



Board of Directors
Kensington Police Protection and
Community Services District

Regular Meeting Agenda
Thursday, October 8, 2020
Via Teleconference

<https://www.kppcsd.org/2020-10-08-kppcsd-board-meeting>

The page at the URL above will have instructions on how to join the online meeting.

In response to the County and State "shelter in place" orders, the Governor issued an order expanding his prior waiver of normal Brown Act requirements. Executive Order N-29-20, issued March 17, 2020, authorizes all-electronic meetings without a physical location for agency officials or members of the public. The published agenda must advise the public of the means by which it may participate in the meeting and of a procedure by which disabled persons may submit requests for accommodation or modification. The order does not suspend notice requirements.

Executive Order N-29-20 is effective while state and/or local public health officials have imposed or recommended social distancing measure. The District must prioritize public health and containing the spread of the Covid-19 virus, which precludes holding physical public meetings. The District will comply with the usual Brown Act requirements to the extent compatible with the directives and recommendations of state and local health officials. We appreciate your understanding.

Regular Meeting (7:30 p.m.)

CALL TO ORDER

SPECIAL PRESENTATIONS

- Presentation of the Transparency Certificate of Excellence to the Kensington Police Protection and Community Services District by the Special District Leadership Foundation.
- Acknowledge the Contribution of Finance and Business Manager Katherine Korsak to the Kensington Police Protection and Community Services District.

GENERAL PUBLIC COMMENT (Members of the public may address the Board for up to three minutes on items not listed on the agenda that are within the jurisdiction of the District.)

BOARD/STAFF COMMUNICATION

- General Manager's Report
- Police Chief Report
- Board of Directors Communication

CONSENT CALENDAR

1. Consider Approval of Minutes for the Regular Board Meeting of September 10, 2020.

BOARD DISCUSSION AND DETERMINATION

2. Consider directing staff to prepare an amendment to KPPCSD Policy 1055, Records Management, to delete the provision allowing for destruction of recording tapes (or other media) of Board meetings for a period of five years from the date of the recorded meeting (Section 1055.5), and adding them to the list of “vital and permanent records” (Section 1055.2). (Discussion)
3. Consider approval of a payment to Lamorena & Chang in the amount of \$10,495 for previously unbilled audit services necessary for compliance with Governmental Accounting Standards Board (GASB) 68 and 75 related to determining the value of expected post-retirement benefits (OPEB). (Discussion/Action)
4. Consider approval of a contract with Nigro & Nigro PC to provide financial audit services for the fiscal years ending June 30, 2020 through June 30, 2024 for an annual cost of \$15,500, a total cost of \$77,500 over the five-year period. (Discussion/Action)
5. Receive an update on the current status of the architectural design process for housing both the Kensington Fire Department and the Kensington Police Department in the Public Safety Building. (Discussion)

ADJOURNMENT

The next regular meeting will be held on October 22, 2020.

Rules of Decorum at Meetings

- Please observe the three-minute per person limit (once per item) and twenty-minute total limit, per Board Policy 4120.4.1.
- Members of the public may address the Board on items not listed on the agenda but that are within the jurisdiction of the District during the General Public Comments section.
- Members of the Public may address the Board on items agendaized for discussion and/or action after any report has been presented by appropriate staff or director and the Board has raised its questions regarding that report.
- If there are several speakers, please be concise to give others the opportunity to speak.
- If any meeting is willfully interrupted so as to render the orderly conduct of the meeting infeasible, the Board President may order the person or group of persons causing the disruption removed. If removal of the person or group of persons causing the disruption of the meeting does not restore order, the Board President may order the meeting cleared of all members of the public except members of the media and proceed to address the remaining items on the agenda.

General Information

- All proceedings of the Open Session will be audio and video recorded if possible.
- The District has devices for hearing assistance. Please contact Interim General Manager Bill Lindsay for information about the equipment.
- Upon request, the Kensington Police Protection and Community Services District will provide written agenda materials in appropriate alternative formats or disability-related modification of disabilities to participate in public meeting. Please send written request, including your name, mailing address, phone number, and a brief description of the requested materials and preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be sent to Kensington Police Protection & Community Services District, 217 Arlington Ave, Kensington, CA 94707.
- To be added to the Board Agenda Mailing List, complete and submit the form at <https://www.kppcsd.org/agenda-mailing-list> or by notifying the Clerk of the Board at llewis@kppcsd.org.

POSTED: Public Safety Building – Colusa Food – Arlington Kiosk and at www.kppcsd.org. Complete agenda packets are available at the Public Safety Building.

All public records that relate to an open session item of a meeting of the Kensington Police Protection & Community Services District that are distributed to a majority of the Board less than 72 hours before the meeting, excluding records that are exempt from disclosure pursuant to the California Public Records Act, will be available for inspection at the **District offices, 217 Arlington Ave, Kensington, CA 94707** at the same time that those records are distributed or made available to a majority of the Board.

BOARD OF DIRECTORS MEETING MINUTES

Thursday, September 10, 2020

Via Teleconference

Regular Meeting - 7:30 p.m.

CALL TO ORDER

President Deppe called to order the Regular Meeting of the Board of Directors at 7:52 p.m. Directors Eileen Nottoli, Rachelle Sherris-Watt, Sylvia Hacaj, and Cyrus Modavi were present at roll call.

Staff present included Interim General Manager Bill Lindsay, Interim Police Chief Walt Schuld, General Counsel Ann Danforth, Finance and Business Manager Katherine Korsak, and Clerk of the Board Lynelle M. Lewis.

GENERAL PUBLIC COMMENT

The following persons provided public comment: 1) Rodney Paul commented that two paths are blocked which could be important for evacuation and urged KPPCSD to assume public path ownership; 2) Danielle Madugo thanked the Police Department for their help on a phishing scam and asked for the opening of the bathrooms in Kensington Park; and 3) Paul Dorroh thanked Interim Police Chief Schuld and Officer Brad Harms for their response about parking and urged the District to do something about the paths and take ownership.

BOARD/STAFF COMMUNICATION

General Manager's Report. Interim General Manager Lindsay provided a status update on the recruitment of a permanent General Manager. The consultant has completed the recruitment brochure which has been printed and distributed to a pool of applicants. The deadline for applicants is Monday, October 12th, with screening to begin immediately thereafter. Next, Mr. Lindsay provided an update on the process for retaining a new independent financial auditor for the District and proposals are due September 14th. The current schedule calls for selection by the Board of Directors at the September 24th meeting.

Mr. Lindsay reported that KCC Recreation Director Jenny Parks has notified District staff that they will start their first in-person, socially-distanced after school camp beginning Monday, September 21st. He also reported that he has received substantial requests imploring the District to open the restrooms in the park. He noted that we are not yet ready to implement local public health orders related to Covid-19, but we are looking to see how this might be done. Director Hacaj suggested looking at funds from the school crossing guard fund. In concluding, Mr. Lindsay reported on the Proposition 68 per capita grant that was awarded to KPPCSD in the amount of \$177,952. The grant requires a 20% match by the District (i.e., \$44,488) and funding may be used for capital improvements to park and recreation facilities.

The following persons provided public comment: 1) Mabry Benson commented that the General Manager recruitment brochure doesn't show a relationship between that Police Department; and 2) Paul Dorroh commented that capital improvements to the paths and the amphitheater behind the Kensington Community Center would be good candidates for the grant funds.

Police Chief Report. Interim Police Chief Schuld announced that the community warning system is up to 6,319 with 934 signing up in August. He thanked Peter Liddell and President Deppe for volunteering to open gates at the cemetery in the event of an evacuation or emergency. Mr. Schuld commented that he had received numerous letters of commendation for the work of Kensington Police officers. Next Interim Police Chief Schuld swore in Officers Jose Fajardo and Roy Bain. Board members congratulated and welcomed the new officers to the District.

- The following person provided public comment: 1) David Bergen asked whether the District was losing two officers.

CONSENT CALENDAR

1. Consider Approval of Minutes for the Regular Board Meeting of July 9, 2020.

- Motion by President Deppe that we adopt the Minutes with the following corrections: (1) On page 1 correct the date of evaluation drill to August 22nd, (2) On page correct spelling of Nixel to Nixle, and (3) On page 6, Item 6 correct the motion to show Director Sherris-Watt (rather than Hacaj) as the subcommittee of the Finance Committee. Director Hacaj seconded the motion. The motion carried (4-1) by the following roll call vote: AYES (Directors Sherris-Watt, Hacaj, Nottoli, and Deppe) and NOES (Modavi).

BOARD DISCUSSION AND DETERMINATION

2. Authorize Reimbursement for Employees and Board Members During the Shelter In Place Order.

Director Rachelle Sherris-Watt provided a summary of the recommendation to authorize compensation of \$100 per month, dated from March 2020, to employees who worked from home for more than 10 hours. This stipend is to cover supplies and other expenses. This compensation would be authorized through June 2021 or until the stay at home order is lifted.

- Motion by Director Sherris-Watt that the KPPCSD authorize reimbursement of \$100 per month from March 2020 to employees who work from home more than 10 hours per week or employees who are authorized by the General Manager. This compensation is to be given with the return of receipts covering each month that the reimbursement is desired. This compensation is authorized until June 20, 2021 or until the stay at home order is lifted, whichever comes first. Additionally board members will be granted a stipend of \$50 a month under the terms listed above. Payment will be issued in a manner that is decided by the General Manager and the Finance Director. Should employees of the KPPCSD or KPD or a board member require computer equipment to work remotely or attend Zoom meetings, a District computer or laptop will be issued within 5 business day from the request. This equipment remains property of the KPPCSD and must be returned upon request or upon leaving the District's employ. The motion was seconded by Director Nottoli. The motion carried (5-0) by the following roll call vote: AYES (Directors Sherris-Watt, Modavi, Hacaj, Nottoli, and Deppe) and NOES (None).

