yes	✓ Yes
Population < 100,000					
Alameda	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit, Transportation Measures	2018 - Present	✓ Yes	✓ Yes	✓ Yes
Atherton	Audit of Basic Financial Statements, Single Audit	2009 - Present	*	*	✓ Yes
Belmont	Audit of City financial statements, Successor Agency, Single Audit, Transportation Measures	1998 - Present	✓ Yes	✓ Yes	✓ Yes
Belvedere	Audit of City financial statements	2018 - Present	✓ Yes	✓ Yes	*
Brentwood	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit	2007 - Present	✓ Yes	✓ Yes	✓ Yes
Brisbane	Audit of City financial statements, Successor Agency	2011 - Present	*	*	*
Burlingame	Audit of City financial statements, Single Audit, Transportation Development Act Audit	2016 - Present	✓ Yes	✓ Yes	✓ Yes
Davis	Audit of City financial statements, Single Audit	2015 - Present	✓ Yes	✓ Yes	✓ Yes
Emeryville	Audit of City financial statements, Transportation Measures, Housing Compliance, Childcare Audit	2021 - Present	✓ Yes	✓ Yes	*

DESCRIPTION OF FIRM'S EXPERIENCE (Continued)

City and Town Clients (Continued)

Client Name	Scope of Work	Client Start Date	Annual Comprehensive Financial Report Submission	GFOA Award	Single Audit
Fairfax	Audit of Basic Financial Statements	2009 - Present	*	*	*
Half Moon Bay	Audit of City financial statements, Single Audit, Transportation Development Act Audit	2014 - Present	✓ Yes	✓ Yes	✓ Yes
Los Altos	Audit of City financial statements, Single Audit, Transportation Measure	2014 - Present	✓ Yes	✓ Yes	✓ Yes
Manteca	Audit of City financial statements, Successor Agency, Single Audit, Financing Authority Audit	1986 - Present	✓ Yes	✓ Yes	✓ Yes
Martinez	Audit of City financial statements, Single Audit, Transportation Development Act Audit	2001 - Present	✓ Yes	✓ Yes	✓ Yes
Milpitas	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit, Financing Corporation Audit	1995 - Present	✓ Yes	✓ Yes	✓ Yes
Moraga	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit	2012 - Present	✓ Yes	✓ Yes	✓ Yes
Morgan Hill	Audit of City financial statements, Single Audit, Transportation Development Act Audit	2015 - Present	✓ Yes	✓ Yes	✓ Yes
Oakley	Audit of City financial statements, Successor Agency, Single Audit	2000 - Present	✓ Yes	✓ Yes	✓ Yes
Orinda	Audit of City financial statements, Single Audit, Transportation Development Act Audit	2015 - Present	✓ Yes	✓ Yes	✓ Yes
Pacifica	Audit of City financial statements, Single Audit, Transportation Development Act Audit, Transportation Measure	2015 - Present	✓ Yes	✓ Yes	✓ Yes
Pittsburg	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit, Retirement Plan Audit	2011 - Present	✓ Yes	✓ Yes	✓ Yes
Portola Valley	Audit of Basic Financial Statements and Transportation Measure	2005 - Present	*	*	*
Redwood City	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit, Audit of Port of Redwood City, Audits of Joint Power Authorities	2019 - Present	✓ Yes	✓ Yes	✓ Yes
San Leandro	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit, Transportation Measures	2011 - Present	✓ Yes	✓ Yes	✓ Yes
San Pablo	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit	1995 - Present	✓ Yes	✓ Yes	✓ Yes
San Rafael	Audit of City financial statements, Successor Agency, Single Audit	2007 - Present	✓ Yes	✓ Yes	✓ Yes

DESCRIPTION OF FIRM'S EXPERIENCE (Continued)

City and Town Clients (Continued)

Client Name	Scope of Work	Client Start Date	Annual Comprehensive Financial Report Submission	GFOA Award	Single Audit
South San Francisco	Audit of City financial statements, Successor Agency, Single Audit, Transportation Development Act Audit, Transportation Measures	2004 - Present	✓ Yes	✓ Yes	✓ Yes
Sunnyvale	Audit of City financial statements, Single Audit, Transportation Development Act Audit, Retirement Plan Audit, Financing Authority Audit	2014-Present	✓ Yes	✓ Yes	✓ Yes
Sutter Creek	Audit of Basic Financial Statements, Single Audit	2015 - Present	*	*	✓ Yes
Turlock	Audit of Basic Financial Statements, Successor Agency, Single Audit, Transportation Development Act Audit, Financing Authority Audit, Abandoned Vehicle Abatement Program	2013 - Present	*	*	✓ Yes
Watsonville	Audit of the City financial statements, Single Audit	2017 - Present	✓ Yes	✓ Yes	✓ Yes

Significant Special District Audit Engagements

The chart below shows our most recent experience with District and Authority audits. We are or were responsible for all phases of work for these entities and all of the following listed clients are **current clients**:

Special Districts and Authority Clients	1st Year	Compliance Requirements	Single Audit/ Special Report
FINANCING			
City of Rancho Cordova Financing Authority	2009	X	
Concord Joint Powers Financing Authority	1992	X	
Governments of Livermore Financing Authority	1991	X	
Hayward Public Financing Authority	1996	X	
Manteca Financing Authority	1991	X	
Milpitas Public Financing Authority	1995	X	
Palo Alto Public Financing Corporation	1998	X	
Richmond Joint Powers Financing Authority	2005	X	
HOUSING			
Napa Valley Housing Authority	2000	X	X
Napa Housing Authority	2000	X	X
Richmond Housing Authority	2005	X	X
Suisun Housing Authority	2007	X	X
Vallejo Housing Authority	2004	X	X

DESCRIPTION OF FIRM'S EXPERIENCE (Continued)

Significant Special District Audit Engagements (Continued)

PUBLIC SAFETY			
Belmont Fire Protection District	1998		X
East Contra Costa Fire Protection District	2011		
Menlo Park Fire Protection District	2009		X
Net Six Joint Powers Authority (Dispatch services)	1998	X	
Novato Fire Protection District	2013		
Rodeo-Hercules Fire Protection District	2009		X
Ross Valley Fire Department	2013		
Ross Valley Paramedic Authority	1991	X	
San Mateo Pre-Hospital Emergency Svcs. Providers Group	2000	X	X
San Ramon Valley Fire Protection District	2000	X	X
South County Fire Authority	1998	X	X
South San Mateo Police Joint Powers Authority	2000	X	
Twin Cities Police Authority	1991	X	
RECREATION AND OTHER			
Association of Bay Area Governments	1997	X	X
Alameda County Mosquito Abatement District	2016		
Belvedere-Tiburon Library Agency	2018		
Contra Costa Mosquito and Vector Control District	2008		
East Bay Regional Park District	1987	X	X
Livermore Area Recreation and Park District	1989	X	X
Manteca Recreational Facilities Authority	1986	X	
Marin-Sonoma Mosquito and Vector Control District	2013		
Silicon Valley Animal Control Authority	2001		
San Mateo County Harbor District	2016		
West Contra Costa Integrated Waste Management Authority	2019		
RISK MANAGEMENT			
Association of California Water Agencies JPIA	2009		
Association of Bay Area Governments PLAN	1997		
Association of Bay Area Governments SHARP	1997		
California Joint Powers Risk Management Authority	1993		
Redwood Empire Municipal Insurance Fund	2013		
Small Cities Organized Risk Effort	2009		
TRANSPORTATION			
Alameda Contra Costa County Transit Authority	2010	X	X
Alameda County Transportation Improvement Authority	2010	X	X
City/County Association of Governments	2005	X	X
Contra Costa Transportation Authority	2003	X	X
Eastern Contra Costa Transit Authority	2012	X	X
Livermore/Amador Valley Transportation Authority	1994	X	X
Measure J Traffic Congestion Relief Agency (TRAFFIX)	2012		
Peninsula Corridor Joint Powers Board	2010	X	X
Peninsula Traffic Congestion Relief Alliance	2001	X	X
Ralston/Holly /Harbor Grade Separation Projects	1998	X	X
San Francisco Bay Area Water Emergency Transit Auth.	1997	X	X
San Mateo County Transit District	2010	X	X
San Mateo County Transportation Authority	2010	X	
Solano Transportation Authority	2004	X	X
Sonoma-Marin Area Rail Transit District (SMART)	2017	X	X
West Contra Costa Transportation Authority Commission	1995	X	

DESCRIPTION OF FIRM'S EXPERIENCE (Continued)

Significant Special District Audit Engagements (Continued)

UTILITY			
Alameda Municipal Power	1990	X	
Bay Area Clean Water Agencies	2005		
Bethel Island Municipal Improvement District	2007		
Calaveras County Water District	2004		X
California Association of Sanitation Agencies (Non-profit)	2005		
Central Contra Costa Sanitary District	2013		
Coastside County Water District	1993	X	X
Contra Costa Water District	2002		X
Contra Costa Solid Waste Authority	1993	X	X
Diablo Water District	2014		
Dublin San Ramon Services District	1999	X	X
DSRSD/EBMUD Recycled Water Authority	2005		
East Bay Dischargers Authority	2015		
East Bay Municipal Utility District	2005	X	X
East Palo Alto Sanitary District	2013	X	
El Dorado Irrigation District	2007	X	X
Fairfield Suisun Sewer District	2000		
Freeport Regional Water Authority	2005		
Livermore-Amador Valley Water Management Agency	1987		X
Mid-Peninsula Water District	2006		
Novato Sanitary District	2013		X
Palo Alto Regional Water Quality Control Plant	1998	X	X
Placer County Water Authority	2005		X
Sacramento Suburban Water District	2020		
Santa Clara Valley Water District	2004		
Sausalito-Marin City Sanitary District	2011		
Silicon Valley Power	2012		
Skyline County Water District	1992		
Solano Irrigation District	2006		
South Bay System Authority	1998	X	
South Bay Transfer Station Authority	1997	X	
South San Joaquin Irrigation District	2004		
South Placer Wastewater Authority	2001	X	
Stanislaus Waste-to-Energy	2005		
Stinson Beach County Water District	2011	X	
Tri-Valley Wastewater Authority	1990		
Union Sanitary District	2000		
Upper Mokelumne River Watershed Authority	2005		
Vallejo Sanitation and Flood Control District	2016		
West Valley Sanitation District	2004		
Zone 7 Water Agency	2010	X	X

As you can see from the client lists above, we have a winning combination that has resulted in **strong client loyalty and retention**. Several clients who left have returned after seeing the difference between our firm and our competitors. Others have gone through a full proposal process and retained us.

DESCRIPTION OF FIRM'S EXPERIENCE (Continued)

Professional Activities

We are active members of the Government Finance Officers Association and the California Society of Municipal Finance Officers as well as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. We are also a member of the Association of California Water Agencies (ACWA). We are frequent speakers at various organizations.

We attend CSMFO Northern California chapter meetings on a regular basis, and we have served as speakers on various occasions. We also attend the CSMFO Annual Conference, at which our Partners and IT Director have been speakers. We have also attended the League of California Cities' annual Financial Management Seminars.

Amy Meyer, Partner, serves on the Governmental Accounting and Auditing Committee of the California Society of CPAs. David Alvey, Partner, serves on the Accounting Procedures and Assurance Services Committee of CalCPA and the Professional Standards Committee of CSMFO. Amy Meyer and David Alvey are ACFR reviewers for the ACFR Award Program of the Government Finance Officers Association.

David Alvey, Partner, presented at the 2023 CSMFO Conference in Sacramento.

Staff Training

We believe the level of training we provide is unmatched by any other accounting firm. **Our audit staff receives an average of 60 hours of continuing education annually, including an average of over 48 hours of municipal audit and accounting training. These are twice the amount required by professional standards.**

Our program places heavy emphasis on governmental accounting and auditing classes conducted by our own staff, supplemented by courses offered by the California Society of Certified Public Accountants, the American Institute of Certified Public Accountants, the Government Finance Officers Association, the California State Municipal Finance Officers Organization and the Association of California Water Agencies.

We accomplish this task by reserving two weeks each year solely for staff training. Our training is very specific and very participatory; lectures are almost non-existent as people are involved in a continual give-and-take format designed to educate while it helps us improve our services. We deal with specific clients and situations, we solve problems and do case studies, and we train people for real-life situations through role-play exercises. Everyone is equal in these exercises and everyone contributes their own experience in the field and the ideas they have formulated from that experience. **Suggestions coming out of staff training sessions are the source of most of the service improvements and refinements we make each year.**

DESCRIPTION OF FIRM'S EXPERIENCE (Continued)

Qualifications and Continuity

Our people accumulate over 1,500 hours of purely municipal audit and accounting experience annually, far more than in any general service accounting firm.

We provide our clients continuity while introducing enough new people to keep our perspective fresh and provide you with the benefits of rotation. We intend to retain all the people assigned to your audit throughout this year's entire engagement. In future years we plan to rotate no more than one person on each segment whom we will replace with someone of equal experience. Changes to the engagement partner, manager, or supervisory staff will be made only after written permission from the District.

We do everything we can to ensure continuity because it helps you, it helps our staff and it helps us. We schedule the entire year in advance to avoid conflicts, and we give priority to clients who are able to accurately predict the date their books will be closed, so that the staff on their audit will not be affected if another client's closing or audit is delayed. We attempt to match personalities as well as skills and abilities so that our staff and yours will get along well.

PROJECT TEAM

Audit Team

We are proposing to assign Whitney Crockett, CPA as Engagement Partner, David Alvey, CPA as Alternate/Technical Review Partner, and Emily Zhang as the Supervisor. We have selected this team based on their extensive municipal experience.

We understand that engagement partners and other supervisory staff may be changed only with the express written permission.

We will balance out our resources with our Senior Associates and Associates to form fully leveraged teams. All of our audit staff are experienced with audits of Basic Financial Statements, enterprise operations, retirement plans, capital assets and infrastructure, long term debt, including swaps and related compliance and continuing disclosures, and all other aspects of municipal accounting and financial reporting.

No sub-proposers will be utilized.

Resumes of Staff Assigned to Your Audit



WHITNEY CROCKETT, CPA, Engagement Partner – graduated from Washington State University with a Bachelor of Arts in Business Administration in Accounting in May 2011 and received a Master of Accounting Degree in August 2012. Whitney is a California CPA, a member of the California Society of CPAs, and a member of the CalCPA East Bay Scholarship Committee. She is a frequent speaker at our annual training and recently taught a class of over 100 attendees on GASB updates at the annual MazeLive client training event. **Whitney has received over 240 hours of continuing education as an in-house instructor and participant** in the past three years. Her experience includes the following audits:

- | | |
|--------------------------------|---|
| City of Alameda | City of Sausalito |
| City of Belvedere | Alameda County Transportation Commission |
| City of Brisbane | Alameda Municipal Power |
| City of Concord | Central Basin Municipal Water District |
| City of Daly City | Central Contra Costa Sanitary District |
| City of Dublin | Contra Costa Mosquito and Vector Control District |
| City of East Palo Alto | Contra Costa Water District |
| City of El Cerrito | Dublin San Ramon Services District |
| City of Elk Grove | East Bay Municipal Utility District |
| City of Emeryville | El Dorado County |
| Town of Fairfax | El Dorado Irrigation District |
| City of Hayward | Livermore Amador Valley Transit Authority |
| City of Lafayette | Livermore-Amador Valley Water Management Agency |
| City of Larkspur | Marin/Sonoma Mosquito and Vector Control District |
| City of Martinez | Novato Fire Protection District |
| City of Milpitas | Novato Sanitary District |
| City of Oakley | Peninsula Traffic Congestion Relief Alliance |
| City of Pacifica | San Mateo Pre-Hospital Emergency Services Group |
| City of Pittsburg | South San Joaquin Irrigation District |
| City of Richmond | Stopwaste |
| City of Roseville | Sunol Smart Carpool Lane Joint Powers Authority |
| City of San Pablo | Town of Atherton |
| City of San Rafael | TRAFFIX |
| City of San Ramon | Transbay Joint Powers Authority |
| City of Santa Clara | City of Watsonville |
| San Rafael Sanitation District | Moraga-Orinda Fire Protection District |

PROJECT TEAM (Continued)



DAVID ALVEY, CPA, Alternate Partner – graduated from St Mary’s College, Moraga with a Bachelor of Science Degree in Accounting and a Minor in Business Administration. David has received **500 hours of continuing education in the past five years**. David has experience as an internal auditor at California Savings Bank in Oakland, CA. He is a Certified Public Accountant in the State of California. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. He is also a member of the CalCPA Accounting Procedures and Assurance Services Committee and the CSMFO Professional Standards Committee. He is a frequent speaker at our annual training and recently taught a class of over 100 attendees

on Fraud and GASB updates at the annual MazeLive client training event. He has published articles with California Special District Association’s newspaper. His relevant experience includes:

- Alameda County Mosquito Abatement District
- Alameda County Transportation Authority
- Alameda-Contra Costa Transit District
- Alameda Municipal Power
- Bay Area Clean Water Agencies
- City of Benicia
- Bethel Island Municipal Improvement District
- Castle Rock County Water District
- Central California Irrigation District
- Central Contra Costa Sanitary District
- Citrus Heights Water District
- Contra Costa County Mosquito Abatement District
- Contra Costa Water Financing Authority
- Contra Costa Water District
- Contra Costa Water District Retirement Plan
- City of Cupertino
- Delta Diablo
- Diablo Water District
- East Bay Dischargers Authority
- East Contra Costa County Transit Authority
- East Contra Costa Habitat Conservancy
- DSRSD/EBMUD Recycled Water Authority
- Dublin San Ramon Services District
- East Bay Municipal Utilities District (EBMUD)
- EBMUD Employee Retirement System
- East Palo Alto Sanitary District
- El Dorado County
- El Dorado Irrigation District
- Fairfield-Suisun Sewer District
- Freeport Regional Water Authority
- Georgetown Divide PUD
- Graton Community Services District
- City of Martinez
- Mendocino County RCD
- Middle Fork Project Finance Authority
- Novato Fire Protection District
- Novato Sanitary District
- City of Orinda
- Pajaro Valley Fire Protection District
- City of Petaluma
- City of Pittsburg
- Placer County Water Authority
- Regional Parks Foundation
- Rio Linda Elverta Community Water District
- City of Roseville
- Sacramento Suburban Water District
- City of San Bruno
- San Francisco Water Emergency Transportation Authority
- City of San Leandro
- San Mateo Harbor District
- San Mateo Community College Foundation
- San Mateo County Transportation Authority
- Peninsula County Joint Powers Authority
- San Mateo County Transit District
- San Rafael Sanitation District
- Santa Clara County Central Fire Protection District
- Santa Clara Valley Water District
- Solano County Mosquito Abatement District
- Solano Irrigation District
- Solano Transportation Authority
- Sonoma County Agricultural Preservation & Open Space District

PROJECT TEAM (Continued)

David Alvey, (Continued)

City of Hayward
Kentfield Fire Protection
Livermore Amador Valley
Transportation Authority
City of Livermore
City of Los Altos
Town of Los Altos Hills
Marin Emergency Radio Authority
Marin Municipal Water District

Sonoma-Marin Area Rail Transit
South San Joaquin Irrigation District
Stinson Beach County Water District
Stopwaste
Transbay JPA
Upper Mokelumne River Watershed Authority
Yolo Habitat Conservancy
West Bay Sanitary District



EMILY ZHANG, Supervisor, – graduated from San Francisco State University, in 2019, with a Bachelor’s of Science Degree concentrating in Accounting, with Honors. She volunteered as a Tax preparer and Raphael House of San Francisco as an Accounting Intern. **Emily has received over 180 hours of continuing education over the past three years.** Emily has passed all parts of the CPA Exam and is currently in the process of applying for her license in the State of California.

Her relevant government agencies experience includes the following:

Town of Atherton
City of Brentwood
City of Brisbane
Contra Costa Water District
City of Concord
City of Daly City
City of Elk Grove
City of Emeryville
City of Half Moon Bay
Livermore Amador Valley Transit Authority
City of Manteca
City of Morgan Hill
City of San Rafael

City of Orinda

City of Pacifica
City of Pittsburg
City of Redwood City
Town of San Anselmo
City of San Carlos
City of Santa Clara
City of Sausalito
City of Seaside
Silicon Valley Animal Control Agency
City of South San Francisco
City of Sunnyvale
Transbay Joint Powers Authority
Santa Clara Valley Urban Runoff Pollution
Protection Program
City of Turlock

Honoring Our Commitments

The concepts that we must meet deadlines and stay within budgets are integrated into everything we do. So much of our work is performed for our municipal clients that we instinctively understand that our clients’ deadlines must be met and we must flourish within the constraints of agreed-upon fees. We have a long track record of meeting our deadlines and staying within negotiated fees. Please ask our other clients for their views on the subject and their experience with us.

PROJECT TEAM (Continued)

Engagement partners, supervisory staff and specialists may be changed if those personnel leave the firm, or are promoted. These personnel may also be changed for other reasons only with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the firm submitting the proposal, provided that replacements have substantially the same or better qualifications or experience.

Personnel Policies

We are an equal opportunity employer. Our staff includes both sexes, which are represented in every staff classification including Principal. Our hiring, management and personnel decisions are based solely on an individual's skills and knowledge. As a result, our staff is very representative of the State's population as a whole.

We are registered with the State as a small or minority, and woman- owned business enterprise.

Segmented Time

Based on the review of the draft of the June 30, 2023 basic financial statements (most recent available), we have estimated our time as follows:

Proposed Engagement Segments and Budget

Audit Activities	Budgeted Hours					Total
	Engagement Partner	Alternate Partner	Supervisor	Associates	Office	
General Procedures/Planning/Confirm/Checklists	1.00		2.00			3.00
SAS #99 Fraud Assessment	0.50		0.50			1.00
Minutes-resolutions			2.00			2.00
Report	4.00	1.00	24.00	8.00	8.00	45.00
Supervision/review	4.00		32.00			36.00
Conferences & meetings	2.00		2.00			4.00
Management letter	1.00		1.00		1.00	3.00
Analytical review	1.00					1.00
Internal Control Environment / Info Systems Review/JEs				32.00		32.00
Cash & Investments				16.00		16.00
Revenue/Receivables				16.00		16.00
Capital Assets				16.00		16.00
Accounts Payable				24.00		24.00
Long Term Debt				32.00		32.00
Payroll/Accrued liabilities				8.00		8.00
Pension (GASB 68)				16.00		16.00
OPEB (GASB 75)				16.00		16.00
Commitments			1.00			1.00
SCO	1.00		1.00	8.00		10.00
Single Audit (if needed)	2.00		2.00	40.00		44.00
GRAND TOTAL	16.50	1.00	67.50	232.00	9.00	326.00

LICENSE TO PRACTICE IN CALIFORNIA

We are properly licensed California Certified Public Accountants. We are members of the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) as well as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

All assigned key professional staff are properly licensed to practice in California. Those staff that are certified public accountants have current California CPA licenses in the attest function, and have **received more than twice the required level of continuing education**. Even though not required, all non-certified audit staff receive the same level of training. We believe the level of training we provide is unmatched by any other accounting firm. **Our audit staff receives an average of 60 hours of continuing education annually, including an average of over 48 hours of municipal audit and accounting training. This is twice the amount required by professional standards.**

Our program places heavy emphasis on governmental accounting and auditing classes conducted by our own staff, supplemented by courses offered by the California Society of Certified Public Accountants, the American Institute of Certified Public Accountants, the Government Finance Officers Association and the California State Municipal Finance Officers Organization.

INDEPENDENCE

As independent auditors, **our most valuable asset is our independence**. Unlike many firms, we have never allowed our independent audit function to be used to promote consulting or other work. In fact, consulting and related work have never amounted to more than a few percent of our total revenues, while our independent audit work has amounted to over eighty percent of our revenues.

Our firm and all our partners and employees are independent of the West Bay Sanitary District as that term is defined by the General Accountability Office's *Government Auditing Standards*, the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants and the California State Board of Accountancy. We have no present or past professional relationships with the District or any of its Board members or employees that would compromise our independence.

We will discuss in advance with the District any professional relationships being contemplated during the period of engagement that may present a potential conflict of interest. If the District and we believe any such relationship presents a conflict of interest, we will not enter into it.

REFERENCES

Below are three similar engagements with current audit clients. Maze and Associates completed all the work and we did not subcontract to another auditing firm.

Contra Costa Water District – A client from 2000 – 2010; returned in 2013 and again in 2021

Engagement Partner – Whitney Crockett

Principal Contact – Nicole Snegosky, Accounting Manager; (925) 688-8050; nsnegosky@ccwater.com

Address – 1331 Concord Avenue, Concord, CA 94520

Dublin San Ramon Services District – A client since 2017

Engagement Partner – Whitney Crockett

Principal Contact – Carol Atwood, Administrative Services Director; (925) 875-2270; atwood@dsrsd.com

Address – 7051 Dublin Blvd., Dublin, CA 94568

Central Contra Costa Sanitary District – A client since 2013

Engagement Partner – David Alvey and Vikki Rodriguez

Principal Contact – Philip Leiber, Director of Finance and Administration (925) 229-7305

Address – 5019 Imhoff Place, Martinez, CA 94553

PEER REVIEW

External Quality Control Review/Peer Review

We are members of the Quality Review Program of the AICPA, which means we subject ourselves to a peer review of our workpapers and quality control procedures every three years by independent accountants specializing in such work. **Our most recent peer review was completed in 2021; we again received a rating of pass, the highest level of assurance possible.** This peer review included a review of several governmental and non-profit audit engagements, including three Special Districts. A copy of our most recent peer review opinion is located at the end of this section.

Our municipal audit reports are subject to annual reviews by various branches of the Office of the State Controller. City/Town audit reports and Single Audit Act reports receive scrutiny. Of course, all of our clients' Annual Comprehensive Financial Reports are also reviewed by GFOA for award consideration; every report submitted has won an award from GFOA.

Peer Review Letter



www.CoughlanNapaCPACo.com
Company@CoughlanNapaCPACo.com

Report on the Firm's System of Quality Control

February 9, 2021

To Maze & Associates Accountancy Corporation and the Peer Review
Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Maze & Associates Accountancy Corporation (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

190 Camino Oruga, Suite 1 • Napa, CA 94558 • telephone: 707.255.0677 • fax: 707.255.0687
Member: American Institute of CPAs • California, Hawaii, & Oregon Societies of CPAs

Peer Review Letter (Continued)

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Maze & Associates Accountancy Corporation in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Maze & Associates Accountancy Corporation has received a peer review rating of *pass*.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.

MARINA COAST WATER DISTRICT

Frances J. Kuo, CPA, CGMA

Partner
2121 North California Boulevard, Suite 290
Walnut Creek, CA 945967
(949)777-8801 | ken.pun@pungroup.cpa

March 1, 2024

COST PROPOSAL

RFP for Annual Audit Services



**Marina Coast Water District
& Groundwater Sustainability Agency**



**THE
PUN GROUP**
ACCOUNTANTS & ADVISORS



Kenneth H. Pun, CPA, CGMA
Founder & Managing Partner

WHY CHOOSE THE PUN GROUP LLP?

“ The Pun Group’s most valuable asset is our people, they and their deep experience drive our every interaction with clients. ”

- Big firm expertise, small firm values
- Personal attention meets technical expertise
- A unique firm culture
- Innovation embraced
- Achievable plans to move your organization forward

The Pun Group LLP is recognized for its professionalism, integrity and for providing clients with practical solutions unique to their circumstances and issues.

You will receive a superior level of service and a quality audit.

Thank You!

Thank you for allowing us to submit our qualifications to provide you with Annual Audit Services.

The Pun Group LLP
Certified Public Accountants and Business Advisors

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The Pun Group Wins 2024 “Best of Accounting” Award



The Pun Group LLP is proud to have won 2024’s Best of Accounting® award from ClearlyRated for providing superior service to its clients.

Winners of such awards have proven to be industry leaders in service quality based entirely on ratings provided by their clients. On average, clients of 2024 Best of Accounting winners are 70% more likely to be satisfied than those who work with non-winning firms.

“I am pleased to introduce the 2024 Best of Accounting winners alongside their validated service ratings on ClearlyRated.com,” said ClearlyRated’s CEO, Eric Gregg. *“These firms have demonstrated a remarkable commitment to delivering amazing experiences, despite another year of upheaval and macroeconomic uncertainty. Hats off to these service leaders - it’s truly an honor to recognize and celebrate their achievements.”*

The Pun Group LLP received satisfaction scores of 9 or 10 out of 10 from 94.1% of their clients, significantly higher than the industry’s average of 50%.

Our firm excelled in five key areas: Responsiveness, Quality, Value, Needs Understanding, and Proactive Approach.

About ClearlyRated

Rooted in satisfaction research for professional service firms, ClearlyRated utilizes a Net Promoter® Score survey program to help professional service firms measure their service experience, build an online reputation, and differentiate on service quality.



“Excellent customer service and staff and partners are expert in their fields.”

Lani H.

State and Local Government Client



“The Firm has consistently exceeded our expectations as client.”

Clint O.

State and Local Government Client



“We started using Pun Group when the pandemic first started two years ago so had a little apprehension about doing everything remotely with a new firm. But the audit went very well and was completed on time without problem.”

Kevin W.

State and Local Government Client



“An excellent partner and amazing service.”

Jim T.

Private Sector Client

Firm Information and Certification

We are committed to the performance of a high-quality audit at the most reasonable fee level possible, both initially and throughout the engagement. Also, our partners will provide advice and consultation as needed at no additional cost to the Marina Coast Water District.

Name of Firm: The Pun Group LLP – Certified Public Accountants and Business Advisors
Contact Name: Frances J. Kuo, CPA, CGMA
Contact Email Address: frances.kuo@pungroup.cpa

Authorization to Represent the Firm

I, the undersigned, certify I am duly authorized to represent The Pun Group LLP and am empowered to submit this bid. In addition, I certify I am authorized to contract with the Marina Coast Water District on behalf of the Firm.



March 1, 2024

Frances J. Kuo, CPA, CGMA | Partner
The Pun Group LLP

Date

Cost and Price Proposal

Total All-Inclusive Maximum Price

Our proposed fees for Annual Audit Services for three (3) consecutive fiscal years beginning with the fiscal year ending June 30, 2024, with the option to renew the contract for up to two (2) additional years, are as follows:

All-Inclusive Maximum Price by Report	2023-24	2024-25	2025-26	Optional Years	
				2026-27	2027-28
Audit of Financial Statements	\$ 25,000	\$ 26,250	\$ 27,563	\$ 28,941	\$ 30,388
State Controller's Report	2,500	2,625	2,756	2,894	3,039
Single Audit Report (per program)	7,500	7,875	8,269	8,682	9,116
Total All-Inclusive Maximum Price for All Schedules:	\$ 35,000	\$ 36,750	\$ 38,588	\$ 40,517	\$ 42,543

- (1) Single Audit fees based on one (1) major program. The fee for auditing additional major programs will be \$6,000 each. The number of programs determined to be "major" will be based on OMB Uniform Guidance. The Engagement Team will discuss this with the Marina Coast Water District's Management before starting Single Audit work.

Marina Coast Water District

Out of Pocket Expenses are Included in the Total All-Inclusive Maximum Price and Reimbursement Rates

The Firm's policy is to maintain flexible billing rates to meet the needs of clients and help them control costs. In the interest of continuing our long-term relationship, we will absorb expenses such as travel and printing costs. Additionally, our Partners will be available to provide advice and consultation as necessary to the Marina Coast Water District. The Firm will also absorb these costs.

Rates for Additional Professional Services

Below are the Firm's hourly billing rates, delineated by staffing levels:

Hourly Billing Rates	
Partner(s)	\$ 300
Director(s)	\$ 250
Senior Manager(s)	\$ 225
Manager(s)	\$ 200
Supervisor(s)	\$ 175
Senior Accountant(s)	\$ 150
Staff Accountant(s)	\$ 125
Clerical	\$ 100

Any supplemental reports, audits, or agreed-upon procedures not covered by this proposal may be added to a written agreement prior to commencing audit work. The Firm and the District will discuss and approve the scope and associated costs of these tasks. Any additional work will be performed at the above-quoted hourly rates.

Manner of Payment

Engagement Team members are required to maintain timesheets detailing the date, number of hours, and work performed for every audit task. The Firm will collect these timesheets and bill the Marina Coast Water District at the rates outlined in the Total All-Inclusive Maximum Price section in four stages: (1) at the conclusion of the planning phase, (2) at the conclusion of the interim phase, (3) at the conclusion of the Year-End phase, (4) and after presentation and acceptance of the final audit reports. Interim billings will cover a period not less than a calendar month. The billing amounts generally break down as follows:

Work Performed	% of Proposal Amount
Planning	10%
Interim	40%
Fieldwork	40%
Presentation and Acceptance of Reports	10%



ORANGE COUNTY ■ SAN DIEGO ■ BAY AREA ■ LAS VEGAS ■ PHOENIX

www.pungroup.cpa

MARINA COAST WATER DISTRICT

Frances J. Kuo, CPA, CGMA

Partner
2121 North California Boulevard, Suite 290
Walnut Creek, CA 945967
(949)777-8801 | ken.pun@pungroup.cpa

March 1, 2024

TECHNICAL PROPOSAL

RFP for Annual Audit Services



Marina Coast Water District & Groundwater Sustainability Agency



**THE
PUN GROUP**
ACCOUNTANTS & ADVISORS



Kenneth H. Pun, CPA, CGMA
Founder & Managing Partner

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The Pun Group LLP
Certified Public Accountants and Business Advisors

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The Pun Group is recognized as one of the Top 500 Firms listed by INSIDE Public Accounting



“Excellent customer service and staff and partners are expert in their fields.”