3. Authorize Payment of a Stipend to KPPCSD Employees and Contractors for Necessary Face Coverings Required by the Contra Costa County Public Health Order.

Director Rachelle Sherris-Watt provided a summary of the recommendation to authorize a \$50 stipend to KPPCSD employees and contractors towards the purchase of necessary face coverings required by the Contra Costs County public health order.

- Motion by Director Sherris-Watt that we authorize the payment of \$50 to KPPCSD employees and contractors for necessary face coverings required by the Contra Costa County's public health order. This would be a \$50 reimbursement towards the purchase of masks. Furthermore should the Board resume in person meetings of any kind prior to June 2021, board members and the General Counsel would also be eligible for this \$50. The motion was seconded by Director Nottoli. The motion carried (5-0) by the following roll call vote: AYES (Directors Sherris-Watt, Modavi, Hacaj, Nottoli, and Deppe) and NOES (None).

4. Discuss and Consider Adopting Resolution No. 2020-20 of the Board of Directors of the Kensington Police Protection and Community Services District Adopting Policy 3190.1 Social Media Policy.

President Deppe announced that this policy will be brought back after additional review. There was consensus to bring back the policy to the Board. President Deppe asked the Board to send their comments to him and Interim General Manager Lindsay.

- The following person provided public comment: 1) Julie Stein asked how the policy would address first amendment issues.

5. Discuss and Consider Adopting Resolution No. 2020-19 of the Board of Directors of the Kensington Police Protection and Community Services District Adopting Policy 1057 Public Records Act Requests.

General Counsel Danforth presented the staff recommendation that the Board hear public testimony, consider the proposed draft Policy 1057 (California Public Records Act Response Procedure) and adopt the draft resolution. Policy 1057 would formalize the District's current process.

There was no public comment.

- Motion by Director Sherris-Watt that the Board adoption Resolution 2020-19 of the Board of Directors of the Kensington Police Protection and Community Services District Adopting Policy 1057. President Deppe made a friendly amendment to add a sentence to 1057.1 that it shall be encouraged to use the Request for Public Records form at the bottom of the policy. Director Hacaj seconded the motion. The motion carried (4-1) by the following roll call vote: AYES (Directors Nottoli, Hacaj, Sherris-Watt, and Deppe) and NOES (Modavi).
- At 9:50 p.m. it was moved, seconded and carried to extend the meeting to 10:15 p.m. The motion carried unanimously 5-0.

6. Receive an Update on the Current Status of the Architectural Design Process for Housing both the Kensington Fire Department and the Kensington Police Department in the Public Safety Building.

Interim General Manager Lindsay presented information on discussions between the architectural firm of RossDrulisCusenbery (RDC) and Contra Costa County. He said RDC reported that Contra Costa has yet to make a determination regarding which government entity is responsible for interpretation and enforcement of permitting issues for enclosing the second floor deck and replacement cost valuation. RDC also reported that an elevator/lift will be a required element of the renovation. To move the design process forward, Mr. Lindsay and Kensington Fire Protection District General Manager Mary Morris-Mayorga agreed to request the architect begin to create a new conceptual design option that includes an elevator/lift and encloses the second floor deck. He noted the work will cost an additional \$6,000, to be equally divided between KPPCSD and KPFD (i.e. \$3,000 by KPPCSD). Mr. Lindsay reported authorizing this cost increase on behalf of KPPCSD. Mr. Lindsay noted that he had requested that the architect provide a rough schedule for general planning purposes that describes the activities and timetable from now through project completion, assuming that there are no unforeseen obstacles.

- The following persons provided public comment: 1) David Bergen mentioned the idea of putting a handicap parking lot on the second floor, and 2) Mabry Benson mentioned that there is not enough space for handicap parking at the top, so an elevator would be needed.

ADJOURNMENT

President Deppe adjourned the meeting at 10:15 p.m.

SUBMITTED BY:

Lynelle M. Lewis, District Clerk of the Board

APPROVED: October 8, 2020

Bill Lindsay, Interim General Manager

Chris Deppe, President of the Board

BOARD OF DIRECTORS MEETING

October 8, 2020

ITEM 2

PROPOSED CHANGES TO RECORDS RETENTION POLICY 1055 AND BOARD MEETING POLICY 4140 TO PROVIDE THAT RECORDINGS OF BOARD MEETINGS BE RETAINED AS PERMANENT RECORDS AND THAT BOARD MINUTES INDICATE THE TIME DURING WHICH AGENDA ITEMS ARE HEARD BY THE BOARD

SUMMARY OF RECOMMENDATION

Consider directing staff to prepare an amendment to KPPCSD Policy 1055, Records Management, and 4140, Board Meetings, to delete the provision allowing for destruction of recording tapes (or other media) of Board meetings for a period of five years from the date of the recorded meeting (Section 1055.5), and adding them to the list of “vital and permanent records” (Section 1055.2). The amended policy should also provide that minutes of Board meetings indicate the time during which agenda items are heard to more easily access and review recordings of meetings.

BACKGROUND

Current Board policies allow for the destruction of audio and/or video recordings of Board meeting minutes after a period of five years. In particular, Board policy 4140.1.3 states:

4140.1.3 In addition to the written minutes, whenever possible, an audio recording and/or video recording will be made of each special or regular meeting and posted to the District website for a period of no less than sixty (60) months.

The Records Retention Policy 1055.5 allows for the destruction of audio/video recordings, providing as follows:

1055.5 Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form. However, they may, upon the General Manager’s authorization, be destroyed if they are micro-filmed as provided in Policy 1055.4.4, above. Recording tapes (or other media) of Board meetings will be kept for a period of five years from the date of the recorded meeting, after which they will be destroyed (emphasis added).

Records Retention Policy 1055.2 also lists the records that are “vital and permanent” and that shall not be destroyed, and recorded media is not listed in this section.

The current video recording of meetings can, in combination with the written summary minutes prepared by the District Secretary, provide a complete history of the discussions and actions taken by the Board of Directors at their public meetings. What can make this combination particularly useful is to include a time notation for when specific agenda items are discussed so that the discussion can be readily accessed and reviewed on recorded media. To effectively implement this administrative policy requires that both the written minutes and the recorded media be listed as “vital and permanent” records of the District.

Because data storage for media has become relatively inexpensive and compact, the permanent storage of such recorded media should not be a cost burden to the District.

RECOMMENDATION

Direct staff to prepare an amendment to KPPCSD Policy 1055, Records Management, and 4140, Board Meetings, to delete the provision allowing for destruction of recording tapes (or other media) of Board meetings for a period of five years from the date of the recorded meeting (Section 1055.5), and adding them to the list of “vital and permanent records” (Section 1055.2). The amended policy should also provide that minutes of Board meetings indicate the time during which agenda items are heard to more easily access and review recordings of meetings.

FISCAL IMPACT

The cost for the proposed change in the records retention policy will be minimal.

ATTACHMENTS

- Policy 4140, Board Meetings
- Policy 1055, Records Retention

SUBMITTED BY:

Bill Lindsay
General Manager

BOARD MEETINGS

POLICY 4100: Board Actions and Decisions

4100.1 Action can only be taken by the vote of the majority of the Board of Directors. Three (3) Directors represent a quorum for the conduct of business.

4100.1.1 A member abstaining in a vote is considered as absent for that vote. A member abstaining due to a conflict of interest does not count towards a quorum.

4100.1.1.1 Example. If three of five Directors are present at a meeting, a quorum exists, and business can be conducted unless the abstention is due to a conflict of interest. However, if one Director abstains on a particular action and the other two cast "aye" votes, no action is taken because a "majority of the Board" did not vote in favor of the action.

4100.1.1.2 Example. If an action is proposed requiring a two-thirds vote and two Directors abstain, the proposed action cannot be approved because four of the five Directors would have to vote in favor of the action.

4100.1.1.3 Example. If a vacancy exists on the Board and a vote is taken to appoint an individual to fill said vacancy, three Directors must vote in favor of the appointment for it to be approved. If two of the four Directors present abstain, the appointment is not approved.

4100.2 The Board may give directions that are not formal actions and do not require formal procedural process. Such directions include the Board's directives and instructions to the General Manager.

4100.2.1 The President shall determine by consensus a Board directive and shall state it for clarification. Should any two Directors challenge the statement of the President, a voice vote may be requested.

4100.2.2 A formal motion may be made to place a disputed directive on a future agenda for Board consideration, or to take some other action (such as refer the matter to the General Manager for review and recommendation, etc.).

4100.2.3 Informal action by the Board is still Board action and shall only occur regarding matters that appear on the agenda for the Board meeting during which said informal action is taken.

4100.2.4 Nothing in this policy prevents the Board from providing direction to the General Manager in response to public comments or under Board member or General Manager comments, as allowed under the Brown Act. No vote or action shall be taken.

POLICY 4110: Board Meeting Agenda - General

4110.1 Agenda preparation. The General Manager, in coordination with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors in accordance with the Brown Act. Any Director may contact the General Manager and request an

item to be placed on the agenda 2 weeks prior to the closing of the agenda for the next meeting date, providing a staff report by said date. Items submitted after the deadline shall be evaluated and considered by the Board President and General Manager.