Lani H.

State and Local Government Client



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Kevin W.

State and Local Government Client



“An excellent partner and amazing service.”

Jim T.

Private Sector Client



March 1, 2024

2121 North California Blvd., Suite 290
Walnut Creek, California 94596

Marina Coast Water District
Mary Lagasca, CPA - Director for Administrative Services
11 Reservation Road
Marina, California 93933

www.pungroup.cpa



Re: RFP for Annual Audit Services

Dear Mary Lagasca:

On behalf of The Pun Group LLP, we are pleased to present our proposal to continue to provide Marina Coast Water District (the "District") according to your Request for Proposals for Annual Audit Services for three (3) consecutive fiscal years beginning with the fiscal year ending June 30, 2024, with the option to renew the contract for up to two (2) additional years. We sincerely appreciate the opportunity to have served as your auditor in the past, and we look forward to continuing to serve you well in the future.

Our Firm has developed an understanding of the District's operations, which has aided us in delivering quality audit services. With the knowledge we gathered since we started providing services to the District, we have been able to expand our audit efforts and offer observations that have assisted the District's staff. We have also demonstrated our ability to respond to the District's requests and our ability to deliver quality services. We further understand that the City has been satisfied with our efforts.

This letter is an acknowledgment of the Firm's understanding of the work to be performed. We are offering our commitment to deliver all of the required work, complete the audit, and issue the necessary auditor's reports within the periods outlined by the District. No subcontractors will be utilized for this engagement.

The Pun Group continues to be the right choice for the Marina Coast Water District because:



We Understand the Demographics and Your Needs. The Pun Group is reputable for its governmental practice. We are professional services providers to districts such as Rancho Santa Fe Fire Protection District, San Bernardino County Fire Protection District, Marina Coast Water District, Olivenhain Municipal Water District, Carmel Area Wastewater District, and Santa Fe Irrigation District. Accordingly, we have a deep understanding of the current issues special districts are facing, such as varying demographics, economic environments, and the constantly changing landscape of laws and regulations.



Recognized Leader in the Governmental Industry. We are a small national Firm with licenses in the States of California, Arizona, and Nevada and a proven leader in professional services to the government sector. All key engagement team professionals are licensed to practice as Certified Public Accountants and meet the Continuing Professional Education requirements under US GAO's Government Auditing Standards to perform the proposed audits. The partners and all employees proposed to perform the requested services do not have a record of substandard audit work nor have any outstanding claim of substandard practice or unsatisfactory performance pending with the State Board of Accountancy or other professional organizations. In addition, we are members of the national AICPA Audit Quality Center.

We strongly believe that part of our success is credited to our professionals' participation in various industry-leading organizations. Such affiliations are critical to addressing emerging accounting and auditing issues within the industry environment.



You'll Work with a Team that Embraces Innovation and Continuous Improvement. Our Firm is committed to continuous improvement as it relates to service delivery. We embrace innovation and identify areas of technological enhancements in our audit and project management approaches. For example:

Secure Data File Transfer System. In order to improve audit efficiency, workflow management software plays an essential role between your organization and our engagement team. We employ a secure data file transfer system called Suralink. Suralink's dynamic request list is integrated with our secure file hosting system for seamless document-request coordination, including the upload of large-size files. It means all our requests are in one place, updated in real-time, and accessible by everyone working on the engagement. Not only makes the operation more cost-efficient, but it also enables you and your team to spend your time getting the job done, not reconciling a messy list of outstanding items. In addition, Suralink's dashboard allows you to visualize the process of document-request fulfillment.

AI Auditor. The Pun Group leverages the technology and research tools required to provide excellent services to its clients. With the usage of Artificial Intelligence (AI) technology, the Firm is capable of issuing all reports requested faster than other audit firms without exposing the District to unnecessary risks.

Remote Auditing Capability. Remote working arrangements have suddenly become the "new normal" in these trying times. Our Firm has deployed top-notch technology and fully transitioned to "remote auditing," offering our clients the quality services they deserve while being fully "remote" or operating in a "hybrid" schedule. "On-site" audits are still the Firm's preferred method, and we'll continue to offer and promote those as well.



Knowledge is Shared with You. As part of our pledge to keep you updated on new technical accounting and financial issues, we implemented our 2024 *Virtual* Government Accounting Conference, which qualifies for up to 15 hours of CPE – nearly double what other firms offer. These online sessions are free of charge and part of the service package provided to you. More details and dates can be found on the "*Client Training Webinars*" topic under this proposal.

The Pun Group is proud of its inclusive values and is an avid promoter of equality and diversity. In addition, the Firm is an equal-opportunity employer and complies with all federal and state hiring requirements. We're proud of supporting affirmative-action philosophies and work hard to provide opportunities for self-enhancement to members of disadvantaged groups.

This proposal is a firm and irrevocable offer valid for ninety (90) days following the closing date for the receipt of all proposals.

Finally, we would like to emphasize one additional point: **We want to keep your trust and your business!** We are confident that the energetic and experienced team we have assembled is the right one for the District.

Our commitment to serving the Marina Coast Water District cannot be adequately conveyed in a letter, and I look forward to continuing the discussion with you. I'm assigned as your primary contact for contract negotiations and stand steadfast to serve as your engagement/lead partner. I'm also authorized to legally bind the Firm. Should you have any questions or wish to discuss this proposal, please do not hesitate to contact me at (949) 777-8805 or by email at frances.kuo@pungroup.cpa.

Sincerely,

Frances Kuo, CPA, CGMA | Partner | The Pun Group LLP
2121 North California Boulevard, Suite 290, Walnut Creek, CA 94596

Introduction

Overview of the Proposal

The Marina Coast Water District is requesting an proposal to continue to provide Marina Coast Water District (the "District") according to your Request for Proposals for Annual Audit Services for three (3) consecutive fiscal years beginning with the fiscal year ending June 30, 2024, with the option to renew the contract for up to two (2) additional years.

In response to the Marina Coast Water District, the Firm is proposing to perform the following tasks:

- ✓ Perform an audit of the **District's financial statements** in accordance with *Generally Accepted Auditing Standards*.
- ✓ Prepare an audit report of the District's financial statements.
- ✓ If required, prepare a **Single Audit Report**.
- ✓ If required, Pursuant to Government Code 53891, prepare an **Annual Audit Report of Financial Transactions** of the Special District and submit it to the California State Controller's Office by the State Deadline.
- ✓ Issue a separate "**Management Letter**".
- ✓ Keep the District informed of new state and national developments affecting governmental finance, reporting standards, and trends, including **GASB pronouncements**.

The audits are to be completed in accordance with all applicable and generally accepted auditing standards, including, but not limited to, the following:

- ✓ Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA).
- ✓ US General Accounting Office's (GAO) Standard for Audit of Governmental Organizations, Programs, Activities, and Functions.
- ✓ Local Governments and Governmental Accounting Standards Board (GASB) Pronouncements.
- ✓ The standards applicable to financial audits contained in the most current version of the *Generally Accepted Government Auditing Standards* (Yellow Book), issued by the Comptroller General of the United States.
- ✓ The provisions of the Single Audit Act as amended in 1996.
- ✓ The provisions of the US Office of Management and Budget (OMB) Uniform Guidance (formerly known as Circular A-133), Audits of State and Local Governments and Non-profit Organizations, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- ✓ California Code of Regulations.
- ✓ Public Utilities Code.
- ✓ District policies and procedures.

On the next section "*Scope of Work, Audit Approach, and Methodology*," we will provide detailed discussion of services to be provided.

Specific Audit Approach and Work Plan

Scope of Work, Audit Approach, and Methodology

The Marina Coast Water District is requesting the Firm to perform Annual Audit Services and issue opinions on the District's financial statements. The audits are to be completed in accordance with all applicable and generally accepted auditing standards, including, but not limited to, the following:

- ✓ Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA).
- ✓ US General Accounting Office's (GAO) Standard for Audit of Governmental Organizations, Programs, Activities, and Functions.
- ✓ Local Governments and Governmental Accounting Standards Board (GASB) Pronouncements.
- ✓ The standards applicable to financial audits contained in the most current version of the *Generally Accepted Government Auditing Standards* (Yellow Book), issued by the Comptroller General of the United States.
- ✓ The provisions of the Single Audit Act as amended in 1996.
- ✓ The provisions of the US Office of Management and Budget (OMB) Uniform Guidance (formerly known as Circular A-133), Audits of State and Local Governments and Non-profit Organizations, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- ✓ California Code of Regulations.
- ✓ Public Utilities Code.
- ✓ District policies and procedures.

To accomplish this task, the Firm will:

- ✓ Perform an audit of the **District's financial statements** in accordance with *Generally Accepted Auditing Standards* as set forth by the American Institute of Certified Public Accountants, and in accordance with "Minimum Audit Requirements and Reporting Guidelines for California Special Districts" as required by the State Controller's Office.
- ✓ Prepare an audit report of the District's financial statements, which the District will prepare with assistance and recommendations from the firm.
- ✓ If required, prepare a **Single Audit Report** which will include the following:
 - Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
 - Report on compliance with requirements applicable to each major program, internal control over compliance, and on the schedule of expenditures of federal awards in accordance with Uniform Guidance, "Audits of State and Local Governments," and the Single Audit Act of 1984 (Public Law 98-502).
 - Schedule of Expenditures of Federal Awards.
 - Notes to Schedule of Expenditures of Federal Awards.
 - Schedule of Findings and Questioned Costs.
 - Any other required schedules or reports.
 - Prepare the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.
- ✓ If required, Pursuant to Government Code 53891, prepare an **Annual Audit Report of Financial Transactions** of the Special District and submit it to the California State Controller's Office by the State Deadline.
- ✓ Issue a separate "**Management Letter**" that includes recommendations for improvements in internal control, accounting procedures, and other significant observations that are considered non-reportable conditions.
- ✓ Keep the District informed of new state and national developments affecting governmental finance, reporting standards, and trends, including **GASB pronouncements**.

Marina Coast Water District

Provided By Client (PBC) Lists: They will be provided for both interim and final audits according to an agreed-upon timeline between the engagement team and the District in order to be reasonably prepared for a field audit. The engagement team will meet with the District's management during the initial planning stage to discuss audit schedules and review the prior year's audit findings (if any). We will deliver a list of all documents to be provided by the District's staff. Once such materials are agreed upon by the engagement team and District's finance personnel, no other schedules will be requested unless new information comes to light in the course of test work.

Attendance at Meetings and Hearings: The engagement team will participate in as many meetings with staff as needed to perform the work scope tasks, present the audit plan prior to beginning fieldwork, and discuss the draft audit reports. The team will attend public meetings to present and discuss its findings and recommendations. Once all issues of discussion are resolved, the completed Financial Reports, Single Audit report (if applicable), and other reports will be delivered to the District according to the agreed-upon schedule.

Proposed Audit Adjustments: All proposed adjusting journal entries by the Firm will be discussed and explained in a timely manner with the designated Finance Department personnel. Such proposed adjustments will be in a format that shows the lowest level of posting detail needed for data entry in the general ledger systems.

Supplemental Reports, Audits, or Agreed-Upon Procedures: Other services, such as agreed-upon procedures, may be deemed necessary. These services will be performed at agreed-upon rates and will be added to a written agreement before commencing audit work. The Firm and the Marina Coast Water District will discuss and approve the scope and associated costs of these tasks.

Advice and Consultation: Will be provided throughout the year on matters relating to accounting and financial reporting. Such services do not include any task that entails significant research or a formal report.

GASB Implementation: The Firm will provide technical assistance and training in the implementation of applicable GASB pronouncements not yet in effect. We have a dedicated partner, Mr. Jack Georger, who will be responsible for providing advice and consultation for the implementation of these new standards. The Firm will advise the District on the applicability of accounting and reporting standards and other accounting issues and provide guidance on new note disclosures, GASB implementations, and other reporting requirements. We will also provide training, resources, and information on topics relevant to the District's financial reporting and operations. *(Based on the scope, additional charges may apply.)*

Report of all Irregularities and Illegal Acts: The Firm will make an immediate written report of all irregularities and illegal acts or indications of illegal actions of which we may become aware to the General Manager and the Board.

The engagement team will also make all communications to the District required by the audit standards under which the engagement is performed.

Working Paper Retention and Access to Working Papers: The Firm will retain, at its own expense, all working papers and reports for a minimum of seven (7) years unless the Marina Coast Water District notifies the Firm in writing of the need to extend the retention period. The Firm will make working papers available upon request by the Marina Coast Water District or its designees.

Also, we will comply with reasonable requests from successor auditors and allow them to review working papers that relate to matters of continuing accounting significance.

Methodology and Segmentation of Engagement

The Firm's audit approach consists of six phases: Engagement Acceptance and General Planning, Planning and Internal Control Evaluation, Fieldwork, Post Fieldwork, Report Preparation and Review, and Final Production.



Benefits

- Client tailored approach emphasizing careful planning, open communication, proper assignment of responsibilities
- An efficient and effective audit, so disruption to office operations is kept to a minimum
- Offer beneficial observations and recommendation about policies and procedures for accounting and operating controls
- Opportunities to make operations more efficient and reduce costs
- Provide advisory services so recommendations can be implemented
- Meet objectives at no additional cost

1. **Engagement Acceptance and General Planning:** The engagement partner and manager will meet with the District's management to obtain an update on current District policies and procedures, help identify risk areas and new operations, and establish any specific requirements they may have. Our team will work on the identification of unique transactions, implementation of new GASB pronouncements, and develop the audit work plan for the engagement. *Proposed timeline: February of each fiscal year.*
2. **Planning and Internal Control Evaluation:** The engagement team, including the engagement partner, will assess accounting policies adopted by the District in order to obtain an understanding of its structure and its operating environment. Also, our team will review internal controls on all significant transaction classes, perform walkthroughs and/or tests of internal controls, perform preliminary analytical procedures, develop an initial risk assessment, evaluate Single Audit compliance, identify any audit issues, and prepare confirmation correspondence. The engagement team and District's Management will establish expectations, including responsibilities and assignments for the year-end fieldwork, and will hold a progress status meeting at the end of the interim phase. *Proposed timeline: March to May of each fiscal year.*
3. **Fieldwork:** The engagement team, including the engagement partner, will conduct audit procedures on account balances in the general ledger, finish confirmation procedures, perform data analysis using our AI tools, search for unrecorded liabilities, perform substantial analytical review procedures, complete work on compliance with Federal Assistance, and conclude fieldwork. The engagement team and District's Management will hold an exit conference at year-end. Periodic update meetings will be held to communicate audit progress to management. *Proposed timeline: final audits during the first three weeks of August.*
4. **Post Fieldwork:** During the phase, the engagement team, including the engagement partner, will review all documents and evaluate commitments and contingencies. The team will perform an assessment of the going concern and jointly plan for the next steps. *Proposed timeline: immediately after fieldwork completion.*
5. **Report Preparation and Review:** The Firm will review and prepare audit reports and perform quality control procedures following the Quality Control Standards issued by the AICPA. We will also examine reports for compliance with GFOA reporting guidelines at no additional cost. Any comments will be recorded in a letter to management. At the District's request, the engagement partner and manager will present the audit to District's Management and other governing bodies. *Proposed timeline: draft financial statements by September 30th.*
6. **Final Production:** The final phase of our approach entails obtaining the management representation letter and final financial statement report, which may include a final presentation to the District's Management and other governing bodies (if applicable). *Proposed timeline: completed ACFR by October 31st of each fiscal year.*

The Firm will complete the audit fieldwork and issue all reports within the established timeframe, assuming no internal circumstances within the District cause delays in the audit.