4110.2 Agenda items. If the General Manager decides an item is not germane to the current work of the Board, two collaborating Directors may place an item on the next regular meeting agenda by written request. However, the General Manager shall have the discretion to allocate District resources to said item as practicable given the Board's then-current priorities.

4110.3 Agenda descriptions. All Board agendas shall include an unambiguous description of each item on the agenda to be discussed, including closed session items, discussion items and action items. The General Manager shall ensure that the description gives notice to the public of the essential nature of business to be considered.

4110.4 Agenda posting. Agendas for regular meetings shall be posted 72 hours in advance of the meeting and agendas for special meetings shall be posted 24 hours in advance of the meeting. The posting must occur in a place that is freely accessible to the public and on the District's website. On or before January 1, 2019, the internet posting shall occur on the District's primary website homepage through a prominent, direct link to the current agenda. The agenda shall also be accessible in an open format by that date.

4110.5 Agenda packages. When distributing agenda packages and other materials to members of the Board of Directors, those materials should be provided to all members at the same time. Agenda packages, except for closed session materials, should also be made available to the public once distributed to the Board.

4110.5.1 The agenda package is not a public forum. District staff should include in the package only materials relevant to items on the Board agenda.

4110.6.1 At each regular meeting the Board shall provide the public with an opportunity for up to twenty (20) minutes to address any item within the subject matter jurisdiction of the District not on the agenda and before each the agenda. Each person shall have up to three (3) minutes and no person may speak more than once during a public comment period. Every regular meeting agenda shall include this opportunity as part of the meeting.

4110.6.2 For special meetings, the Board shall provide the public with an opportunity of up to twenty (20) minutes to address any item on the agenda. Each person shall have up to three (3) minutes.

4110.7 Closed sessions. The Brown Act allows the Board to conduct a closed session during a noticed meeting for certain matters. Major reasons for permissible closed sessions, as authorized by the Brown Act, include real property transactions, labor negotiations, and pending litigation. The Board shall allow public comment on any closed session item before going into closed session.

4110.8 Items not on the agenda. The Board shall not discuss or take action on any item that does not appear on the posted agenda except in cases of permitted by the Brown Act, including,

without limitation, in case of emergency or urgent need for action. The Board may also briefly respond to public comments, direct staff to follow-up on matters that arise during public comments and make announcements.

4110.9 The Board President and General Manager (or designee) shall ensure that physical facilities and related equipment for said meetings are functional and appropriate.

4110.10 The Board President shall determine the order in which agenda items shall be considered for discussion and/or action by the Board.

POLICY 4120: Board Meeting Conduct

4120.1 Rules of order. Meetings of the Board of Directors shall be conducted by the President in a manner consistent with the policies of the District. Policy No. 4160, "Rules of Order for Board and Committee Meetings," shall be used as a general guideline for meeting protocol.

4120.2 Agenda timing. All Board meetings shall commence at the time stated on the agenda and shall be guided by same.

4120.3 Conduct of meetings. The following concepts shall be applied to Board meetings:

4120.3.1 The meetings shall be conducted in an open and fair manner.

4120.3.2 The public shall be given ample opportunity to participate in the meetings, as set forth in section 4120.4 of this Policy.

4120.3.3 Due process principles shall apply to quasi-judicial proceedings, or as otherwise required by law.

4120.3.4 The meetings shall proceed in a manner that enables the Board to consider problems to be solved and make wise decisions intended to solve the problems.

4120.3.5 The Board may receive, consider and take any needed action with respect to reports of District operations.

4120.3.6 Noticed public hearings shall be conducted in an orderly fashion, with the Board President establishing the order of the proceedings.

4120.3.7 The Board may weigh and determine the credibility of evidence and public comment.

4120.4 Public comment. Public comment on items on the agenda, and general public comment at a regular Board meeting for matters within the jurisdiction of the Board of Directors, shall be as followed:

4120.4.1 Each member of the public present at a meeting shall be allowed to speak once in connection with each item on the agenda for that meeting. Speakers are not allowed to give or allot their time to another speaker. Time reading statements from others, will be considered towards the speaker's three-minute allotment.

4120.4.2 Members of the public should address the Board. Speakers should refrain from beginning their remarks until they are at the podium, able to use any provided amplification and are recognized by the Board President.

4120.4.3 Each speaker shall be allotted a maximum of three (3) minutes per item and may speak only once on during a public comment session. Each subject matter shall be allotted a maximum of twenty (20) minutes for comment. These are general guidelines. The Board President may shorten the time for each speaker to accommodate an unusual number of persons wishing to speak and/or may extend the allotted time per subject where the subject matter requires.

4120.4.4 The Board President cannot refuse to recognize members of the Board, or the public, whose behavior is within the standards of conduct and when time allows.

4120.5 Disruption of meetings. Willful disruption of any of the meetings of the Board of Directors shall not be permitted. If the President finds that there is willful disruption of any meeting of the Board, he/she may do the following:

4120.5.1 Notify the disrupting parties to immediately stop the conduct and that they will be asked to leave the meeting if the behavior continues.

4120.5.2 If the behavior continues after notice, order the disrupting parties out of the room and conduct the Board's business without them present.

4120.5.3 In cases of extreme disruption, the Board President may clear the room of all members of the public and conduct the Board's business without them present.

4120.5.4 Duly accredited representatives of the news media, whom the President finds not to have participated in the disruption, shall be permitted to remain in the meeting.

POLICY 4130: Brown Act Compliance – Open Meeting Requirements

4130.1 The Brown Act. The Legislature adopted the Brown Act, commonly referred to as California's "Open Meetings Laws" in 1964. The Brown Act is contained in Government Code section 54950 et seq. The Brown Act is broadly construed, and compliance is constitutionally mandated. This Policy 4130 is intended to facilitate compliance with the Brown Act. It is not a complete listing of Brown Act requirements. In the event of a conflict between this Policy and the Brown Act, the latter shall prevail. In the event of an amendment or addition to the Brown Act that conflicts with this Policy, this Policy shall be deemed amended to conform with said amended or addition.

4130.2 All meetings of the Board of Directors shall comply with the Brown Act. The Brown Act mandates advance notice of meetings on a published agenda (see Policy 4110), opportunities for public comment (see Policy 4120.4) and preparation of minutes memorializing the meeting (see Policy 4140). There is no obligation of the District to apply the Brown Act to meetings not covered by this Act. There is also no obligation of the District to exceed any requirements of the Brown Act.

4130.2.1 Meetings occur whenever the majority of the Board of Directors meets to discuss District business.

4130.2.2 Members of the Board include newly elected and appointed officials prior to assuming office.

4130.2.3 All Board meetings shall be open and freely accessible to the public, including those with disabilities.

4130.2.4 Meetings through the use of intermediaries, serial communications, or emails are prohibited.

4130.2.5 The Board shall only take action during a properly noticed meeting.

4130.3 Committees. Standing committees created by formal action of the Board shall comply with the Brown Act

POLICY 4140: Minutes of Board Meetings

4140.1 Duty to keep minutes. The General Manager (or his or her designee) shall keep minutes of all regular and special meetings of the Board.

4140.2 The General Manager shall ensure that accurate Minutes of each Board meeting are prepared, maintained and stored in accordance with state law.

4140.3 The minutes, presented in action format, shall include sufficient detail to record all direction and actions of the Board of Directors. See 4140.1.5

4140.1.1 Copies of a meeting's minutes shall be distributed to Directors as part of an information packet for a regular meeting of the Board, at which time the Board will consider approving the minutes as presented or with modifications. Once approved by the Board, the official minutes shall be properly saved and protected, and posted on the District's webpage.

4140.1.2 An audio tape recording of regular and special meetings of the Board of Directors will be made. The device upon which the recording is stored shall be kept in a locked cabinet for a minimum of ninety (90) days or until the minutes are approved by the Board. Members of the public may inspect recordings of Board meetings without charge on a playback machine that will be made available by the District.

4140.1.3 In addition to the written minutes, whenever possible, an audio recording and/or video recording will be made of each special or regular meeting and posted to the District website for a period of no less than sixty (60) months.

4140.1.3 Motions, resolutions or ordinances shall be recorded in the minutes as having passed or failed. The motion makers, and individual votes will be recorded. A unanimous vote shall be recorded as a vote in favor by each member.

4140.1.4 All resolutions and ordinances adopted by the Board shall be numbered consecutively, starting new at the beginning of each year.

4140.1.5 In addition to other information that the Board may deem to be of importance, the following information (if relevant) shall be included in each meeting's minutes:

- * Date, place and type of each meeting;
- * Directors present and absent by name;
- * Administrative staff present by name;
- * Call to order;
- * Time and name of late arriving Directors;
- * Time and name of early departing Directors;
- * Names of Directors absent during any agenda item upon which action was taken;
- * Summary record of Any staff reports;
- * Summary record of public comment regarding matters not on the agenda, including names of commentators if provided;
- * Approval of the minutes or modified minutes of preceding meetings;
- * Approval of financial reports
- * Information as to each subject of the Board's deliberation;
- * Record of the vote of each Director on every action item for which the vote was not unanimous;
- * Summary record of Board member comments on resolutions, ordinances, and contracts.
- * Resolutions and ordinances described as to their substantive content and sequential numbering;
- * Record of all contracts and agreements, and their amendment, approved by the Board;
- * Approval of the annual budget;
- * Approval of all polices, rules and/or regulations;
- * Approval of all dispositions of District assets;
- * Approval of all purchases of District assets; and,
- * Time of meeting's adjournment.