Level of Staff and Number of Hours to be Assigned to Each Segment of the Engagement

The Pun Group LLP understands that the District is not only looking to employ our auditing services but is also seeking to receive value within that professional relationship. We believe that our value derives from the in-depth knowledge, experience, and commitment that our auditing firm employs. We stress and emphasize “employ” because all of the knowledge and expertise listed on paper will not benefit you unless it is applied. That is why we have developed a plan that we feel will accomplish the objectives of the District and your particular needs. Our Firm will utilize the information that you have shared with us and our experience from our previous audits of this nature from various government entities and cities to develop a practical plan for all major areas.

Estimated Total Hours*:

	Partner(s)	Director/ Manager	Supervisory Staff	Staff	Clerical	Total
Engagement Acceptance & General Planning	1	2	3	5	0	11
Planning & Internal Control Evaluation	1	2	5	8	0	17
Fieldwork	6	12	25	38	2	84
Post Fieldwork	4	8	17	26	2	56
Report Preparation & Review	6	12	25	38	2	84
Final Production	2	4	8	13	1	28
Total*	20	40	84	128	8	280

*Does not include CPE hours related to Governmental Webinars and/or optional services.

Sample Size and the Extent to Which Statistical Sampling is to be Used in this Engagement

In our audit approach, random and statistical sampling is used in conjunction with our skilled judgment and knowledge of each situation. When designing an audit sample, our auditors consider the purpose of the audit procedure and the characteristics of the population from which the sample will be drawn. We determine a sample size sufficient to reduce sampling risk to an acceptably low level and select items for such a task in a way that we can reasonably expect it to be representative of the relevant sample and likely to provide the auditor with a reasonable basis for conclusions about the population.

Enhancing Auditing Quality with Artificial Intelligence

There are plenty of challenges with established audit practices. Outdated CAAT tools, sampling practices, and the explosive growth of big data are some of the examples, and they all present significant barriers to detecting anomalies, intentional or otherwise, in financial data. The Pun Group deploys a comprehensive, risk-based approach, complemented by using MindBridge™'s Artificial Intelligence Platform, to conduct our audit. Through this tool, we can seamlessly analyze thousands and thousands of financial and operating data and records, **identifying and cataloging significant risks in mere seconds.**



The *AI Auditor* platform works by our side, augmenting our capacity to detect errors or fraud in the collected data not only by analyzing the entire set but by cross-correlating dozens of testing criteria against pre-established data points and presenting us with a view of every user, vendor, and transaction, by risk. All are happening within moments of ingesting analyzed data, which is something standard audit procedures simply cannot accomplish.

We utilize these tools to allow our audit team to increase efficiency in the audit process, enhance the existing quality of our work, provide directed testing in areas subject to the highest risk, and quickly assimilate large amounts of data your staff would typically be asked to gather. The tools also help us to meet our professional requirements regarding fraud and internal control, allowing us to:

- ✓ Run Benford's analysis to check for fraud in transactions.
- ✓ Increase the value of audit findings with complete, 100% data coverage.
- ✓ Isolate risk and control issues before they impact your operations.
- ✓ Improve productivity by automating procedures and eliminating manual tasks.
- ✓ Conduct more direct, efficient, and effective audits to improve overall service quality.

Our engagement team easily imports data in a secure environment from the District's financial software and extracts useful data for testing and analytical procedures particular to the following areas:

- Successful Fraud Test
- Questionable Invoices
- Phantom Vendor Schemes
- Kickback or Conflict-of-Interest Schemes
- Dormant Account Schemes
- Money Laundering Schemes

Type and Extent of Analytical Procedures to be Used in the Engagement

Analytical procedures are one of many financial audit processes that help an auditor understand the client's operation and changes in the environment and identify potential risk areas to plan other audit procedures. Such procedures include a comparison of financial information on prior periods, budgets, forecasts, and industry benchmarks. We use trend and ratio analysis to identify any uncertain or unusual events. To perform these analyses, our Firm surveys cities and counties and develops benchmarks on specific vital financial indicators, such as the cost of services to tax revenues ratios, average general fund balance, capital assets, debt-to-capital, and general fund unassigned fund balance to total general fund expenditures, etc. Our engagement members have extensive experience in successfully implanting analytical procedures to the District's benefit.

Our analytical procedures process is performed during three stages of the audit: (a) at the start, (b) in the middle, and (c) at the end. These three stages are risk assessment procedures, substantive analytical procedures, and final analytical procedures:

- **Risk assessment procedures** are used to assist the auditor in understanding the business better and in planning the nature, timing, and extent of audit procedures.
- **Substantive analytical procedures** are used to obtain evidential matters about particular assertions related to the account balances or classes of transactions. During the interim phase, our engagement team will set up expectations for the year-to-date results and balances and compare them with budgeted and prior-year amounts. This process allows us to forecast year-end amounts, reducing the workload during the year-end phase and allowing us to focus on areas of concern.
- **Final analytical procedures** are used as an overall review of the financial information in the last review stage of the audit. The Engagement Partner(s) and Manager(s) will perform a high-level analytical analysis of the financial information, comparing its data both quantitatively and qualitatively to ensure the amounts are fairly presented in all material respect in the financial statements.

Approach to be Taken to Gain and Document an Understanding of the Internal Control Structure

Audit risk assessment is established by an internal control review, combined with the engagement team's understanding of the District's operations and accounting software. Using the Committee of Sponsoring Organizations (COSO) Framework, staff members will evaluate the District's processes and identify any control deficiencies. These diagnostic review procedures allow the engagement team to assess the District's systems and controls and to provide constructive feedback to management.

During our initial planning phase of the audit, our engagement team, including the engagement Partner and Manager, will obtain an understanding of the entity and its environment. It is an essential aspect of performing an audit under generally accepted auditing standards. That understanding establishes a frame of reference within which the auditor plans the procedures and exercises professional judgment about assessing risks of material misstatement of the financial statements and responding to those risks throughout the examination.

During the interim phase of the audit, our engagement team will perform a walkthrough of all significant accounting systems, including processes for financial reporting, revenue recognition and cash receipts, purchasing/contract management and cash disbursements, payroll and related liabilities, and others. Our auditors will obtain the written policies and procedures, inquiring accounting personnel, and document the process in either a flowchart or narrative summary format. After gaining an understanding of the accounting and internal control systems, our auditor will make a preliminary assessment of control risk, at the assertion level, for each material account balance or class of transactions.

Marina Coast Water District

The form and extent of this documentation are influenced by the size and complexity of the entity and the nature of its accounting and internal control systems. Generally, the more complex the entity's accounting and internal control systems and the more extensive the auditor's procedures, the broader our documentation will need to be.

Approach to be Taken in Determining Laws and Regulations that Will be Subject to Audit Test Work

The Firm stays continually up to date with audit requirements—including new regulations, compliance supplements, state guidelines, and related contracts—to ensure that we conduct audits under applicable laws and regulations. We test transactions for compliance with the Single Audit Act, California Government Code, GANN Appropriations Limit, provisions of applicable grant guidelines, requirements of local measures, and others.

For example, the Single Audit Act requires that we determine which grants to include in our audit and select transactions from those grants for detailed testing. While most items will be tested as part of the Interim phase, we cannot determine which grants will be selected for the Single Audit until the year-end/fieldwork stage of the audit.

Our compliance audits of cash, investments, debt covenants, and other areas will be performed following the California Government Code, which has many provisions and regulations covering investments.

Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

To test compliance, we will follow the AICPA's Audit Sampling Considerations of Uniform Guidance Compliance Audits. We will select an appropriate sample size based on our professional judgment and knowledge. Any deviations from control and compliance requirements will be documented.

Audit Firm's Expectations of the Role and Participation of District's Staff in the Audit Process

The engagement team will meet with the District's management during the initial planning stage to discuss audit schedules and review the prior year's audit findings (if any). We will deliver a list of all documents to be provided by the District's staff. Once such materials are agreed upon by the engagement team and District's finance personnel, no other schedules will be requested unless new information comes to light in the course of test work.

Our goal is to cause the least amount of interruptions to the District's daily operations; therefore, to the extent possible, we will use information in the form available from the District's records.

We believe client/engagement team communication is vital to perform results satisfactorily. With that sentiment in mind, we will hold regular meetings with the District's management to determine the status of the audit as well as any items which will require special attention. **Open and frequent communication is critical.**

Objectives of Our Services

Our primary objective for the proposed audit is to examine the District's financial statements and express our opinion on the fairness of the presentation, following generally accepted accounting principles. Other objectives that will benefit the District include the following:

- To offer beneficial observations and recommendations about policies and procedures for accounting and operating controls
- To identify opportunities to make District operations more efficient and reduce costs
- To perform the audit efficiently and effectively. Disruptions to office operations are kept to a minimum
- To provide continuing advisory services so the District can implement recommendations
- To meet these objectives at no additional cost to the District

The Engagement Team will perform the audit abiding by the Firm's quality-control procedures, which include following standard audit programs, careful planning, using industry-standardized software for auditing and internal control documentation, and welcoming an objective review of audit work. In other words, our client-tailored approach emphasizes careful planning, open communication, and proper assignment of responsibilities.

The Firm will supply portable computers to the on-site staff members.

Identification of Anticipated Potential Audit Problems

While we do not expect any problems with the audit, we will carefully investigate and monitor the following relevant accounting issues:

Investments:

- Compliance with GASB 31 and GASB 34
- Authorization and approval process for District investments
- Controls to assure the District's compliance with investment limitations and types of specific investments
- Monitoring by the District of its investments

Financial Reporting:

- Compliance with current reporting and disclosure requirements issued by GASB
- Compliance with the various GASBs in effect
- Perform valuations of OPEB benefits to determine the liability for all benefits promised to active, retired, and inactive plan members as of each valuation date
- Compliance with Governmental Accounting Standards Board (GASB) Statements 74 and 75
- Compliance with infrastructure obligations and regulatory provisions

Internal Control Structure:

- District's internal control functions and compliance with proper internal control philosophies
- Computer-system processes and controls and adequacy of the control environment

Firm's Experience

Established in 2012, The Pun Group, LLP stands as a limited liability partnership comprising a team of sixty dedicated professionals who specialize in providing auditing, accounting, and advisory services. Our firm, which includes Certified Public Accountants and Business Advisors, has garnered recognition as one of the foremost accounting entities in Orange County, as acknowledged by the Orange County Business Journal. Additionally, we proudly secure a place among the CalCPA Top 150 firms.

Our distinction within the industry lies in the fusion of hands-on experience and pragmatic knowledge demonstrated by our audit professionals. This combination sets our firm apart. We possess a profound grasp of prevailing regulations and issues bolstered by our technical acumen. Furthermore, our commitment to diligence, integrity, and collaborative teamwork is evident in every engagement we undertake, thus contributing to our clients' success.

The Partners' Group, an assembly featuring distinguished names like Kenneth Pun, Frances Kuo, Coley Delaney, Andrew Roth, John Georger Jr., and Jim Fritzsche, extends auditing, accounting, and advisory services to numerous governmental entities across the United States. Collectively boasting over two centuries of experience, we've solidified our role as a dependable business ally and earned renown as industry leaders in one of the rapidly expanding firms. Our commitment to the field is evident through our involvement with nearly 100 government and not-for-profit audit clients, demonstrating an unwavering passion and unparalleled municipal experience.

Moreover, our practices adhere to professional standards embraced nationwide within the United States of America, including the rigorous criteria outlined in the *Government Auditing Standards* issued by the Comptroller General of the United States.

The Firm's headquarters are located in Orange County, California, with five branches in San Diego, Walnut Creek, Sacramento (California), Las Vegas (Nevada), and Phoenix (Arizona).

The *Walnut Creek Office*, located at 2121 North California Boulevard, Suite 290, Walnut Creek, CA 94596, will perform the requested services for the District. However, we may assign additional staff from our other offices to the engagement at no extra cost to the District. No subcontractors will be used in this engagement.

Global Capabilities

The Pun Group LLP is an independent member of Allinial Global, an association of over 100 independent accounting and consulting firms. Based in North America, Allinial Global offers international support by connecting its member firms to providers and global networks of accounting firms worldwide.

OUR FIRM AT A GLANCE



60 full-time auditing, accounting, tax and advisory professionals



One of the fastest growing firms serving California, Nevada and Arizona



Client retention rate: 90 – 95%



6 offices across 3 states



OUR AFFILIATIONS



Full-Time Government Auditors

As full-time government auditors, we understand that governmental entities do not operate independently but in an increasingly complex web of local, state, and federal relationships. We know how these relationships work, what they mean at the local level, and how every public organization’s focus on resource management is critical to success.

Also, while many accounting Firms can provide services, not all can build excellent working relationships with their clients. The Pun Group LLP prides itself on developing lasting, personal relationships with our clients. Our hands-on partner involvement and low personnel turnover are crucial tools to our success and are highly beneficial to the District.

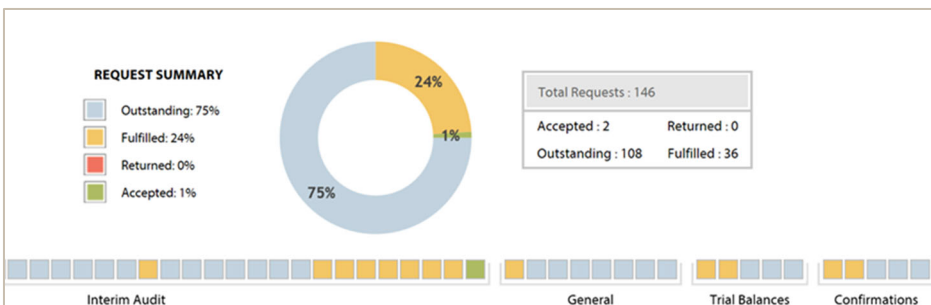
Local Office’s Information Technology (IT) Audit Capabilities

The Pun Group LLP continues our efforts to invest in our IT system to enhance our security further and promote audit efficiency.

Top security for your data is the key to our success. When we have your data virtualized, our Firm takes all the preventive steps to avoid putting your information at risk. Our In-House IT administrator maintains our server to ensure our IT environment is continuously updated with the latest security fixes. Through VPN and Microsoft Remote Desktop, our In-House network administrator can lock down files and system access from a single point, limiting the ability of remote sites to take data from our server.

Access to systems from anywhere and anytime. With more mobility being the norm rather than the exception, our engagement team needs robust access to the engagement files when they are working in your office. Accounting and Auditing Software applications are installed in our “Private” server and can be securely accessed through VPN and Microsoft Remote Desktop. The Firm uses CCH ProSystem fx® Engagement for audit documentation, which allows real-time synchronization of the work papers and instant collaboration quality control review.

Secure Data File Transfer System. In order to improve audit efficiency, workflow management software plays an essential role between your organization and our engagement team. We employ a secure data file transfer system called *Suralink*. *Suralink*’s dynamic request list is integrated with our secure file-hosting system for seamless document-request coordination. It means all our requests are in one place, updated in real-time, and accessible by everyone working on the engagement. As a client, you no longer have to manually maintain a spreadsheet amongst several people, only to repeat the process in a day or two. Not only makes the operation more cost-efficient, but it also enables you and your team to spend your time getting the job done, not reconciling a messy list of outstanding items. The *Suralink* dashboard, as shown below, allows you to visualize the process of document-request fulfillment.



BIG FIRM EXPERTISE. SMALL FIRM VALUES.

Our professional backgrounds at major national firms showed us how to solve complicated business and accounting challenges, but the sense of personal connection was missing.

We launched The Pun Group because we believe every client deserves to work with experienced business advisors and CPAs who have the time – and take the time – to create an authentic connection. Every client is our top priority!



A UNIQUE CULTURE.

“Personalization” is not just a buzzword – it’s part of our firm’s culture. We take a personal approach to everything we do. We collaborate with our clients, so they’re always part of the process. We listen to our staff to make sure they have the right support and resources to do a great job. Getting to know others and discovering how we can serve them better is not just a sign of good business practices; it’s a sign of good people.



INNOVATION EMBRACED.

New ideas keep you ahead of the game. From leveraging the value of emerging technologies to further refining trusted processes, we adopt proven solutions to meet your needs.



WHERE YOU GO, WE GO. WHERE YOU GROW, WE GROW.

Our success is defined by how you achieve yours. Partner with accomplished accounting and financial professionals who are laser-focused on taking your business to the next level.

Our Services

Our partners and seasoned professionals are always available, guiding clients through their periods of rapid growth as well as difficult times. We are able to do that by offering a portfolio of accounting services that are as diverse as the jurisdictions and entities themselves. The Pun Group LLP has successfully provided professional auditing, accounting, financial reporting, and management advisory/consulting services to a broad spectrum of governmental entities.



ASSURANCE

- Financial statements audits
- Compliance audits
- Performance audits
- Internal audits
- Service organization controls audits



ADVISORY

- Operational reviews/risk advisory services
- Forensic investigation
- Financial condition analysis
- Organizational structure review
- Cash flow analysis
- Debt restructuring consultation
- Litigation restructuring consultation



OTHER SERVICES

- Assistance with the preparation and review of the Annual Comprehensive Financial Report
- Government property lease excise tax compliance review
- Sub-recipient monitoring
- Implementation of new GASB pronouncements
- Audit readiness services
- Contract Finance Director/Accountant services

Firm's Current and Past Experience with Special Districts and Authorities

Our Firm has provided professional services to several Districts and Authorities. Below is a representative listing of such engagements:

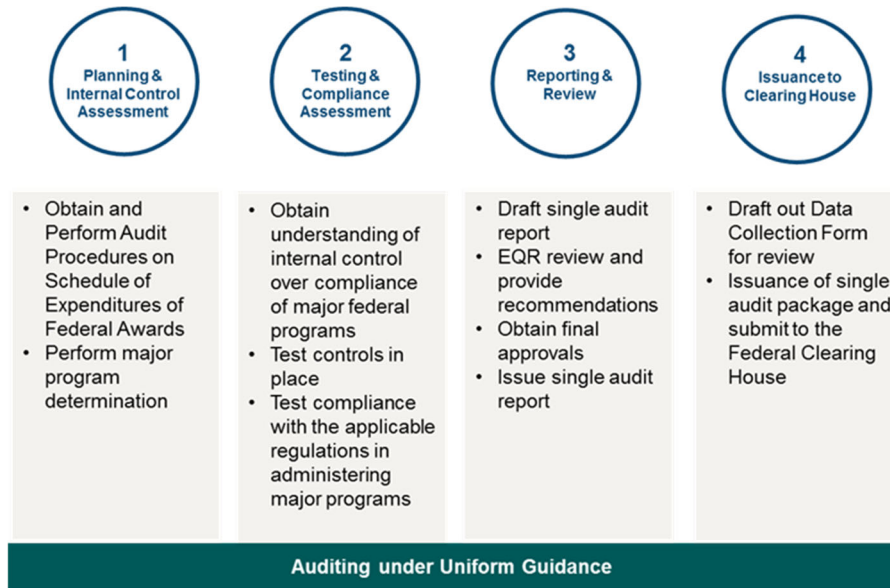
- Adelanto Public Utility Authority
- Alameda County Water District
- Arbuckle Public Utility District
- Bodega Bay Fire Protection District
- Casitas Municipal Water District
- Central Basin Municipal Water District
- Civic – Recreational – Industrial Authority
- City of Monterey Joint Powers Financing Authority
- Coachella Valley Resource Conservation District
- Coachella Fire Protection District
- Diablo Water District
- East Orange County Water District
- El Toro Water District
- Farm Mutual Water Company
- Las Virgenes Municipal Water District
- Las Virgenes – Triunfo Joint Powers Authority
- Los Angeles Waterkeeper
- Marina Coast Water District
- Menlo Park Fire Protection District
- Mountain Recreation Conservation Authority
- North County Dispatch Joint Powers Authority
- North County Fire Protection District
- Olivenhain Municipal Water District
- Orange County – City Hazardous Materials Emergency Response Authority
- Orange County Coastkeeper
- Palmdale Water District
- Perris Joint Powers Authority
- Presidio Municipal Services Agency
- Rancho Santa Fe Fire Protection District
- Riverside County Flood Control and Water Conservation District
- San Diego Coastkeeper
- San Bernardino County Fire District
- San Elijo Joint Powers Authority
- San Joaquin County Regional Fire Dispatch Authority
- South Bay Regional Public Communications Authority
- Santa Fe Irrigation District
- Sativa Los Angeles County Water District
- South Orange County Wastewater Authority
- Sweetwater Springs Water District
- Trabuco Canyon Water District
- Twentynine Palms Water District
- Valley Sanitary District
- Water Replenishment District of Southern California
- West County Wastewater District

Firm's Experience with Single Audit and Grants

The Pun Group LLP works with numerous organizations that receive extensive governmental funding and are subject to auditing under Uniform Grant Guidance. This Firm's specialization helps our audit team understand the procedures' nuances and execute the engagement accordingly. We also assist in preparing the data collection form and preparing the reporting package for submission to the federal audit clearinghouse.

The Firm is a member of the AICPA Governmental Audit Quality Center and has demonstrated its commitment to audit quality, including those performed under Government Auditing Standards and Uniform Guidance. Also, we are a recipient of the *Single Audit Resource Center's Award for Excellence*. This award is based on the positive feedback result from our clients in an independent survey, demonstrating our Firm's highest commitment to quality and client satisfaction.

We utilize standardized audit programs from the federal government's Compliance Supplement to ensure that our procedures meet federal standards. Our audit programs are continually updated to reflect the revisions of OMB. Our Uniform Guidance risk-based approach focuses on areas of higher risk of non-compliance. Such an approach truly reflects the federal government's intent by concentrating on the following four steps:



- 1. Planning & Internal control assessment:** The engagement team will obtain an understanding of the District and its operating environment and its internal control over the Schedule of Expenditures of Federal Awards. The engagement team will perform the major program determination and communicate with the District's management before conducting major program testing.
- 2. Testing & compliance assessment:** The engagement team will obtain an understanding of internal control over compliance on the direct and material compliance requirements for each major program. The engagement will perform testing on internal controls over compliance to ensure the controls are in place working effectively and properly and that the District is in compliance with the applicable regulations in administering major programs.
- 3. Reporting & Review:** The engagement team will review and prepare the single audit reports and perform quality control procedures following the Quality Control Standards issued by the AICPA. Any comments will be issued to the management or the Charge with Governance, depending on the magnitude of the issues. Upon obtaining the final approvals from management, the Single Audit report will be issued.
- 4. Issuance to Clearing House:** The engagement team will assist the District in drafting the data collection form and completing the final submission, including uploading the audit package to the Federal Clearing House.

Marina Coast Water District

Our Firm has audited hundreds of millions of dollars in federal expenditures, making our engagement team uniquely experienced in single audits. We are familiar with *grantors*, such as:



- Corporation for National and Community Services
- Department of Agriculture
- Department of Education
- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Transportation
- Environmental Protection Agency
- Department of Commerce
- Department of Labor
- Department of Homeland Security
- Department of Justice
- Department of Treasury
- Executive Office of the President

Following are a few examples of the types of federal programs our engagement team has experience auditing:

	Assistance Listings
Child and Adult Care Food Program	10.558
Community Development Block Grants/Entitlement Grants	14.218
Home Investment Partnership	14.239
Housing Vouchers Cluster	14.871
Title XVI Water Reclamation and Reuse Program	15.504
Equitable Sharing Program	16.922
WIA/WIOA Adult Program	17.258
WIA/WIOA Youth Activities	17.259
WIA/WIOA Dislocated Worker Formula Grants	17.278
Airport Improvement Program	20.106
Highway Planning and Construction	20.205
Federal Transit - Capital Investments Grants	20.500
Federal Transit - Formula Grants	20.507
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608
Capitalization Grants for Clean Water State Revolving Funds Cluster	66.458
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
Temporary Assistance for Needy Families (TANF) State Programs	93.558
Community Service Block Grant	93.569
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	93.714
National Urban Search and Rescue (US&R) Response System	97.025
Homeland Security Grant Program	97.067

Firm's Experience with State Controller's Reports

The Pun Group LLP has assisted numerous clients with the preparation of the required reports by the California State Controller's Office. Some of these experiences are as follows:

Cities Financial Transactions Report:

- City of Arvin
- City of Bell
- City of Coachella
- City of Culver City
- City of Desert Hot Springs
- City of Hercules
- City of Placentia
- City of Laguna Niguel
- City of Lakewood
- City of Lynwood
- City of Monterey
- City of Morro Bay
- City of Napa
- City of National City
- City of Palm Springs
- City of Perris
- City of Rohnert Park
- City of South Gate
- City of Stockton

Annual Street Report:

- City of Desert Hot Springs
- City of Laguna Niguel
- City of Napa
- City of Palm Springs
- City of Perris
- City of Stockton

Special Districts Financial Transactions Report:

- Special District of West End Water Development Treatment and Conservation Joint Powers Authority
- Special District of West Valley Water District
- Special District of Coachella Financing Authority
- Special District of Coachella Sanitary District (Riverside)
- Special District of Coachella Water Authority
- Special District of Desert Hot Springs Public Financing Authority
- Special District of Desert Hot Springs Successor Agency
- Special District of Perris Public Utility Authority
- Special District of Perris Public Financing Authority
- Special District of Perris Joint Powers Authority
- Special District of Central Basin Municipal Water District
- Special District of Marina Coast Water District
- Special District of Menlo Park Fire Protection District
- Special District of San Bernardino County Fire Protection District

Transit Operators Financial Transactions Report:

- City of Arvin
- City of Culver City

Firm's Expertise and Experience in Governmental Accounting Rules and Regulations, Including Implementation of new GASB Pronouncements

Changing federal laws, statutes, ordinances, and compliance provisions have created unprecedented complexity in public accounting today. Our GASB Implementation Specialist, Mr. Jack Georger, has helped our clients implement new standards while adapting to changes within the existing standards. Our partners serve on committees that have input into how new standards are written. They actively participate in industry associations focused on state and local governments. By participating in industry associations and activities, we are always up to date on the latest industry changes and their impact on your operations. We will keep you and our colleagues in the Firm fully informed of these developments.

Also, our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to all GASB pronouncements, the Single Audit Act, and Uniform Guidance (formerly known as OMB Circular A-133) and fund operations. They have held positions as professional certified public accountants and taken on significant roles within and outside government agencies. Such experience brings to our clients the thought leadership, quality, and level of expertise they require.

The Firm is well versed and experienced in assisting our clients with the implementation of the applicable GASB pronouncements every year, such as GASB 34, GASB 54, GASB 65, GASB 68, GASB 75, and GASB 84. Mr. Jack Georger, as a chair of the California Committee on Municipal Accounting "CCMA," wrote "white papers" on each of these pronouncements.

Throughout the engagement, several new GASB pronouncements will become effective. The Engagement Team will pay specific attention to upcoming statements that will become effective and work with the District to create a plan to address new standards before the implementation period. This step will allow the finance department staff the needed time to be prepared.

Special Attention: GASB Pronouncements Effective for Reporting Year 2023

GASB 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.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.

GASB Statement No. 91, Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practices associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, and all reporting periods thereafter.

GASB 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).

Effective Date: for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB 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 government end users (governments).

Effective Date: for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Project Team

Who We Are

The engagement team was carefully selected to provide the District with all the services needed to successfully complete the audit. Your assigned Engagement and Technical Partners will be personally involved in the project, leading a team that has significant experience in *governmental auditing*. You can be confident that our broad experience and technical capabilities will allow us to provide technical support, interpret findings, and offer practical solutions to any issues that may arise.

About Your Engagement Team

The personnel assigned to this engagement are fully qualified to perform an effective audit of the District, and their extensive experience will be critical to the audit process. Our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to all GASB pronouncements, the Single Audit Act, Uniform Guidance (formerly known as OMB Circular A-133), and fund operations. They have held positions as professional certified public accountants, as well as significant roles within and outside of government agencies. Such qualities will bring to an entity like the Marina Coast Water District the thought leadership, quality, and level of experience it requires.

As full-time government auditors, we understand that governmental entities do not operate independently but in an increasingly complex web of local, state, and federal relationships. We know how these relationships work, what they mean at the local level, and how every public organization's focus on resource management is critical to success.

Also, while many accounting Firms can provide services, not all can build excellent working relationships with their clients. The Pun Group LLP prides itself on developing lasting, personal relationships with our clients. Our hands-on partner involvement and low personnel turnover are crucial tools to our success and are highly beneficial to the District.

Because of the "familiarity threat" under the professional audit and independence standards that may exist in long-term relationships with audit firms, the Firm is committed and has sufficient resources to rotate engagement partners, managers, and or supervisors assigned to the District's audit with personnel with similar or higher qualifications and experience in order to overcome this threat.

If the Firm changes key personnel, we will provide the District with a written notification. **Engagement partners, managers, and specialists will only be changed with the express prior written permission from the District.** Audit personnel may be replaced only by those with similar or better qualifications and experience.



Frances J. Kuo, CPA, CGMA | Engagement/Lead Partner

Frances Kuo is a Partner at the Firm. She has extensive experience in providing audit and advisory services to local government agencies, including public pension plans, cities, counties, special districts, community colleges, and joint powers authorities, as well as not-for-profit organizations. Ms. Kuo brings a wealth of experience from her background in audits and advisory services in areas such as internal controls, policy development, and accounting system implementation. She is a Certified Public Accountant and a Chartered Global Management Accountant.

Ms. Kuo will actively serve as the Engagement/Lead Partner, overseeing the Engagement Team, developing the audit plan, reviewing fieldwork for quality, approving final reports, and communicating with the Finance Department. She will also be responsible for the timely delivery of all services for the City.

Marina Coast Water District



Kenneth H. Pun, CPA, CGMA | Technical/Concurring Partner

Kenneth Pun is the Managing Partner and an Assurance Partner at the Firm. With over twenty-one years of public accounting experience in the state and local government sector, he specializes in audits, management, and consulting for governmental organizations. Mr. Pun served as the Contract Deputy Finance Director for the City of San Marino in 2017. He has served as the Chair of the California Society of CPAs Governmental Auditing Accounting Committee. He is a Certified Public Accountant and a Chartered Global Management Accountant.

In his capacity as the Technical/Concurring Partner, Mr. Pun will assume the critical responsibility of conducting a secondary review of significant high-risk areas, audit reports, and the resolution of noteworthy accounting, auditing, and reporting matters. This pivotal role ensures a comprehensive and meticulous approach to our services.



John ("Jack") F. Georger, CPA, CIA, CGMA | GASB Implementation Specialist

Throughout his forty years of experience, Mr. Georger has spent many years in the "Big 4" and national firms. He worked diligently alongside numerous governmental municipalities, including cities, counties, and transportation agencies, as well as not-for-profit entities, providing clients with financial and compliance auditing as well as consultation services. Mr. Georger annually instructs over 300 hours in accounting and auditing subjects and has authored training material in governmental accounting and auditing for the AICPA. Mr. Georger is also the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB), the gold standard for audit firms throughout the United States. As the Chief Quality Officer in our Firm, he advises clients with their complex accounting questions and supports the engagement team with audit issues. He is a Certified Public Accountant, a Certified Internal Auditor, and a Chartered Global Management Accountant.

Mr. Georger is responsible for reviewing all reports issued by the Firm to ensure the utmost quality and compliance with professional standards and the final quality-control assessment within the engagement.



Ross Gotthoffer, CPA | Quality Control Reviewer

Over his two decades of experience, Mr. Gotthoffer has dedicated a significant portion of his career to working with local firms in Florida and California. He has collaborated extensively with various governmental bodies, including cities, special districts, charter schools, and not-for-profit organizations. In these roles, he has provided clients with comprehensive financial and compliance audits, as well as valuable consultation services. Additionally, Mr. Gotthoffer serves as the technical reviewer for esteemed resources like the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB). These resources are considered the industry standard for audit firms across the United States.

In his capacity as our firm's Quality Officer, Mr. Gotthoffer offers guidance to clients facing intricate accounting inquiries and lends support to the engagement team in addressing audit-related challenges. He holds the title of a Certified Public Accountant registered in the State of Florida and is actively pursuing registration in California.

Mr. Gotthoffer assumes the responsibility of meticulously reviewing all reports issued by our firm. His role ensures the highest level of quality and adherence to professional standards, culminating in the final assessment for quality control within each engagement.



Sophia Kuo, CPA, M.B.A. | Engagement/Project Director

Sophia Kuo is an Assurance Services Director in the Firm who holds an Advanced Certification in Single Audits through the AICPA. She possesses extensive auditing experience, including cities, counties, special districts, and not-for-profit entities. She will work closely with the engagement partners directing and supervising the audit team in its daily activities and tasks. She is a Certified Public Accountant and possesses a MAcc in Accounting and an M.B.A. in Business Administration.

Ms. Kuo will ensure the services are conducted within the deadlines.

Marina Coast Water District



Suzette Reyes, CPA | Engagement/Project Manager

Suzette is an Assurance Services Manager within the Firm. She will secure the effective implementation of the services approach while assisting in the timely delivery of the requested services. She is a Certified Public Accountant.

Ms. Reyes will serve as the primary point of contact for your team and will provide updates on our team's progress to the engagement leaders and you.

Continuing Education and Professional Development

Because of our commitment to providing the highest quality of services to the District, we provide our professionals with technical training to ensure our people stay current on topics within the industry sectors and better equip themselves to serve our clients.