POLICY 4150: Review of Administrative Board Decisions

4150.1 Code of Civil Procedure § 1094.6. The provisions of California Code of Civil Procedure §1094.6 shall be applicable to judicial review of all administrative decisions of the Board of Directors pursuant to the provisions of §1094.5 of said code. The provisions of §1094.6 shall prevail over any conflicting provision and any otherwise applicable law, rule, policy or regulation of the District, affecting the subject matter of an appeal.

4150.1.1 In accordance with §1094.6, the time to seek judicial relief shall be 90 days following the date in which the Board's decision becomes final.

4150.1.2 No person aggrieved by a Board decision shall be allowed to seek judicial relief unless they shall have first raised that issue before the Board and provided the Board with an opportunity to address the issue.

4150.1.3 No person aggrieved by a Board decision shall be allowed to seek judicial relief unless they shall have first exhausted all available administrative remedies made available by the District.

4150.2 Applicability. This policy affects those administrative decisions rendered by the Board of Directors following a proceeding at which notice and an opportunity to be heard has been provided.

4150.3 Purpose. The purpose of this policy is to ensure efficient administration of the District, and the expeditious review of decisions rendered by the Board of Directors.

4150.4 Claims. Nothing in this policy shall be deemed to waive the claims filing requirements of the District when damages are being sought.

POLICY 4160: Rules of Order for Conduct of Board and Committee Meetings

4160.1 General:

4160.1.1 The Board and Board Committees will consider action items by motion in accordance with this Policy, which the Board President and Committee Chair should apply with flexibility. In the event that a Board or committee member raises a point of order that is not addressed by that this Policy or elsewhere in this Manual, the Board President or Committee Chair should consult with the General Counsel and Rosenberg's Rules of Order for guidance, a copy of which is in Appendix ---.

4160.1.1.1 If a Director believes order is not being maintained or procedures are not adequate, then he/she should raise a point of order - not requiring a second - to the President. If the ruling of the President is not satisfactory to the Director, then it may be appealed to the Board. A majority of the Board will govern and determine the point of order.

4160.2 Obtaining the Floor:

4160.2.1 Any Director desiring to speak should address the President and, upon recognition by the President, may address the subject under discussion.

4160.3 Motions:

4160.3.1 Any Director, including the President, may make or second a motion. A motion shall be brought and considered as follows:

4160.3.1.1 A Director makes a motion; another Director seconds the motion; and the President states the motion.

4160.3.2 Once the motion has been stated by the President, it is open to discussion and debate. After the matter has been fully debated, and after the public in attendance has had an opportunity to comment, the President will call for the vote.

4160.3.2.1 If the public in attendance has had an opportunity to comment on the proposed action, any Director may move to immediately bring the question being debated to a vote, suspending any further debate. The motion must be made, seconded, and approved by a majority vote of the Board.

4160.4 Secondary Motions. Ordinarily, only one motion can be considered at a time and a motion must be disposed of before any other motions or business are considered. There are a few exceptions to this general rule, though, where a secondary motion concerning the main motion may be made and considered before voting on the main motion.

4160.4.1 Motion to Amend. A main motion may be amended before it is voted on, either by the consent of the Directors who moved and seconded, or by a new motion and second.

4160.4.2 Motion to Table. A main motion may be indefinitely tabled before it is voted on by motion made to table, which is then seconded and approved by a majority vote of the Board.

4160.4.3 Motion to Postpone. A main motion may be postponed to a certain time by a motion to postpone, which is then seconded and approved by a majority vote of the Board.

4160.4.4 Motion to Refer to Committee. A main motion may be referred to a Board committee for further study and recommendation by a motion to refer to committee, which is then seconded and approved by a majority vote of the Board.

4160.4.5 Motion to Close Debate and Vote Immediately. As provided above, any Director may move to close debate and immediately vote on a main motion.

4160.4.6 Motion to Adjourn. A meeting may be adjourned by motion made, seconded, and approved by a majority vote of the Board before voting on a main motion.

4160.5 Decorum:

4160.5.1 The President shall take whatever actions are necessary and appropriate to preserve order and decorum during Board meetings, including public hearings.

4160.5.2 The President may also declare a short recess during any meeting.

4160.6 Time Limit for Board Meetings:

4160.6.1 All meetings of the Board of Directors must be adjourned by 10:00 pm. Meetings can be extended by a four-fifths vote of the Board, or if less than four-fifths of the Directors is present, a unanimous vote of those Directors that are present.

4160.6.2 If the meeting is still in session at 9:45 pm, the Board President (or whoever is chairing the meeting) shall stop the progress of the meeting and suggest which of the remaining items on the agenda will be addressed in the remaining fifteen minutes of said meeting. As an alternative,

the Board President will entertain a motion to consider whether to extend the meeting as described in Policy 4160.6.1.

4160.6 Amendment of Rules of Order:

4160.6.1 By motion made, seconded and approved by a majority vote, the Board may, at its discretion and at any meeting: a) temporarily suspend these rules in whole or in part; b) amend these rules in whole or in part; or, c) both.

POLICY 4170: Types of Board Meetings

4170.1 Regular meetings. The purpose of meetings is to conduct the business of the District requiring action by the Board of Directors. Regular meetings of the Board of Directors shall be held on the second and fourth Thursday of each calendar month (except November and December meetings occur only on the second Thursday) at 7:30 PM in the Community Center, 59 Arlington Avenue in Kensington, CA or if the Community Center is unavailable, at a temporary location within Kensington, if possible. The date, time and place of regular Board meetings may be reconsidered as the Board may determine due to a change in District needs and circumstances.

4170.1.1 The Board may choose to reschedule meetings at any time, for any time and location, with a majority vote to accommodate special circumstances that may arise between regular meetings. Any meeting can be cancelled by the General Manager in consultation with the Board President. For example, if no action, no motion, or no direction is required of the Board, there would not be a need to hold a meeting and the meeting can be cancelled. There shall be at least twelve (12) meetings per year.

4170.1.2 The General Manager may also reschedule meetings after consulting with the Board President, or if unavailable, the Vice-President to accommodate special circumstances that may arise between regular meetings.

4170.2 Special meetings (non-emergency). Special meetings of the Board of Directors may be called by the Board President or by a majority of the Board.

4170.2.1 All Directors shall be notified of the special Board meeting and the purpose or purposes for which it is called. Notice of the meeting shall be in writing, received by them at least 24 hours prior to the meeting.

4170.2.2 An agenda shall be prepared and posted at least 24 hours before the meeting, as specified in Policies [4110](#) and [4130](#) and shall be delivered with the notice of the special meeting to the Board of Directors.

4170.2.3 Notice of the meeting shall be provided to any local newspaper or any other media outlet that has requested to receive notices of meetings (consistent with the Brown Act) by serving a copy of the agenda at least 24 hours before the meeting.

4170.2.4 Only those items of business listed in the call for the special meeting shall be considered by the Board at any special meeting.

4170.3 Emergency Meetings. In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency special meeting without complying with the 24-hour notice requirement. An emergency situation means a crippling disaster that severely impairs public health, safety, or both, as determined by the General Manager after consulting with the Board President, or in their absence, the Vice-President.

4170.3.1 When possible, notice shall be provided to the local newspaper, any other media outlet by telephone at least one hour before the meeting.

4170.3.2 Actions taken during an emergency meeting shall be by roll call vote.

4170.3.3 The Board may meet in closed session if agreed to by 2/3 vote of the members present, or if less than 2/3 present, by unanimous vote.

4170.3.4 Following an emergency meeting, the minutes of the meeting, a list of persons notified or attempted to be notified of the meeting, and actions taken must be posted for ten (10) days in the District office.

4170.3.5 Workshops. The Board President may schedule a workshop to discuss the status of projects and any items of general information. If no actions or direction is given by the Board of Directors at the workshop no minutes will be prepared. Minutes must be taken at any workshop where priorities are discussed, where votes are taken, or where direction is given to staff.

4170.4 Adjourned Meetings. A majority vote of the quorum of the Board of Directors may adjourn any Board meeting at any place in the agenda to a time and place specified in the order of adjournment, except that if no quorum is present or no Directors are present at any regular or adjourned regular meeting, the Board president or General Manager may declare the meeting adjourned to a stated time and place. Notice of the adjourned meeting shall be posted on or near the door of the meeting within 24 hours after the adjournment and the adjourned meeting shall be noticed in the same manner as a special meeting.

4170.5 Annual Workshop. The Board of Directors shall hold an annual organizational and goal setting workshop.

4170.6 Annual Elections. The Board will elect a President and Vice President among its members at the regular December meeting or the first meeting following certification of an election. The President and Vice President serve during the coming calendar year from January 1st to December 31st.

POLICY 1055: Records Management

To be useful, District records must be available at the right time, in the right place and to the right person or persons. This means that the records must be well organized and accessible. All records shall be maintained in accordance with federal, state and local laws, contract requirements and commonsense business practices.

1055.1 This policy has the following goals:

- Provide certainty that no record is destroyed prematurely, and that valuable and legally required records are retained in compliance with legal retention requirements and with standard organizational practices for the retention and destruction of records
- Enable authorized employees to destroy with confidence records no longer of value
- Provide faster and more efficient retrieval of files as a result of the elimination of obsolete records and better organization of retained records
- Improve productivity through faster access to information

1055.2 Vital and important records, regardless of recording media, are those having on-going legal, financial, operational, or historical value to the District. As provided by state law, the District shall retain and not destroy records of the following unless otherwise specifically allowed by this Policy:

- Formation, change of organization, or reorganization of the district.
- A District ordinance adopted by the district. However, if the District Board has repealed an ordinance or the ordinance is otherwise invalid or unenforceable, it may be destroyed or disposed of pursuant to this section five years after it was repealed or became invalid or unenforceable.
- Minutes of any the District Board meeting.
Any pending claim or litigation or any settlement or other disposition of any claim or litigation within the past two years.
- Documents responsive to any pending request made pursuant to the California Public Records Act (Chapter 3.5 of the California Government Code (commencing with Section 6250) of Division 7 of Title 1), whether or not the District maintains that the record is exempt from disclosure, until the request has been granted or two years have elapsed since the district provided written notice to the requester that the request has been denied.
- Any pending construction that the District has not accepted or as to which a stop notice claim legally may be presented.
- Any non-discharged debt of the District.
- Title to real property in which the District has an interest.
- Any non-discharged contract to which the District is a party.
- Has not fulfilled the administrative, fiscal, or legal purpose for which it was created or received.
- Is an unaccepted bid or proposal, which is less than two years old, for the construction or installation of any building, structure, or other public work.

- Specifies the amount of compensation paid to district employees or officers or to independent contractors providing personal or professional services to the District, or relates to expense reimbursement to district officers or employees or to the use of district paid credit cards or any travel compensation mechanism. However, a record described in this paragraph may be destroyed or disposed of pursuant to this section seven years after the date of payment.

Appendix A provides a definition of terms and Appendix B sets forth a Records Retention Schedule.

1055.3 The General Manager is authorized by the Board of Directors to interpret and implement this policy, and to cause to be destroyed any or all such records, papers and documents that meet the qualifications governing the retention and disposal of records, specified below, after consultation with the General Counsel. The General Manager is also responsible for ensuring all records are safely maintained, accessible and adequately controlled by District staff.

1055.3.1 District records should be maintained at the District offices or such other premises as may be controlled by the District or a records storage facility under contract to the District. The District shall maintain indices of any records located off-site to enable their easy retrieval.

1055.4 Pursuant to the provisions of Government Code §§ 60200 through 60203, and the guidelines prepared by the State Controller's office and the Controller's Advisory Committee for Special Districts, the following qualifications will govern the retention and disposal of records of the District.

1055.4.1 Duplicate records, papers and documents may be destroyed at any time without Board authorization, advice of the General Counsel, or copying to photographic or electronic media.

1055.4.2 Originals of records, papers and documents more than two years old that were prepared or received in any manner other than pursuant to State or Federal statute may be destroyed without the necessity of copying to photographic or electronic media except for permanent records of the District as defined in this Policy.

1055.4.3 In no instances are records, papers or documents to be destroyed where there is a continuing need for such records for such matters as pending litigation, special projects, etc.

1055.4.4 Records, papers or documents which are not expressly required by State law to be filed and preserved, including records listed in Section 1055.2 of this Policy, may be destroyed if all of the following conditions are met:

1055.4.4.1 The record, paper or document is preserved by photograph, microphotograph, electronically recorded video image on magnetic surfaces, recording in the electronic data processing system, recording on optical disk, reproduction on film or any other medium that is a trusted system and that does not permit additions, deletions, or changes to the original document in compliance with Section 12168.7 of the California Government Code for recording of permanent records or non-records.

1055.4.4.2 The device used to reproduce such record, paper or document on film, or retrieves and prints the document from the electronic media, is one which accurately reproduces the original thereof in all details; that does not permit additions, deletions, or changes to the original document images; and satisfies the requirements of Section 12168.7 of the California Government Code.

1055.4.4.3 The photographs, micro-photographs, or other reproductions on film are placed in conveniently accessible files and provisions are made for preserving, examining, and using the same, together with documents stored via electronic media.

1055.4.5 Any accounting record except the journals and ledgers which are more than five years old and which were prepared or received in any manner other than pursuant to State statute may be authorized for destruction, provided that:

1055.4.5.1 There is no continuing need for said record, i.e., long-term transactions, special projects, pending litigations, etc., and;

1055.4.5.2 There exists in a permanent file, an audit report or reports covering the inclusive period of said record, and that;

1055.4.5.3 Said audit report or reports were prepared pursuant to procedures outlined in Government Code section 26909 and other State or Federal audit requirements, and that;

1055.4.5.4 Said audit or audits contain the expression of an unqualified opinion.

1055.4.6 Any accounting record created for a specific event or action may be destroyed upon authorization five years after said event has in all respects terminated. Any source document detailed in a register, journal, ledger or statement may be authorized for destruction five years from the end of the fiscal period to which it applies. The following may be destroyed at any time without Board authorization or consultation with the General Counsel:

1055.4.6.1 Duplicated (original-subject to the aforementioned requirements).

1055.4.6.2 Rough drafts, notes or working papers (except audit).

1055.4.6.3 Cards, listings, nonpermanent indices, other papers used for controlling work or transitory files.

1055.4.7 All payroll and personnel records shall be retained indefinitely. Originals may upon authorization be destroyed after seven years' retention, provided said records have been microfilmed and qualify for destruction section under 1055.4.4, above. Payroll and personnel records include the following:

1055.4.7.1 Accident reports, injury claims and settlements.

1055.4.7.2 Medical histories.

1055.4.7.3 Injury frequency charts.

1055.4.7.4 Applications, changes and terminations of employees.

1055.4.7.5 Insurance records of employees.

1055.4.7.6 Time cards.

1055.4.7.7 Classification specifications (job descriptions).

1055.4.7.8 Performance evaluation forms.

1055.4.7.9 Earning records and summaries.

1055.4.7.10 Retirements.

1055.4.8 Records of proceedings for the authorization of long-term debt, bonds, warrants, loans, etc., after issuance or execution may be destroyed if microfilmed as provided for in section 3090.4.4. Terms and conditions of bonds warrants, and other long-term agreements should be retained until final payment, and thereafter may be destroyed in less than 10 years if micro-filmed as provided for in Policy 1055.4.4, above. Paid bonds, warrant certificates and interest coupons may be destroyed after six months if detailed payment records are kept for 10 years.

1055.5 Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form. However, they may, upon the General Manager's authorization, be destroyed if they are micro-filmed as provided in Policy 1055.4.4, above. Recording tapes (or other media) of Board meetings will be kept for a period of five years from the date of the recorded meeting, after which they will be destroyed.

1055.5.1 Construction records, such as bids, correspondence, change orders, etc., shall not be kept in excess of seven years unless they pertain to a project which includes a guarantee or grant, and, in that event, they shall be kept for the life of the guarantee or grant plus seven years. As-built plans for any public facility or works shall be retained as long as said facility is in existence.

1055.5.2 Contracts should be retained for its life plus seven years. Any unaccepted bid or proposal for the construction or installation of any building, structure or other public work that is more than two years old may be destroyed.

1055.5.3 Property records, such as documents of title, shall be kept until the property is transferred or otherwise no longer owned by the District.

Appendix A

Definitions for Records Retention and Disposal Policy

1. AUTHORIZATION. Approval from the General Manager, as authorized by the District's Board of Directors.
2. ACCOUNTING RECORDS. Include but are not limited to the following:
 - a. SOURCE DOCUMENTS
 - (1) Invoices
 - (2) Warrants
 - (3) Requisitions/Purchase Orders (attached to invoices)
 - (4) Cash Receipts
 - (5) Claims (attached to warrants in place of invoices)
 - (6) Bank Statements
 - (7) Bank Deposits
 - (8) Checks
 - (9) Bills
 - (10) Various accounting authorizations taken from Board minutes, resolutions or con-tracts
 - b. JOURNALS
 - (1) Cash Receipts
 - (2) Accounts Receivable or Payable Register
 - (3) Check or Warrant (payables)
 - (4) General Journal
 - (5) Payroll Journal
 - c. LEDGERS
 - (1) Expenditure
 - (2) Revenue
 - (3) Accounts Payable or Receivable Ledger
 - (4) Construction
 - (5) General Ledger

- (6) Assets/Depreciation
 - d. TRIAL BALANCE
 - e. STATEMENTS (Interim or Certified - Individual or All Fund)
 - (1) Balance Sheet
 - (2) Analysis of Changes in Available Fund Balance
 - (3) Cash Receipts and Disbursements
 - (4) Inventory of Fixed Assets (Purchasing)
 - f. JOURNAL ENTRIES
 - g. PAYROLL and PERSONNEL RECORDS include but are not limited to the following:
 - (1) Accident reports, injury claims and settlements
 - (2) Applications, changes or terminations of employees
 - (3) Earnings records and summaries
 - (4) Fidelity Bonds
 - (5) Garnishments
 - (6) Insurance records of employees
 - (7) Job Descriptions
 - (8) Medical Histories
 - (9) Retirements
 - (10) Time Cards
 - h. OTHER
 - (1) Inventory Records (Purchasing)
 - (2) Capital Asset Records (Purchasing)
 - (3) Depreciation Schedule
 - (4) Cost Accounting Records
3. LIFE. The inclusive or operational or valid dates of a document.
4. PERMANENT RECORD. Any record that the District is required to maintain permanently by state or federal law.