All professionals are required to obtain continuing education that exceeds the requirements of the American Institute of Certified Public Accountants (AICPA) and, where applicable, *Government Auditing Standards*. Our professionals participate in continuing education programs through the following means:

- Governmental Accounting and Auditing Conference sponsored by AICPA.
- Webinar sponsored by AICPA Government Audit Quality Center.
- Annual Conference sponsored by California Society Municipal Finance Officers.
- Governmental Accounting and Auditing Conference sponsored by CalCPA.
- The Pun Group in-house training on government-specific topics, including but not limited to GASB updates, Government Auditing Standards Revision, Fraud in State and Local Governments, COSO Internal Control-Integrated Framework, Audit of State and Local Governments, Single Audit, and Mindbridge AI Auditors™.



In 2023, our government professionals received an average of 52 hours of continuing professional education, compared with the 40 hours of accounting industry requirement.

By expanding our knowledge through these seminars/conferences, we can provide the right solutions to our clients.

Staff Continuity

The Pun Group LLP is committed to maintaining staff continuity throughout audit engagements, and we can assure you that the partners assigned to this audit will be involved throughout the entire contract term.

While we cannot guarantee that our staff-level members will stay with the Firm, we encourage loyalty by paying competitive wages, offering opportunities for promotion, using state-of-the-art equipment, and providing excellent working conditions. Also, we offer benefits, including retirement plans, medical plans, profit-sharing programs, and continuing education.

Quality-Control System

Our Firm meticulously monitors the quality and contents of our reports. The Pun Group LLP is 100% committed to providing only the highest grade of work possible for our clients and for those who rely on our audits. The Firm strives to exceed professional industry standards because of the continuing respect for our clients and our emphasis on creating long-lasting relationships. The Pun Group LLP works exclusively with those who share the same moral integrity and values. Our quality-control system has been crafted with excellence in mind. It not only meets AICPA standards but also matches our own elevated standards, which include following various professional development activities.

Engagement Team Resumes

The Marina Coast Water District deserves experienced professionals who work as a team. The Pun Group LLP will provide qualified professionals to perform the audit. No subcontractors and/or consultants will be utilized to perform the requested services. Resumes for key engagement team members are presented as follows:



Frances J. Kuo
 CPA, CGMA
 Engagement/
 Lead Partner



EMAIL

frances.kuo@pungroup.cpa



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
 AGENCIES



ENTERPRISE
 OPERATIONS



HIGHER
 EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
 California
 Arizona

EXPERIENCE

Frances Kuo holds the position of Partner within the Assurance division of The Pun Group, LLP. With a professional journey spanning over sixteen years, Frances has accumulated extensive expertise in the realms of accounting and auditing. Her scope of experience encompasses engagements with governmental agencies, not-for-profit entities, and employee benefit plans. Notably, Frances possesses specialized proficiency in conducting financial audits adhering to GAO Yellow Book standards and compliance audits aligned with the Uniform Guidance framework, previously recognized as OMB Circular A-133 standards.

Frances has led audits and delivered other attestation services to numerous municipalities situated throughout California. Her clients range from cities and counties to successor agencies of former redevelopment agencies, housing authorities, public financing authorities, special districts, and transportation agencies. Her contributions have been instrumental in aiding these clients to produce their Annual Comprehensive Financial Reports in congruence with GASB Statement No. 34.

Within the firm, Frances is an in-house instructor, diligently imparting theoretical and on-the-job training to junior staff members. She has been instrumental in developing comprehensive training materials encompassing topics like the risk-based audit approach, GASB Statement No. 34 reporting, Single Audits, and employee benefit plan audits.

EDUCATION

University of California, Riverside

B.S. Degree – Business Administration, Emphasis in Accounting

University of California, Riverside

B.A. Degree – Economics

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, California Society of Municipal Finance Officers (CSMFO)

RELEVANT EXPERIENCE

- South Bay Regional Public Communications Authority
- Marina Coast Water District
- Water Replenishment District fo SoCal
- City of Perris
- City of Desert Hot Springs
- City of Glendora
- City of Pomona
- City of Culver City
- Coachella Water Authority
- Las Virgenes Municipal Water District
- Yorba Linda Water District
- City of Coachella
- City of Gardena
- City of Industry
- City of Lakewood
- City of Monterey

CONTINUING PROFESSIONAL EDUCATION

Various courses are offered by the Firm online through Thompson Reuters, AICPA, and CalCPA Education Foundation, including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Kenneth H. Pun

CPA, CGMA

Technical/
Concurring Partner



EMAIL

ken.pun@pungroup.cpa



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Kenneth H. Pun is the Managing Partner and an Assurance Partner at The Pun Group LLP, which he founded in 2012 after serving in senior-level positions for well-established national and regional firms. Under his leadership, The Pun Group has become one of the "Top Accounting Firms" in Orange County, according to the Orange County Business Journal. The Pun Group is also on the list of CalCPA's Top 150 firms.

Prior to founding The Pun Group, Ken served clients in a variety of industries, including small to very large state and local governmental agencies, insurance companies, not-for-profits, healthcare, technology, and manufacturing and distribution clients. His career in public accounting was spent primarily with Regional firms and National firms.

Leveraging more than 21 years of public accounting experience, Ken has earned a reputation of being a trusted advisor to governmental and Healthcare organizations throughout California and neighboring states. Municipalities and public agencies engage him because of his premier level of client service, commitment, and innovative methods of increasing operational efficiencies and reducing costs.

Ken maintains his deep commitment to professional education through his work as an instructor for the California Education Foundation. He has authored training materials in governmental accounting and auditing, such as Financial Reporting for State and Local Governments, 2018 Government Auditing Standards, and Single Audit Fundamentals for California Education Foundation. He is also the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits. He advises clients on those topics at influential industry forums. Internally, Ken mentors audit teams by providing direction and technical guidance to ensure adherence to the firm's quality controls.

EDUCATION

University of California, Riverside

B.S. Degree – Business Administration, Emphasis in Accounting

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Past Chair, CalCPA Governmental Accounting and Auditing Committee
- Member, CalCPA California Committee on Municipal Accounting
- Member, CalCPA Governmental Accounting and Auditing Conference Planning Committee
- Member Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, CSMFO Professional Standards Committee
- Speaker, CSMFO Conference (2014 and 2018)
- Instructor, CalCPA Education Foundation
- Technical Reviewer, CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits

RELEVANT EXPERIENCE

- Alameda County Water District
- El Toro Water District
- Marina Coast Water District
- Riverside County Flood Control and Water Conservation District
- Alameda County Water District
- Central Basin Municipal Water District
- Las Virgenes Municipal Water District
- Orange County Coastkeeper
- South Orange County Wastewater Authority
- Sativa Los Angeles County Water District
- Central Basin Municipal Water District

CONTINUING PROFESSIONAL EDUCATION

Various courses are offered by the Firm online through Thompson Reuters, AICPA, and CalCPA Education Foundation, including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



John F. Georger, Jr.
CPA, CIA, CGMA
**GASB
Implementation
Specialist**



EMAIL

jack.georger@pungroup.cpa



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California
Arizona
Nevada

EXPERIENCE

Jack Georger is the Chief GASB Implementation Specialist within The Pun Group LLP's Assurance division. By leveraging more than forty years of public accounting and auditing experience in the government, agribusiness, financial services, manufacturing, and nonprofit sectors, Mr. Georger brings in-depth knowledge and practical expertise to each engagement.

Jack coordinates, plans, and manages financial audit activities, consulting activities, federal and state compliance audit activities, performance audits, and numerous quality control and internal control reviews for a broad mix of governmental agencies and programs throughout the United States.

Mr. Georger leads our Peer Review department providing peer review services to other firms under the practice monitoring program of the AICPA.

Mr. Georger is a continuing professional education course instructor for the AICPA. Annually, he instructs over 300 hours in accounting and auditing subjects. Jack has authored training material in governmental accounting and auditing for the AICPA. He is the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB).

Mr. Georger is licensed to practice as a certified public accountant in the states of California, New York, Virginia, Maryland, the District of Columbia, Missouri (inactive), Connecticut (inactive), and Wyoming (inactive). He is a Certified Internal Auditor (CIA).

EDUCATION

George Mason University Fairfax, Virginia

B.S. Degree – Accounting

LEADERSHIP & AFFILIATIONS

- Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- Member, Institute of Internal Auditors
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, New York Society of Certified Public Accountants (NYSSCPA)
- Chairman, NYSSCPA Government Accounting and Auditing Committee
- Member, NYSSCPA Auditing Standards Committee
- Member, NYSSCPA Sustainability Committee
- Member, NYSSCPA Not-for-Profit Committee
- Nevada Society of Certified Public Accountants (NSCPA)
- Member, Government Finance Officers Association (GFOA) – Reviewer
- Member, Institute of Internal Auditors

CONTINUING PROFESSIONAL EDUCATION

He has instructed over 300 hours of municipal accounting courses offered by the AICPA.

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Ross Gotthoffer

CPA

Quality Control
Reviewer



EMAIL

ross.gotthoffer@pungroup.cpa



WEBSITE

www.pungroup.cpa

EXPERIENCE

Ross Gotthoffer is a Director within The Pun Group LLP's Assurance division. By leveraging more than twenty years of public accounting and auditing experience in the government, agribusiness, financial services, manufacturing, and nonprofit sectors, Mr. Gotthoffer brings in-depth knowledge and practical expertise to each engagement.

Mr. Gotthoffer is responsible for performing a quality review of all our reports. He'll provide oversight to ensure our audits meet our firm and professional standards. Mr. Gotthoffer will also serve as an additional resource for technical and operational issues. He is the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB). He is licensed to practice as a certified public accountant in the state of Florida.

EDUCATION

University of South Florida, Tampa, Florida

Master of Accountancy

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, Florida Institute of Certified Public Accountants (AICPA)
- Member, Government Finance Officers Association (GFOA) – Reviewer

CONTINUING PROFESSIONAL EDUCATION

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
Florida



Sophia Kuo

CPA, M.B.A.

Engagement/
Project Director



EMAIL

sophia.kuo@pungroup.cpa



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Sophia Kuo is a Director within The Pun Group, LLP's Assurance division. In her ten years of accounting and auditing experience, Sophia has worked with governmental agencies, not-for-profit entities, and private for-profit entities. She possesses governmental expertise that ranges from GASB audit/reporting, Internal Controls/COSO Framework, Single Audit, Corporate Financial Reporting, Data Analysis, and Taxation.

Ms. Kuo has performed audits and other attestation services for several governmental agencies throughout California. Her portfolio includes cities, counties, redevelopment agencies, public financing authorities, housing authorities, transportation agencies, and special districts. Also, she has helped them publish their Annual Comprehensive Financial Reports in compliance with GASB Statement No. 34.

EDUCATION

Fu Jen Catholic University

B.A. Degree – International Trading and Finance, Emphasis in Finance

Idaho State University

Master of Accounting (MAcc)

Master of Business Administration (M.B.A.)



LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT EXPERIENCE

- Las Virgenes Municipal Water District
- Central Basin Water District
- City of Desert Hot Springs
- City of Monterey
- City of Perris
- City of Stockton
- City of Visalia
- City of Coachella
- South Orange County Wastewater Authority
- Marina Coast Water District
- Valley Sanitary District
- City of Monterey Park
- City of Pomona
- City of Hercules
- City of Glendora
- City of Culver City

CONTINUING PROFESSIONAL EDUCATION

Various courses are offered by the Firm online through Thompson Reuters, AICPA, and CalCPA Education Foundation, including:

- Governmental and Non-profit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Suzette Reyes

CPA

Engagement
Manager



EMAIL

suzette.reyes@pungroup.cpa



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Suzette Reyes is an Assurance Services Manager within The Pun Group LLP, with nine years of accounting and auditing experience.

Ms. Reyes has successfully performed audits and other attestation services for several governmental and nonprofit agencies.

Suzette will perform a significant amount of fieldwork, supervise all staff accountants, participate in the planning phase of the engagement, including the development of the overall audit plan and programs, and be heavily involved in the review and preparation of all reports.

EDUCATION

University of the East - Philippines

B.S. Degree – Accounting

LEADERSHIP & AFFILIATIONS

- Member, California Society of Certified Public Accountants (CalCPA)
- Member, Association of Certified Fraud Examiner (ACFE)

RELEVANT EXPERIENCE

- City of Gardena
- City of Palm Springs
- City of Seal Beach
- City of Monterey
- City of Montebello
- City of Arvin
- City of Dessert Hot Springs
- City of Bell
- Orange County Business Council
- Los Angeles Law Library

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation, including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.

Independence

Independence

The Pun Group ^{LLP} requires all employees to adhere to strict independence standards concerning the Firm's clients. These independence standards exceed, in many instances, the rules promulgated by the American Institute of Certified Public Accountants (AICPA).

The Pun Group LLP certifies that it is independent of the Marina Coast Water District. The Firm meets independence requirements defined by the United States Government Accountability Office's (US GAO's) Government Auditing Standards and the American Institute of Certified Public Accountants (AICPA). Based on that, we have not identified an instance that constitutes a conflict of interest relative to performing the services requested by the District.

Insurance

If selected, the Firm will obtain and maintain the minimum insurance requirements during the entire execution of the agreement with the Marina Coast Water District. Within ten days from the implementation of the contract, we will furnish the Marina Coast Water District with satisfactory evidence of the insurance requirements and proof that each carrier is required to give at least 30 days prior written notice of the cancellation of any policy during the entire period of the agreement. The Marina Coast Water District will be named as an additional named insured under the Firm's policies.

A copy of our current certificate of insurance is presented in the *Appendices* section of this proposal.

License to Practice in California

License to Practice in California

The Firm and all key professional staff are licensed by the State of California to practice as Certified Public Accountants and meet the Continuing Professional Education requirements under US GAO's Government Auditing Standards to perform the proposed audits.

Firm Registration:

California State Board of Accountancy Number – PAR 7601
Federal Identification Number – 46-4016990

References

The following are examples of some of the engagements with similar requirements as the Marina Coast Water District’s proposal. Please feel free to contact these agencies to learn more about their experiences working with us.

Name of Public Agency	Alameda County Water District
Contact Info	Ms. Mariana Grajeda, CPA (510) 668-4258 mariana.grajeda@acwd.com
Total Hours:	Approximately 550 hours
Contract Price	\$60,800/year
Date of Services	2019 - Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report Audit, GFOA Award, Debt Issues/Bond Covenants, SCO Report.

Name of Public Agency	Zone 7 Water Agency
Contact Info	Osborn Solitei, Treasurer/Assistant General Manager, Finance (925) 447-6704 osolitei@zone7water.com
Total Hours:	Approximately 400 hours
Contract Price	\$30,500/year
Date of Services	2020 - Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report Audit, GFOA Award, Single Audit, OPEB Liability, SCO Report, Livermore Valley Water Financing Authority SCP, Debt Issues/Bond Covenants.
Engagement Partner	Kenneth Pun

Name of Public Agency	Central Basin Municipal Water District
Contact Info	Peggy Williams, Accounting Manager (323) 201-5513 peggyw@centralbasin.org
Total Hours:	Approximately 300 hours
Contract Price	\$30,000/year
Date of Services	2018 - Present
Scope of Work/Reports Prepared	Basic financial statements audit, SCO Report.
Engagement Partner	Kenneth Pun

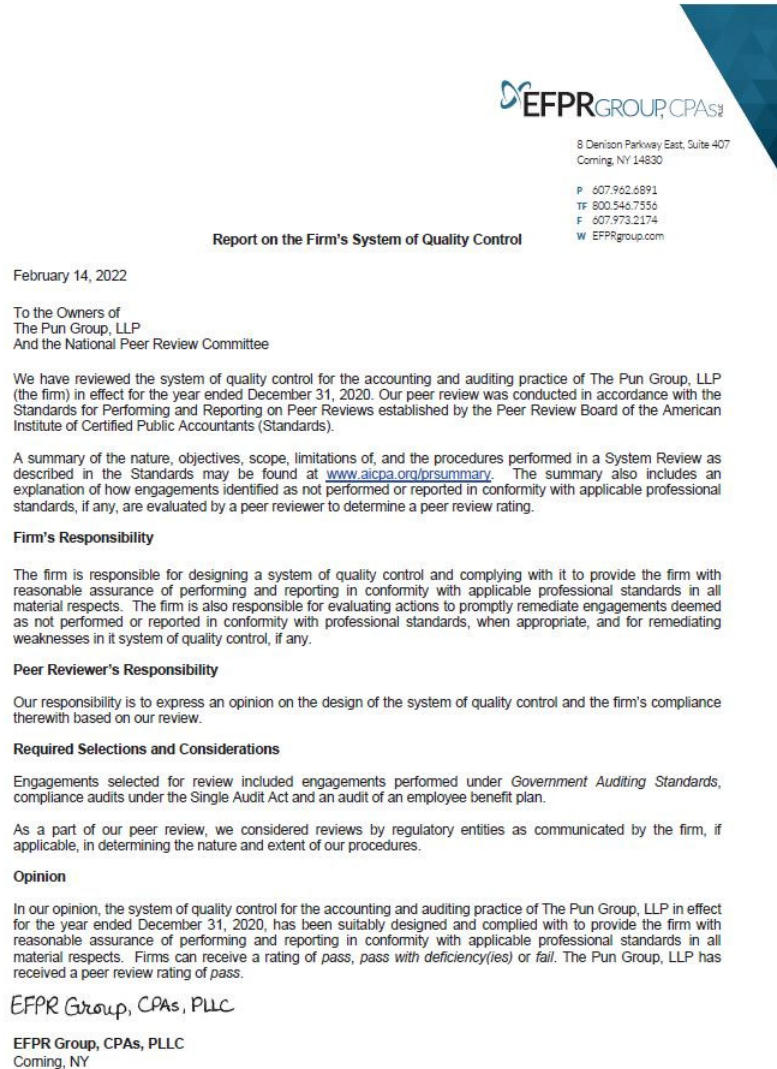
Name of Public Agency	South Orange County Wastewater Authority
Contact Info	Mary Carey, Finance Controller (949) 234-5440 mcarey@socwa.com
Total Hours:	Approximately 300 hours
Contract Price	\$30,000/year
Date of Services	2017 – Present
Scope of Work/Reports Prepared	Financial Audit, including the preparation of the Annual Comprehensive Financial Report Audit.
Engagement Partner	Kenneth Pun, Frances Kuo

Name of Public Agency	Olivenhain Municipal Water District
Contact Info	Ms. Rainy Selamat, Finance Manager (760) 753-6466 RSelamat@olivenhain.com
Total Hours	200
Contract Price	\$25,500/year
Date of Services	2018 – Present
Scope of Work/Reports Prepared	Financial Statements Audit.
Engagement Partners	Kenneth Pun, Coley Delaney

Peer Review

Being a member of the American Institute of Certified Public Accountants (AICPA), The Pun Group LLP is required to obtain an independent peer review of our audit and accounting practice every three (3) years. The peer reviewer assessed the Firm’s quality-control policies, reviewed administrative records, interviewed professional personnel, and inspected the Firm’s working papers and reports from a representative sample of accounting and auditing engagements, including governmental audits. The reviewer concluded that the Firm fully complied with the AICPA’s stringent standards for quality control and issued a peer review rating of “Pass.”

A copy of our most recent peer review is presented on the following page.



Federal or State Desk Review

No federal or state desk reviews or field reviews have been undertaken of any audits performed by the Firm or any of its partners, managers, or professionals during the past three (3) years.

Disciplinary Action

State regulatory bodies or professional organizations have taken no disciplinary action against the Firm or any of its partners, managers, or professionals during the past three (3) years.

The Firm has no conditions such as bankruptcy, pending litigations, planned office closures, mergers, or any organizational conflict of interest that may affect the ability of the Firm to perform the required duties requested by the Marina Coast Water District.

Current Clients

List of Current Municipal Clients

The Pun Group ^{LLP} has performed numerous audits of organizations subject to financial and compliance audits. These audits were performed under auditing standards generally accepted in the United States, Government Auditing Standards, Uniform Guidance (formerly known as OMB Circular A-133), and its Compliance Supplement (when applicable), Office of the State Controller’s Minimum Audit Requirements and Reporting Guidelines.

A representative list of our current clients is as follows:

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Adelanto	2021 – Present	Yes	Yes	Yes	700
City of Anderson	2023 – Present	Yes	Yes	N/A	530
City of Arvin	2013 – Present	Yes	Yes	N/A	400
City of Baldwin Park	2022 – Present	Yes	Yes	Yes	700
City of Bell	2018 – Present	Yes	Yes	Yes	520
City of Bradbury	2012 – Present	Yes	N/A	N/A	150
City of Calexico	2007 – Present	Yes	Yes	N/A	750
City of Clovis	2006 – Present	Yes	Yes	Yes	500
City of Coachella	2017 – Present	Yes	Yes	Yes	410
City of Commerce	2023-Present	Yes	Yes	Yes	570
City of Cottonwood, AZ	2007 – Present	Yes	Yes	Yes	400
City of Corona	2021 – Present	Yes	Yes	Yes	640
City of Cudahy	2023 – Present	Yes	Yes	Yes	500
Town of Corte Madera	2022 – Present	Yes	Yes	N/A	400
Town of Danville	1999 – Present	Yes	Yes	Yes	400
City of Douglas, AZ	2020 – Present	Yes	Yes	Yes	300
City of Desert Hot Springs	2013 – Present	Yes	N/A	N/A	700
City of Fresno	2022 – Present	Yes	Yes	Yes	1,450
City of Gardena	2007 – Present	Yes	Yes	Yes	700
City of Gilroy	2020 – Present	Yes	Yes	Yes	640
City of Glendora	2017 – Present	Yes	Yes	Yes	430
City of Gustine	2017 – Present	Yes	N/A	N/A	400
City of Hemet	2015 – Present	Yes	Yes	N/A	380
City of Hercules	2020 – Present	Yes	Yes	Yes	450
City of Lake Elsinore	2023 – Present	Yes	Yes	Yes	460

Marina Coast Water District

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Lakewood	2013 – Present	Yes	Yes	Yes	380
City of Lynwood	2016 – Present	Yes	Yes	Yes	585
City of Madera	2019 – Present	Yes	Yes	Yes	470
City of Menlo Park	2023 – Present	Yes	Yes	Yes	550
City of Montebello	2022 – Present	Yes	Yes	Yes	600
County of Monterey	2023 – Present	Part of the audit & consulting services pool			TBD
City of Monterey Park	2023 – Present	Yes	Yes	Yes	612
City of Napa	2019 – Present	Yes	Yes	Yes	750
City of National City	2013 – Present	Yes	Yes	Yes	600
City of Palm Springs	2020 – Present	Yes	Yes	Yes	1,000
City of Paramount	2023 – Present	Yes	Yes	Yes	460
City of Patterson	2017 – Present	Yes	Yes	Yes	450
City of Placerville	2008 – Present	Yes	Yes	N/A	400
City of Pinole	2023 – Present	Yes	Yes	Yes	400
City of Redlands	2022 – Present	Yes	Yes	Yes	650
City of Ridgecrest	2009 – Present	Yes	Yes	Yes	300
City of Rohnert Park	2020 – Present	Yes	Yes	Yes	700
City of Salinas	2022 – Present	Yes	Yes	Yes	800
City of San Mateo	2021 – Present	Yes	Yes	Yes	900
City of Santa Clarita	2022 – Present	Yes	Yes	Yes	1,200
City of Santa Cruz	2023 – Present	Yes	Yes	Yes	800
City of Seal Beach	2017 – Present	Yes	Yes	Yes	410
City of Stockton	2012 – Present	Yes	Yes	N/A	3,000
City of Tracy	2021 – Present	Yes	Yes	Yes	960
Town of Tiburon	2022 – Present	Yes	Yes	Yes	452
City of Vernon	2023 – Present	Yes	Yes	Yes	1000
City of Visalia	2021 – Present	Yes	Yes	Yes	650
Imperial County Transportation Commission	2020 – Present	Yes	Yes	Yes	600
Nevada County Transportation Commission	2021 – Present	Compliance Services	N/A	N/A	450
San Diego Metropolitan Transit System	2005 – Present	Yes	Yes	Yes	1,850
Shasta Regional Transportation Agency	2015 – Present	Yes	N/A	N/A	400
Carmel Area Wastewater District	2022 – Present	Yes	Yes	N/A	150

Marina Coast Water District

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
CAWD/PBSCD Wastewater Reclamation Project	2022 – Present	Yes	N/A	N/A	150
Central Basin Water District	2018 – Present	Yes	Yes	N/A	400
Las Virgenes Municipal Water District	2014 – Present	Yes	N/A	N/A	400
Los Angeles County Law Library	2020 – Present	Yes	N/A	N/A	180
Marina Coast Water District	2012 – Present	Yes	N/A	Yes	240
Menlo Park Fire Protection District	2015 – Present	Yes	Yes	Yes	240
NALEO Educational Fund and NALEO	2020 – Present	Yes	N/A	N/A	300
Olivenhain Municipal Water District	2019 – Present	Yes	Yes	Yes	200
Padre Dam Municipal Water District	2020 – Present	Yes	Yes	Yes	250
Rancho Murieta Community Services District	2019 – Present	Accounting and Consulting Services			800
Rancho Santa Fe Fire Protection District	2015 – Present	Yes	N/A	N/A	120
San Bernardino County Preschool Services Department	2020 – Present	Yes	Yes	N/A	150
San Bernardino County Fire Protection District	2016 – Present	Yes	N/A	N/A	200
San Elijo Joint Powers Authority	2016 – Present	Yes	N/A	N/A	146
Santa Fe Irrigation District	2019 – Present	Yes	N/A	N/A	250
Sweetwater Authority	2022 – Present	Yes	Yes	Yes	270
South Bay Cities Council of Governments	2020 – Present	Yes	N/A	N/A	100
South Coast AQMD	2023 – Present	Yes	Yes	N/A	410
South Orange County Water Authority	2017 – Present	Yes	Yes	Yes	240
South Bay Regional Public Communications Authority	2015 – Present	Yes	N/A	N/A	100
Southwestern Community College District	2009 – Present	Yes	Yes	N/A	720
Valley Sanitary District	2015 – Present	Yes	N/A	Yes	140
West Valley Mosquito and Vector Control District	2016 – Present	Yes	N/A	N/A	100
Zone 7 Water Agency	2020 – Present	Yes	Yes	Yes	400

Let's Get to Work!

Benefits of Choosing The Pun Group LLP

The Pun Group LLP is recognized for its professionalism, integrity and for providing clients with practical solutions unique to their circumstances and issues. Our Firm prides itself on being able to provide personalized client services, and with that sentiment in mind, we have carefully chosen our engagement teams. The Pun Group's primary objective is to offer the Marina Coast Water District solutions and directions led by highly experienced and capable partners who can successfully implement the work and produce the results you expect. This philosophy and mindset allow us to provide a superior level of service and a quality audit.

We trust that this proposal has given you the information needed about the Firm, the engagement team members, the overall audit approach, cost-saving measures, and audit fees. We are committed to exceeding your expectations, and we look forward to bringing our experience and expertise to the Marina Coast Water District while providing you with the excellent level of service that you expect and deserve.

Thank You

Thank you for allowing us to submit our qualifications to provide you with Annual Audit Services. Please direct inquiries to:

Frances J. Kuo, CPA, CGMA
Partner
Email: frances.kuo@pungroup.cpa
Phone: (949) 777-8805 | Fax: (949) 777-8850

Sincerely,



The Pun Group LLP
Certified Public Accountants and Business Advisors

Appendix A – Available Training

Strengthen Your Accounting Knowledge: TPG Client Training Webinars

We pride ourselves in leading the governmental auditing profession nationwide and statewide. Members of our team have been assigned to the AICPA and State Government Accounting and Audit committees. Our membership with these two levels of government keeps us current, and such involvement helps our Firm with the constant changes in accounting and auditing standards, laws and regulations, and compliance provisions, which have created an unprecedented complexity in public accounting for state and local governments.

Every year, the Firm hosts a conference to update governmental clients on new technical accounting and financial issues. Since last year, by implementing “Webinars,” we’ve been expanding our horizons and offering our clients 15 hours of Continuing Professional Education (CPE). These sessions are **free of charge** and part of the service package provided to our clients.

CPE courses we offer:





ORANGE COUNTY ■ SAN DIEGO ■ BAY AREA ■ LAS VEGAS ■ PHOENIX

www.pungroup.cpa

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 10-B

Meeting Date: March 18, 2024

Prepared By: Paula Riso

Approved By: Remleh Scherzinger PE

Agenda Title: Consider Adoption of Resolution No. 2024-14 to Place a Director in Nomination to the Coastal Network, Seat A, of the California Special Districts Association Board

Staff Recommendation: The Board of Directors consider whether to select a Board member, or the General Manager, to run for nomination to the Coastal Network, Seat A, of the California Special Districts Association (CSDA) Board.

Background: *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

CSDA is asking for nominations to serve as a Director in Seat A of the Coastal Network for the 2025-2027 term. There are certain commitments and expectations for that Board seat. Those expectations are defined in the letter received on February 5, 2024. The deadline for nominations is April 10, 2024.

Discussion/Analysis: CSDA states that the District is eligible to nominate one person, a Board member or managerial employee, for election to their Board of Directors. Each network has three seats on the Board with staggered 3-year terms. If the MCWD Board decides to select a member to run for nomination, they must provide to CSDA a completed nomination form, Resolution supporting the nominee, and a candidate information sheet. Following receipt of the information, the nominee will receive a Candidate Letter in the mail that will include campaign guidelines. Following electronic voting between June 10 and July 26, 2024, successful candidates will be notified by July 30, 2024 and introduced at the Annual Conference in Indian Wells, in September 2024.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

Financial Impact: Yes No **Funding Source/Recap:** None

Other Considerations: The Board can decide to not select any member to run for nomination.

Material Included for Information/Consideration: Resolution No. 2023-14; CSDA letter, Nomination Form, and Network Map.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

March 18, 2024

Resolution No. 2024 - 14
Resolution of the Board of Directors
Marina Coast Water District

Placing in Nomination _____ as a Member of the
Coastal Network, Seat A, of the California Special Districts Association Board

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), a regular meeting duly called and held on March 18, 2024, at 920 Second Avenue Suite A, Marina, California, and via Zoom teleconference as follows:

WHEREAS, the Board of Directors of the Marina Coast Water District does encourage and support the participation of its members in the affairs of the California Special Districts Association (CSDA); and,

WHEREAS, _____ has indicated a desire to serve as a Member of Coastal Network, Seat A, of the CSDA Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does place its full and unreserved support in the nomination of _____ as a Board Member of Coastal Network, Seat A, of the CSDA Board.

BE IT FURTHER RESOLVED, that any expenses not covered by CSDA for the service of _____ in Coastal Network, Seat A, of the CSDA Board, shall be borne by the Marina Coast Water District.

PASSED AND ADOPTED on March 18, 2024, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors _____
Noes: Directors _____
Absent: Directors _____
Abstained: Directors _____

Gail Morton, President

ATTEST:

Remleh Scherzinger, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2024-14 adopted March 18, 2024.

Remleh Scherzinger, Secretary



Agenda Item: 4 - Establish 2024 Board Elections Timeline

Item Type: Discussion/Action

Submitted By: Amber Phelen, Management Analyst

Presented By: Neil McCormick, Chief Executive Officer

Strategic Plan Reference: 1. Association Governance;
7. Management/Administration

BACKGROUND:

The nomination process for the 2024 CSDA Board of Directors, Seat A election is quickly approaching. CSDA Bylaws direct that the Election & Bylaws Committee shall set the timeline for elections each year. Below is a staff recommended timeline for the nomination and election process that complies with the noticing periods outlined in the CSDA bylaws. The timeline works backwards from the CSDA Annual Conference start date which is September 9, 2024 this year.

- February 5** **Nomination applications mailed and emailed out**
125 days to election start on June 9; bylaws requirement = at least 120 days.

- April 10** **Nomination application deadline**
61 days to election start; bylaws requirement = at least 60 days prior to election.

- April 20** **Nomination application deadline – Coastal Network**
Per CSDA Bylaws, the deadline shall be extended by 10 days in a Network where there is no incumbent re-running.

- June 10** **Electronic ballot voting begins – current Regular Members**

- July 26** **Deadline to receive electronic ballots - current Regular Members**
45 days until conference; bylaws requirement = at least 45 days.

- July 29 or 30** **Count ballots and inform candidates of win/loss**

FISCAL IMPACT:
None at this time.

STAFF RECOMMENDATION:
Staff recommends a motion to approve the 2024 CSDA Board of Directors, Seat A regular election timeline as presented.



Agenda Item: 5 – Review & Approve 2024 Election Materials

Item Type: Discussion/Action

Submitted By: Amber Phelen, Management Analyst

Presented By: Neil McCormick, Chief Executive Officer

Strategic Plan Reference: 1. Association Governance;
7. Management/Administration

BACKGROUND:

Attached is a draft of the nomination letter, form, and candidate information sheet which would be sent out to CSDA voting members in good standing for all six Networks as part of the 2024 CSDA Board of Directors, Seat A election.