5. RECORD. Any paper, bound book or booklet, card, photograph, drawing, chart, blueprint, map, tape, microfilm, or other document, issued by or received in a department, and maintained and used as information in the conduct of its operations.
6. RECORD COPY. The District copy of a document or file.
7. RECORD SERIES. A group of records, generally filed together, and having the same reference and retention value.
8. RECORDS CENTER. The site selected for storage of inactive records.
9. RECORDS DISPOSAL. The planning for and/or the physical operation involved in the transfer of records to the Records Center, or the authorized destruction of records pursuant to the approved Records Retention Schedule.
10. RECORDS RETENTION SCHEDULE. The consolidated, approved schedule list of all District records which timetables the life and disposal of all records.
11. RETENTION CODE. Abbreviation of retention action that appears on the retention schedule.
12. VITAL RECORDS. Records which, because of the information they contain, are essential to one or all of the following:
 - a. The resumption and/or continuation of operations;
 - b. The recreation of legal and financial status of the District, in case of a disaster;
 - c. The fulfillment of obligations to bondholders, customers, and employees.

Vital records include but are not limited to the following [detail the records structure of the District, stating the retention time for each class of records. Those times can be drawn from the recommendations of the Secretary of State (<http://archives.cdn.sos.ca.gov/local-gov-program/pdf/records-management-8.pdf>) or developed with the advice of legal counsel, as there are many laws governing records retention]:

- (1) Agreements
- (2) Annexations and detachments
- (3) As-built drawings
- (4) Audits
- (5) Contract drawings
- (6) Customer statements

- (7) Deeds
- (8) Depreciation schedule
- (9) Disposal of surplus & excess property
- (10) Disposal of scrap materials
- (11) District insurance records
- (12) District water rights
- (13) Employee accident reports, injury claims & settlements
- (14) Employee earning records
- (15) Employee fidelity bonds
- (16) Employee insurance records
- (17) Encroachment permits (by others)
- (18) Encroachment permits (by OWID)
- (19) Facility improvement plans
- (20) Improvement districts
- (21) Individual water rights
- (22) Individual claims/settlements
- (23) Inventory
- (24) Journal vouchers
- (25) Ledgers
- (26) Licenses & permits (to operate)
- (27) Loans & grants
- (28) Maps
- (29) Minutes of Board meetings
- (30) Payroll register
- (31) Policies, Rules & Regulations
- (32) Purchase orders & requisitions
- (33) Restricted materials permit
- (34) Rights of ways & easements

(35) Spray permits

(36) Statements of Economic Interest

Appendix B

Records Retention & Storage Summary

Group No.	Title or Description	Original	Duplicate	Retention Periods		
				Office	Record Center	Retain or Destroy
1	Records affecting title to real property or liens thereof.	X		2 yrs.	OP	ES
2	Records required to be kept permanently by statute.	X		2 yrs.	OP	ES
3	Minutes, ordinances & resolutions of Board.	X		2 yrs.	OP	ES
4	Documents with lasting historical, administrative, legal, fiscal, or research value.	X		2 yrs.	OP	ES
5	Correspondence, operational reports and information upon which District policy has been established.	X		2 yrs.	10 yrs.	12 yrs.
6	Duplicates of 5, above, when retention is necessary for reference.	X		2 yrs.		2 yrs.
7	Records requiring retention for more than five years, but no more than 15 years by statute or administrative value.	X		2 yrs.	13 yrs.	15 yrs.
8	Duplicates needed for administrative purposes for five to 15 years.		X	2 yrs.	13 yrs.	15 yrs.

9	All other original District records, or instruments, books or papers that are considered public documents not included in Groups 1 through 8.	X		2 yrs.	1 yr.	3 yrs.
10	Duplicates and other documents not public records required to be maintained for administrative purposes.	X	X	2 yrs.	3 yrs.	5 yrs.
11	Duplicate records requiring retention for administrative purposes such as reference material for making up budgets, planning and programming.		X	3 yrs.		3
12	Reference files (copies of documents which duplicate the record copies filed elsewhere in the District; documents which require no action and are non-record; rough drafts, notes, and similar working papers accumulated in preparation of a communication, study or other document, and cards, listings, indexes and other papers used for controlling work).		X	1 yr.		1 yr.
13	Transitory files, including letters of transmittal (when not a public record), suspense copies when reply has been received, routine requests for information and publication, tracer letters, and other duplicate copies no longer needed.	X	X	3 mos.		3 mos.

14	Original documents disposable upon occurrence of an event or an action (i.e., audit, job completion, completion of contract, etc.) or upon obsolescence, supersession, revocation.	X		2 yrs.	3 yrs.	5 yrs.
15	Policy files and reference sets of publications.		X	I		I
16	Duplicates or non-record documents required for administrative needs but destroyable on occurrence of an event or an action.		X	I		I

OP = Original or photographic copy.

ES = May be destroyed if stored in electronic media.

I = Indefinitely

POLICY 1056: Electronic Document Management Policy

This Policy governs the retention of text messages, voicemail messages, social media posts, and email messages sent or received in the conduct of District business.

1056.1 Definitions

- Email Message: An electronic communication sent and received via web mail or email client.
- Social Media: Information posted to websites and applications that enable users to create and share content or to participate in social networking, including Facebook, Twitter, Instagram, Snap-chat, and LinkedIn.
- Text Message: An electronic, written communication sent and received via telephone or Internet connection.
- Voicemail Message: An electronic, aural communication sent or received via telephone or Internet connection.

1056.2 Text Messages, Voicemail Messages, and Social Media

Text messages, voicemail messages, and social media posts not saved to an archive or a more permanent medium are intended to be ephemeral documents, not preserved in the ordinary course of business. Accordingly, they do not constitute disclosable public records, as that term is defined by Government Code section 6252, subdivision (e). Directors and District staff are not required to retain these electronic documents. Business done on behalf of the District that requires the creation and preservation of records should be conducted in other media.

1056.3 Email Messages

- The District will manage email messages sent or received by the District's computer systems in accordance with Policies 1040 and 1055.
- Directors and District staff shall use (or copy to an address on) the District's computer systems for all email messages regarding District business. Directors and staff should not retain such emails on private systems. Directors and staff should forward any email messages not received by the District's computer systems nor copied to its staff or to an email address designated for that purpose, so they can be preserved in the District's email retention system, relieving individual Directors of any duty to preserve such email messages or make them available for public inspection.
- This policy applies only to the conduct of District business that is subject to the Public Records Act. It does not apply to communications to or from Directors in their other public and private capacities or communications to or from District staff that are personal, private or otherwise not kept in the normal course of District business.
- Any email message whose retention is necessary and appropriate for on-going District business shall be placed in a subject matter file so as to facilitate its easy retrieval. Any other email shall be considered ephemeral in nature and not a public record. For example, emails whose purpose is to coordinate meeting dates and times or other matters that are solely short-term and non-substantive are not considered public records and should be deleted as soon as they are no longer relevant to District business.
- All electronic messages of the District will be deleted after two years unless Policy 1055 expressly requires retention for a longer period.

BOARD OF DIRECTORS MEETING

October 8, 2020

ITEM 3

CONSIDER APPROVAL OF A PAYMENT TO LAMORENA & CHANG IN THE AMOUNT OF \$10,495 FOR PREVIOUSLY UNBILLED AUDIT SERVICES

SUMMARY OF RECOMMENDATION

Consider approval of a payment to Lamorena & Chang in the amount of \$10,495 for previously unbilled audit services necessary for compliance with Governmental Accounting Standards Board (GASB) 68 and 75 related to determining the value of expected post-retirement benefits (OPEB).

BACKGROUND

Steven Chang, of the accounting firm Lamorena & Chang, has provided financial auditing services to the District for a number of years, including for the fiscal years ending June 30, 2016, 2017, 2018, and 2019. In preparing his final billing for FY 2018-19 audit services, Mr. Chang discovered that he had inadvertently neglected to bill the District for subcontracted work that was necessary to render an opinion on the city's financial statements. Specifically, he neglected to bill the District for services provided by Macias, Gini, and O'Connell LLP (MGO), an outside accounting firm, that were necessary to prepare a report in compliance with Governmental Accounting Standards Board (GASB) 68 and 75. These GASB disclosures in government financial statements relate to valuation of post-employment benefit obligations.

As documentation for these expenses, Mr. Chang has provided both the engagement letters (attached) and the invoices from MGO for these services. The cost of services for the four "measurement" years are as follows (it should be noted that the "measurement year" for services is the year prior to the year-end audit service year):

- Fiscal year ending June 30, 2015: \$1,900
- Fiscal year ending June 30, 2016: \$1,900
- Fiscal year ending June 30, 2017: \$3,300
- Fiscal year ending June 30, 2018: \$3,395

The total cost of services provided by Lamorena & Chang over the four years that were inadvertently unbilled to the District is \$10,495.

Mr. Chang has provided a copy of an email sent to District staff (attached) indicating that there would be an extra fee required for GASB 68 and 75 compliance work. Although adequate documentation for the District's formal approval in advance of these services does not exist, staff is recommending that the Board of Directors authorize payment of these services. The reasoning is as follows:

- The services were necessary to complete the audit during each of the four years;
- The cost of the services for which Lamorena & Chang is requesting reimbursement is reasonable for the services that were provided;

- Lamorena & Chang incurred the cost for this work on behalf of the District;
- Staff believes that, had Mr. Chang sought formal approval for the cost of additional services, it is quite likely that staff would have approved it and initiated the formal procedures required to do so.

In sum, a “fair” analysis of the circumstances would suggest that the District should reimburse Lamorena & Chang for the costs of the services that they paid benefitting the District. Because the amount that is being requested to be paid is higher than the approval authority of the General Manager, staff is recommending Board approval of this payment.

RECOMMENDATION

Approve a payment to Lamorena & Chang in the amount of \$10,495 for previously unbilled audit services necessary for compliance with Governmental Accounting Standards Board (GASB) 68 and 75 related to determining the value of expected post-retirement benefits (OPEB)

FISCAL IMPACT

The cost for the recommended payment can be accommodated in the FY 2020-21 budget.

ATTACHMENTS

- Engagement letters from Macias, Gini, and O’Connell LLP (MGO) for financial services related to GASB 68 and 75
- Copy of email to Tony Constantouros, former General Manager, KPPCSD, and Lynn Wolter, regarding additional audit service fees

SUBMITTED BY:

Bill Lindsay
General Manager



Certified
Public
Accountants

July 30, 2019

Steven Chang
Lamorena & Chang CPA
22 Battery Street, Suite 412
San Francisco, CA 94111

Dear Mr. Chang,

We are pleased to confirm the support services MGO will provide pertaining to the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB 68) and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). We will provide GASB 68 and 75 support services, including the preparation of a consolidated report with the required information to close your books, to assist with financial statement disclosures and required supplementary information, and to be ready for your annual audit.

To assist the Kensington Police Protection and Community Services District (the District) with its GASB 68 accounting valuation of the safety risk pool for the June 30, 2018 measurement date, and GASB 75 journal entry support for Other Postemployment Benefits (OPEB), we will prepare and provide a report which will include the following deliverables:

- Journal entries necessary to record the proportionate share of collective pension amounts;
- The District’s proportionate share of the net pension liability (NPL), NPL sensitivity, and deferral amounts based on percentages obtained from CalPERS;
- All employer-specific deferrals and associated amortization schedules;
- The adjustment to pension expense for the difference in proportions due to CalPERS’ methodologies;
- Pension expense, with the employer-specific amounts; and
- Other amounts required for the District’s financial statement note disclosures and required supplementary information.

Our fee estimate, outlined in the schedule below, is based on anticipated cooperation from the District and the assumption that unexpected circumstances or requirements will not be encountered during the engagement. If sufficient additional time is needed, we will discuss it with management and arrive at a new fee estimate before we incur additional costs.

	<u>Hours</u>	<u>Rates</u>	<u>Fees</u>
Partner and technical reviewers	6.0	\$ 400	\$ 2,400
Senior associates	5.0	175	875
Administrative staff	1.0	120	120
			<u><u>\$ 3,395</u></u>

We appreciate this opportunity to be of assistance to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me directly at 925.395.2808. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

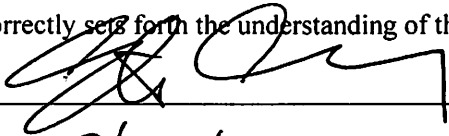


David Bullock, CPA
MGO Partner

RESPONSE:

This letter correctly sets forth the understanding of the Lamorena & Chang CPA.

By: _____



Title: _____

8/22/2019

Date: _____

over



Certified
Public
Accountants

October 30, 2018

Steven Chang
Lamorena & Chang CPA
22 Battery Street, Suite 412
San Francisco, CA 94111

Dear Mr. Chang,

We are pleased to confirm the support services MGO will provide pertaining to the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB 68) and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). We will provide GASB 68 and 75 support services, including the preparation of a consolidated report with the required information to close your books, to assist with financial statement disclosures and required supplementary information, and to be ready for your annual audit.

To assist the Kensington Police Protection and Community Services District (District) with its GASB 68 accounting valuation of the safety risk pool for the June 30, 2017 measurement date, and GASB 75 journal entry support for Other Postemployment Benefits (OPEB), we will prepare and provide a report which will include the following deliverables:

- Journal entries necessary to record the proportionate share of collective pension and OPEB amounts;
- The District’s proportionate share of the net pension liability (NPL), NPL sensitivity, and deferral amounts based on percentages obtained from CalPERS;
- All employer-specific deferrals and associated amortization schedules;
- The adjustment to pension expense for the difference in proportions due to CalPERS’ methodologies;
- Pension expense, with the employer-specific amounts; and
- Other amounts required for the District’s financial statement note disclosures and required supplementary information.

Our fee estimate, outlined in the schedule below, is based on anticipated cooperation from the District during the engagement. If sufficient additional time is needed, we will discuss it with management and arrive at a new fee estimate before we incur additional costs.

	<u>Hours</u>	<u>Rates</u>	<u>Fees</u>
Partner and technical reviewers	6.0	\$ 380	\$ 2,280
Senior associates	5.0	160	800
Administrative assistance	1.0	120	120
			<u><u>\$ 3,200</u></u>

We appreciate this opportunity to be of assistance to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me directly at 925.395.2808. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

David Bullock

David Bullock, CPA
MGO Partner

RESPONSE:

This letter correctly sets forth the understanding of the Lamorena & Chang CPA.

By: _____

Title: _____

Date: _____

[Handwritten signature]
[Handwritten signature]
10/30/18



Certified
Public
Accountants

January 17, 2018

Steven Chang
Lamorena & Chang CPA
22 Battery Street, Suite 412
San Francisco, CA 94111

Dear Mr. Chang,

We are pleased to confirm the support services MGO will provide pertaining to the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (GASB 68)*. We will provide GASB 68 support services, including the preparation of a consolidated report with the required information to close your books, to assist with financial statement disclosures and required supplementary information, and to be ready for your annual audit.

To assist the Kensington Police Protection and Community Services District (the District) with its GASB 68 accounting valuation of the safety risk pool for the June 30, 2016 measurement date, we will prepare and provide a report which will include the following deliverables:

- Journal entries necessary to record the proportionate share of collective pension amounts;
- The District’s proportionate share of the net pension liability (NPL), NPL sensitivity, and deferral amounts based on percentages obtained from CalPERS;
- All employer-specific deferrals and associated amortization schedules;
- The adjustment to pension expense for the difference in proportions due to CalPERS’ methodologies;
- Pension expense, with the employer-specific amounts; and
- Other amounts required for the District’s financial statement note disclosures and required supplementary information.

Our fee estimate, outlined in the schedule below, is based on anticipated cooperation from the District and the assumption that unexpected circumstances or requirements will not be encountered during the engagement. If sufficient additional time is needed, we will discuss it with management and arrive at a new fee estimate before we incur additional costs.

	<u>Hours</u>	<u>Rates</u>	<u>Fees</u>
Partner and technical reviewers	4.0	\$ 375	\$ 1,500
Senior associates	2.0	150	300
Associates	1.0	100	100
			<u>\$ 1,900</u>

We appreciate this opportunity to be of assistance to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me directly at 925.395.2808. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

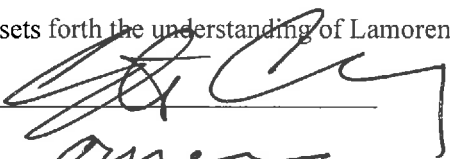


David Bullock, CPA
MGO Partner

RESPONSE:

This letter correctly sets forth the understanding of Lamorena & Chang CPA.

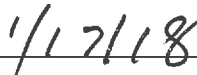
By: _____



Title: _____



Date: _____





Certified
Public
Accountants

Century City
Los Angeles
Newport Beach
Oakland
Sacramento
San Diego
San Francisco
Walnut Creek
Woodland Hills

February 3, 2017

Steven Chang
Lamorena & Chang CPA
22 Battery Street, Suite 412
San Francisco, CA 94111

Dear Mr. Chang

We are pleased to confirm the support services MGO will provide pertaining to the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB 68).

Effective for the measurement date of June 30, 2015, CalPERS will no longer be providing individual GASB 68 Accounting Valuation Reports by rate plan within the miscellaneous and safety risk pools of the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. As a result, the proportionate share calculation requirement has shifted directly to employers. As such, MGO will provide GASB 68 support services, including the preparation of a consolidated report with the required information to close your books, to assist with financial statement disclosures and required supplementary information, and to be ready for your annual audit.

To assist the ~~Kensington Police Protection and Community Services District (the District)~~ ^{LAMORENA & CHANG, CPA SL} with its GASB 68 accounting valuation of the safety risk pool for the June 30, 2015 measurement date, we will prepare ^{SL} and provide a report which will include the following deliverables: ^{for KPPCSD}

- Journal entries necessary to record the proportionate share of collective pension amounts;
- The Entity's proportionate share of the net pension liability (NPL), NPL sensitivity, and deferral amounts based on percentages obtained from CalPERS;
- All employer-specific deferrals and associated amortization schedules;
- The adjustment to pension expense for the difference in proportions due to CalPERS' methodologies;
- Pension expense, with the employer-specific amounts; and
- Other amounts required for the Entity's financial statement note disclosures and required supplementary information.

Our fee estimate, outlined in the schedule below, is based on anticipated cooperation ^{with your firm} ~~from the District~~ and the assumption that unexpected circumstances or requirements will not be encountered during the engagement. If sufficient additional time is needed, we will discuss it with management and arrive at a new fee estimate before we incur additional costs.