Additionally, the background information that will be mailed with the ballots is included. A current list of Board Members and their terms are also attached. Seat A Board Members are up for re-election.

FISCAL IMPACT:

The annual CSDA Board election process is a 2024 budgeted item.

STAFF RECOMMENDATION:

Staff recommends a motion to approve the 2024 CSDA Board of Directors, Seat A election nomination letter, nomination form, candidate information sheet, and ballot letter to be sent to all voting Regular CSDA Members in good standing.



CSDA

**California Special
Districts Association**

Districts Stronger Together

DATE: February 5, 2024
TO: CSDA Voting Member Presidents and General Managers
FROM: CSDA Elections and Bylaws Committee
SUBJECT: **CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT A**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2025 - 2027 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular Member in good standing and located within the geographic network that they seek to represent.
(See attached CSDA Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, professional development, and other resources for members. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, usually 4-5 meetings annually, at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend, at minimum, the following CSDA annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the fall.
*(CSDA does **not** reimburse expenses for the two conferences even if a Board or committee meeting is held in conjunction with the event)*
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years of being elected.
*(CSDA does **not** reimburse expenses for the Academy classes even if a Board or committee meeting is held in conjunction with the event).*

Nomination Procedures: Any Regular Member district in good standing is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is April 10, 2024. Nominations and supporting documentation may be mailed or emailed.**

Mail: 1112 I Street, Suite 200, Sacramento, CA 95814
Fax: 916.442.7889
E-mail: amberp@csda.net

Once received, nominees will receive a candidate's letter. The letter will serve as confirmation that CSDA has received the nomination and will also include campaign guidelines.

CSDA will begin electronic voting on June 10, 2024. All votes must be received through the system no later than 5:00 p.m. July 26, 2024. The successful candidates will be notified no later than July 30, 2024. All selected Board Members will be introduced at the Annual Conference in Indian Wells, CA in September 2024.

Expiring Terms

(See enclosed map for Network breakdown)

Northern Network	Seat A – Greg Orsini, Director, McKinleyville Community Services District*
Sierra Network	Seat A – Noelle Mattock, El Dorado Hills Community Services District*
Bay Area Network	Seat A – Chad Davisson, General Manager, Ironhouse Sanitary District*
Central Network	Seat A – Patrick Ostly, General Manager, North of River Sanitary District*
Coastal Network	Seat A – Elaine Magner, Director, Pleasant Valley Recreation & Park District*
Southern Network	Seat A – Jo MacKenzie, Director, Vista Irrigation District*

(* = Incumbent is running for re-election)

CSDA will be using a web-based online voting system allowing your district to cast your vote easily and securely. *Electronic Ballots will be emailed to the main contact in your district June 10, 2024.* All votes must be received through the system no later than 5:00 p.m. July 26, 2024.

*Districts can opt to cast a paper ballot instead; but you must contact Amber Phelen by e-mail amberp@csda.net by **April 10, 2024** in order to ensure that you will receive a paper ballot on time.*

CSDA will mail paper ballots on June 10, 2024 per district request only.

If you have any questions, please contact Amber Phelen at amberp@csda.net.



**California Special
Districts Association**
Districts Stronger Together

2024 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map)

Telephone: _____

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this form, a Board resolution/minute action supporting the candidate, and Candidate Information Sheet by mail or email to:

CSDA
Attn: Amber Phelen
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732

amberp@csda.net

DEADLINE FOR RECEIVING NOMINATIONS:

April 10, 2024 at 5:00 p.m.



2024 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot.**



California Special Districts Association
DISTRICT NETWORKS



**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 10-C

Meeting Date: March 18, 2024

Prepared By: Paula Riso

Approved By: Remleh Scherzinger, PE

Agenda Title: Provide Direction to the Board President Regarding Voting for Election of One Special District Regular Member to the Local Agency Formation Commission

Staff Recommendation: The Board of Directors provide direction to the Board President regarding voting for election of one Special District regular member to the Local Agency Formation Commission of Monterey County (LAFCO).

Background: *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: On March 4, 2024, LAFCO sent a ballot for election of a Special District representative regular member seat with a term that will expire in May 2028. Two Special District representatives have submitted their nominations for the seat: Russell Jeffries, Moss Landing Harbor District; and, Chad M. Lindey, Monterey County Regional Fire District.

Ballots must be received by LAFCO by April 24, 2024 at 5:00 p.m.

Environmental Review Compliance: None required.

Financial Impact: Yes No **Funding Source/Recap:** None

Other Considerations: The Board can decide not to vote for any nominee running for office.

Material Included for Information/Consideration: LAFCO Memorandum regarding Ballot for Election of LAFCO Commissioner – Special District Regular Member; and nominees’ statements.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2024

Commissioners

Chair

Matt Gourley
Public Member

Vice Chair

Kimbley Craig
City Member

Mary Adams
County Member

Wendy Root Askew
County Member

Mike Bikle
Public Member, Alternate

David Kong
Special District Member, INTERIM

Mary Ann Leffel
Special District Member

Chris Lopez
County Member, Alternate

Ian Oglesby
City Member

VACANT
Special District Member

Anna Velazquez
City Member, Alternate

Counsel

Reed Gallogly
General Counsel

Executive Officer

Kate McKenna, AICP

132 W. Gabilan Street, #102
Salinas, CA 93901

P. O. Box 1369
Salinas, CA 93902


Voice: 831-754-5838

www.monterey.lafco.ca.gov

MEMORANDUM

DATE: March 4, 2024

TO: Independent Special District General Managers, Fire Chiefs and CEOs

FROM: Kate McKenna, AICP, 
Executive Officer

SUBJECT: Ballot for Election of LAFCO Commissioner – Special District Regular Member (Due April 26, 2024)

This memorandum transmits a ballot, voting instructions and candidate information for the election of one Independent Special District Regular Member to serve a four-year term on the Local Agency Formation Commission of Monterey County. Please forward the ballot and information to the legislative body of your District for voting and signature by the presiding officer (Board President) or designee. Vote for one of the two candidates. The deadline to return the ballot is April 26, 2024. LAFCO may extend this deadline if more time is needed to obtain ballots from a majority of Districts.

Thank you for participating in the election process. Please contact me if you have any questions.

Enclosures:
Ballot and Voting Instructions
Candidate Information

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

March 4, 2024

OFFICIAL BALLOT OF THE INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

FOR ELECTION OF ONE REGULAR SPECIAL DISTRICT REPRESENTATIVE TO LAFCO

Voting Instructions:

1. The presiding officer of the legislative body of the District or the legislative body's alternate officer is authorized to vote. Please vote for one candidate. A majority of Districts must return ballots in order to conclude the election. The candidate receiving the most votes will be elected to a Regular Member seat for a four-year term ending in May 2028.
2. Please return this ballot to LAFCO of Monterey County at P.O. Box 1369, Salinas, CA 93902 or at 132 W. Gabilan Street, Suite 102, Salinas, CA 93901 or by email to mckennak@monterey.lafco.ca.gov.
3. **Deadline** - Ballots must be received in the LAFCO office by **April 26, 2024, at 5:00 p.m.** LAFCO may extend this deadline if more time is needed to obtain ballots from a majority of Districts.

PLEASE VOTE FOR 1 CANDIDATE (REGULAR MEMBER SEAT):

Russell Jeffries (Moss Landing Harbor District)

Chad M. Lindley (Monterey County Regional Fire District)

VOTING MEMBER SIGNATURE: _____

INDEPENDENT SPECIAL DISTRICT: _____

DATE: _____

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

NOMINATION FORM TO DECLARE CANDIDACY AND REQUEST NAME AND STATEMENT ON BALLOTS FOR ONE REGULAR POSITION ON THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Due Date: March 1, 2024

Nominations will be considered to fill the four-year term for one Regular seat (expiring May 1, 2028) for Independent Special District Commissioner on the Local Agency Formation Commission of Monterey County.

Nomination Deadline and Process:

Nominations must be received in the LAFCO Office by Friday, March 1, 2024 at 5:00 p.m. Qualified persons may submit their own nominations using this form (no Board action is needed). You may email the completed form to mckennak@monterey.lafco.ca.gov OR mail it to P.O. Box 1369, Salinas, CA 93902 OR hand-deliver it to 132 W. Gabilan Street, Suite 102 in Salinas.

Nomination Statement:

"I, RUSSELL JEFFRIES hereby declare myself a candidate for the election to the position of Regular Commissioner of the LAFCO of Monterey County. I am an elected or appointed Monterey County Independent Special District board member or trustee residing within the county and not a member of a legislative body of a city or county. I request my name be placed on the official ballot and, if elected, I will qualify and accept the office of Regular LAFCO Commissioner for which I am selected and serve to the best of my ability."

Nominee Information:

Name: RUSSELL (RUSS) JEFFRIES
Address: 204 E. CURTIS ST. SALINAS, CA 93906
Phone and e-mail: 831-320-0114
District represented: MOSS LANDING HARBOR DISTRICT
Your position with the District: COMMISSIONER
Number of years as a District Board Member or Trustee: 28 YEARS

Candidate Statement for the Ballot:

Please give reasons for wanting to be an elected LAFCO Commissioner and briefly summarize qualifications and background:

* SEE ATTACHED APPLICATION AND RESUME

Signed: Russell Jeffries

Name (Print): RUSSELL JEFFRIES

Date: 2/28/2024

Thank you for your interest in serving on LAFCO of Monterey County.

FEB 29 2024

19 February 2024

Candidate Statement by Russell M. Jeffries for Appointment to the Position of Special District Representative on the Monterey County LAFCO Board of Commissioners

My name is Russell M. Jeffries and I am a lifelong resident of Monterey County. I was born in Pacific Grove, attended Salinas area schools, and graduated from Hartnell College. My resume is herewith attached and made a part of my application. Kindly review my resume for a full understanding of my experience and qualifications.

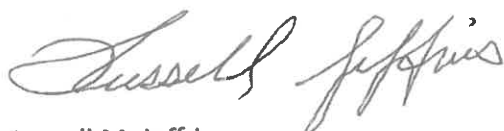
In 1996, I became a member of the publicly elected Moss Landing Harbor District Board of Commissioners and have continuously served as a member of that special district board for over 2.5 decades. The Moss Landing Harbor District contains more Monterey County residents than the population of two County Supervisorial Districts. Its area extends from the Pajaro River in the north to farmlands south of Salinas and encompasses much of the former Fort Ord. I was a co-founding member of the Special Districts Association of Monterey County in 2003, and I was honored to be named as the "2022 Board Member of the Year" by our statewide California Special Districts Association.

Previously, I have served as a local school board member, a city council member and Mayor, and I have served for 21 years as a gubernatorial appointee (by three governors) to the Central Coast Regional Water Quality Control Board (1993-2014).

I believe that the special districts of Monterey County deserve to be represented on LAFCO by a knowledgeable, experienced, and thoughtful individual who can bring to LAFCO meetings a broad, impartial, and detailed understanding of how our local agencies actually function. To provide services to our citizens, I believe that LAFCO members should be sincere listeners who are prepared to conduct their own independent research so as to be comfortable that the basis for their decisions is both factually and intellectually sound. Given my past experiences, I have those skills.

Moreover, I have broad budgetary experience and managerial skills that should be helpful in resolving any future financial issues that may arise for LAFCO. I would bring a commitment to fairmindedness, impartiality, and respect for our citizens with a recognition of the many nuanced issues that affect the quality of life in Monterey County that we all value.

I respectfully request your favorable consideration of my appointment application. Thank you.



Russell M. Jeffries

Russell M. Jeffries

Employment	1991 – Present	Jeffries Landscaping	Salinas, CA
	Owner/Operator		
	▪ Landscape/Irrigation design and installation		
	1955 – 1991 (Retired)	AT&T	Salinas, CA
	Senior Communications Technician		
	▪ Monitored, operated and repaired complex telecommunications systems and equipment		
1987 – 1991	City of Salinas	Salinas, CA	
Mayor			
▪ Reviewed and established management and operational policies for the City of Salinas			
1981 – 1987	City of Salinas	Salinas, CA	
Councilman			
▪ Reviewed and established management policies for the City of Salinas			
1977- 1986	Stage Stop Sandwich Shop Alvin Square Liquors Downtown Liquors	Salinas, CA	
Owner/Manager			
Managed and operated three small businesses			
Activities	California Regional Water Quality Control Board, 1993 – 2000, 2001 – 2014		
	Chairman, 1998 – 2000		
	Vice Chair, 2004 - 2013		
	Moss Landing Harbor Board, 1996 – Present		
	Vice President, 1998 – 2000		
	Secretary, 2001 – 2003		
President, 2003 – Present			
Monterey County Tax Appeals Board, 2003 - Present			
Vice Chair, 2003 – 2004			
Chairman, 2004 - Present			

Special Districts Association of Monterey County, 2003 - Present
Secretary-Treasurer, 2003 – 2004
Vice Chair, 2004 – 2005
Chairman, 2005 – 2006

Salinas/Kushikino Sister City Association, 1987 – Present
Chairperson, 1994 – 1997 & 1999 – Present

California Rodeo Association, 1989 – Present
Committee Member & Honorary Director
Chairman of the Special Guests Committee

Monterey Bay National Marine Sanctuary, 2003 - 2013
Sanctuary Advisory Councilmember
Representing Cal EPA

Monterey County American Red Cross, 1996 – 2007
Vice President of the Board of Directors, 1999 – 2000
Chairman of the Board of Directors, 2001 – 2007

Monterey County Food Bank, 1992 – 1996
Chairman, 1996

Monterey County Water Resources Agency, 1992 – 1994
Boardmember

Salinas Valley Water Commission, 1981 – 1992
Commissioner

Monterey Regional Water Pollution Control Agency, 1990 – 1991
Boardmember

Monterey County Mayor's Select Committee, 1987 – 1991
Chairperson, 1990 – 1991

Monterey/Salinas Transit District, 1987 – 1991
Chairperson, 1990 – 1991

California State School Board Association, 1975 – 1981
Delegate

Salinas Elementary School District, 1975 – 1981
Trustee

Brown Bag Program for Senior Citizens
Co-Founder

City of Salinas Police Reserves, 1956 - 1969
Member

United Brotherhood of Electrical Workers, 1967 – 1991
Chief Steward, 1975 - 1991

Awards received

Special Districts Association of Monterey County
Board Member of the Year, 2022

Salinas/Kushikino Sister City Association
Member of the Year, 1997 – 1998 & 2007 - 2008

Senate Rules Committee
Distinctive Service Commendation, 1993
Presented by: Senators Henry Mello and David Roberti

Monterey County Board of Supervisors
Resolution of Appreciation, 1992

California Legislature Assembly
Distinctive Service Commendation, 1991
Presented by: The Honorable Sam Farr

California Rodeo Association
Special Appreciation Award, 1991

Salinas Chapter of the NAACP
Member of the Year, 1990

Who's Who in the West, 1989 – Present

Salinas City School District
Resolution of Appreciation, 1981

Education

1971 Hartnell College
Associate of Arts Degree

Salinas, CA

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

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Nomination Statement:

"I, Chad Lindley, hereby declare myself a candidate for the election to the position of Regular Commissioner of the LAFCO of Monterey County. I am an elected or appointed Monterey County Independent Special District board member or trustee residing within the county and not a member of a legislative body of a city or county. I request my name be placed on the official ballot and, if elected, I will qualify and accept the office of Regular LAFCO Commissioner for which I am selected and serve to the best of my ability."

Nominee Information:

Name: Chad M. Lindley
Address: 29535 Chualar Cyn. Rd. Chualar, Ca. 93925
Phone and e-mail: 831-214-2258, chad@montereypacifice.com
District represented: 3
Your position with the District: Monterey County Regional Fire District
Number of years as a District Board Member or Trustee: 5 years

Candidate Statement for the Ballot:

Please give reasons for wanting to be an elected LAFCO Commissioner and briefly summarize qualifications and background:

I am a lifelong resident of the Salinas Valley and work in agriculture farming wine grapes. I have been involved in the community serving on the Monterey County Regional Fire District Board for the last 5 years, and a director for the California Rodeo Salinas for the last 15 years. I believe my involvement in the community and farming background

make me a good candidate for understanding the challenges of preserving open spaces in the county while still providing a place for our residents to prosper with their families.

Signed: Chad M. Lindley
Name (Print): Chad M. Lindley
Date: 3-1-24

Thank you for your interest in serving on LAFCO of Monterey County.