	<u>Hours</u>	<u>Rates</u>	<u>Fees</u>
Partner and technical reviewers	4.0	\$ 375	\$ 1,500
Senior associates	2.0	150	300
Associates	1.0	100	100
			<u>\$ 1,900</u>

We appreciate this opportunity to be of assistance to ~~the District~~ ^{LAMORENA & CHANG, CRA} and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me directly at 925.395.2808. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

David Bullock

David Bullock, CPA
MGO Partner

RESPONSE:

This letter correctly sets forth the understanding of the ~~Kensington Police Protection and Community Services District~~ ^{LAMORENA & CHANG, CRA}

By: *[Signature]*
Title: owner
Date: 2/3/2017

From: [Bill Lindsay](#)
To: [Bill Lindsay](#)
Subject: FW: GASB 75 implementation
Date: Sunday, October 4, 2020 9:10:21 PM
Importance: High

From: SChang@lnccpa.com [<mailto:SChang@lnccpa.com>]
Sent: Thursday, October 25, 2018 10:13 AM
To: Lynn Wolter <lwolter@kppcsd.org>; Tony Constantouros <TConstantouros@kppcsd.org>
Cc: Deborah Russell <russcpa@comcast.net>
Subject: GASB 75 implementation
Importance: High

Tony and Lynn, FY 2018 for KPPCSD is GASB 75 OPEB implementation. Do you have information from the actuary and from the trust that you can send me? Tony, you understand that GASB 75 implementation required additional fee for implementation.. and you are looking at approx 2k to 3K (depends on how much work involve)additional from the flat fee.

Steven Chang

Lamorena & Chang CPA
22 Battery Street, Suite 412
San Francisco, CA 94111
Email: schang@lnccpa.com
Office: 415-781-8441 ext.108
FAX: 415-800-6794

CONFIDENTIAL:

This information contained in this e-mail message is legally privileged and confidential information intended only for the use of the individual entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination distribution of this e-mail is strictly prohibited. If you have received this e-mail in error, please immediately notify us by our e-mail address above.

BOARD OF DIRECTORS MEETING

October 8, 2020

ITEM 4

PROPOSED CONTRACT WITH NIGRO & NIGRO PC FOR FINANCIAL AUDIT SERVICES FOR THE FISCAL YEARS ENDING JUNE 30, 2020 THROUGH JUNE 30, 2024

SUMMARY OF RECOMMENDATION

Consider approving a contract with Nigro & Nigro PC to provide financial audit services for the fiscal years ending June 30, 2020 through June 30, 2024 for an annual cost of \$15,500, a total cost of \$77,500 over the five-year period.

BACKGROUND

Over the course of approximately fifteen years, the firm of Lamorena and Chang has been providing audit services for KPPCSD for the purpose of expressing an opinion on the presentation of financial statements and making recommendations regarding internal financial controls. Their most recent audit of the fiscal year ending June 30, 2019 was completed for a base cost of \$17,000, plus \$3,125 for additional services to review legal expenses, and \$3,395 for GASB 68 and GASB 75 support services (a total cost for the FY 2018-19 audit of \$23,520).

The Government Finance Officers Association (GFOA) advises that governmental entities enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors, and that entities undertake a competitive process for the selection of independent auditors at the end of the term of each audit contract.

At its meeting of August 13, 2020, the KPPCSD Board of Directors discussed financial audit services for the District and authorized the General Manager to prepare and issue a Request for Proposals (RFP) for audit services for an expected five-year contract. The Board also appointed President Deppe and Vice President Sherris-Watt as an ad hoc committee to oversee the details of the selection of a new auditor.

Request for Proposals Issued

On August 20, 2020, a Request for Proposal (RFP) was broadly distributed to qualified firms for financial audit services. The RFP (Attachment 1) described the required scope of services, the consultant selection process, and the minimum information that must be included in the proposal. The RFP indicated that the goal of the KPPCSD Board of Directors is to enter into a five-year contract for financial auditing services, to include the fiscal years ending June 30, 2020, 2021, 2022, 2023, and 2024, respectively.

Proposals Received

Prior to the due date on September 14, 2020, KPPCSD received two proposals from very qualified firms to perform the audit work described in the RFP. (The complete proposals are attached to this report.) Proposals (with their submitted costs) were received from:

Nigro & Nigro PC	\$	15,500
Mann, Urrutia, Nelson CPA & Associates, LLP	\$	26,700

It should be noted that, consistent with the RFP, the proposals and related costs do not include the GASB 68 and 75 analyses that will need to be contracted separately by the District.

Review Process

The two proposals were reviewed by staff for responsiveness to the RFP, and by the city’s financial consultant, Maze & Associates. Both of the proposals were determined to be of high quality and responsive to the service needs of the District. On September 29, 2020, the ad hoc committee, along with General Manager Lindsay and Finance and Business Manager Katherine Korsak, met (via conference call) for the purpose of formulating a recommendation to the Board. The ad hoc committee determined that, subject to a review of reference checks and work product for other agencies, its recommendation to the Board would be Nigro & Nigro PC.

Following this meeting with the ad hoc committee, the general manager contacted references and reviewed work product for other agencies; references and work product were all excellent.

RECOMMENDATION

Based on the proposals received pursuant to the RFP, and the recommendation of the ad hoc committee (President Deppe and Vice President Sherris-Watt), the staff recommendation is to approve a contract with Nigro & Nigro PC to provide financial audit services for the fiscal years ending June 30, 2020 through June 30, 2024 for an annual cost of \$15,500, and a total cost of \$77,500 over the five-year period.

FISCAL IMPACT

The cost for the recommended consulting services are included in the FY 2020-21 budget.

ATTACHMENTS

1. Request for Proposal for Financial Auditing Services, August 20, 2020
2. Proposal from Nigro & Nigro PC
3. Proposal from Mann, Urrutia, Nelson CPA & Associates, LLP

SUBMITTED BY:

Bill Lindsay
General Manager



Kensington Police Protection and Community Services District

Request for Proposals

Financial Auditing Services

Release Date: August 20, 2020

Deadline for Submittal
Monday, September 14, 2020 3:00 p.m. PDT

Contact: Bill Lindsay, Interim General Manager
Email: blindsay@kppcsd.org
Phone Number: (510) 292-7408

Kensington Police Protection and Community Services District

A. INTRODUCTION

The Kensington Police Protection and Community Services District (KPPCSD) is requesting proposals from qualified certified public accountant firms to audit its financial statements for fiscal years beginning July 1 and ending June 30, in addition to performing other financial audits and reviews as may be requested from time to time. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of State and Local Governments and Non-Profit Organizations*.

This request for proposal (RFP) describes the required scope of services, the consultant selection process, and the minimum information that must be included in the proposal. The goal of the KPPCSD Board of Directors is to enter into a five-year contract for financial auditing services at its regular meeting of Thursday, September 24, 2020, to include the fiscal years ending June 30, 2020, 2021, 2022, 2023, and 2024, respectively.

The firm of Lamorena and Chang has provided financial audit services for the District during the past five years, and for a time frame spanning the last fifteen years, through the fiscal year ending June 30, 2019. While the District has been satisfied with the services, at its meeting of August 13, 2020, the KPPCSD Board discussed the need to rotate audit services from time to time to make certain that there would be a “fresh look” at the District’s financial statements from time to time. This audit rotation policy is also consistent with the provisions of Government Code section 12410.6.(b) which states that a local agency generally must limit an auditor’s tenure to not more than six consecutive years.

Audit reports for the prior twelve years may be accessed on the District’s website by using the following link:

<https://www.kppcsd.org/financial-audits>

The Board seeks to receive final audit reports within six months following the end of each fiscal year. Because of the late release date for this RFP, for the first contract year, the auditor may submit an alternate schedule that extends past this target date.

B. ABOUT THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Background on California Special Districts

As described by the California Special Districts Association, the State of California has over 2,000 Special Districts playing a critical role in providing vital services like water and energy, public safety, treatment of wastewater, garbage removal and recycling, and much more. Special Districts are directly accountable to their voters and their ratepayer through:

- Directly elected boards of directors;
- Direct service accountability to voters, taxpayers, and ratepayers;
- Financial accountability; and
- Adherence to state laws pertaining to public meetings, bonded debt, record keeping, and elections.

Background on the Kensington Community and KPPCSD

The unincorporated Kensington community is nestled in the Berkeley Hills among the incorporated cities of Berkeley and Albany in Alameda County, and El Cerrito in Contra Costa County in the San Francisco Bay area. The community occupies one square mile and has approximately 5,000 residents. Land use is almost exclusively residential, with two small, local-serving commercial areas.

Most traditional municipal services in Kensington are provided by Contra Costa County; fire service is provided by the Kensington Fire Protection District; and police protection, parks and recreation, and (contracted) waste management services are provided by the Kensington Police Protection and Community Services District (KPPCSD). The highly educated Kensington residents are actively involved in the governance of their community through these agencies, with a keen interest in the local police services provided by KPPCSD. Approximately 75% of the KPPCSD annual budget funds the police department.

KPPCSD is governed by five unpaid board members elected by the community to serve staggered four-year terms. Two of the five existing Board seats will be elected in November 2020. Board meetings are generally held twice monthly, on the second and fourth Thursdays of the month. Each December, the Board elects one of its members to serve as Board President and one to serve as Board Vice-President for the next calendar year. The President of the Board assigns each of the Board members to serve as chairpersons for the various committees serving the Board.

Revenue to support KPPCSD is mostly property related, including a share of the base (1%) property taxes, two voter-approved property tax overrides, and a landscape maintenance district that helps support park maintenance.

In part due to facility constraints, and current public health restrictions resulting from the coronavirus pandemic, non-police personnel complete much of their duties and responsibilities through remote work.

Each of the four major functional areas of KPPCSD are described below. It may be important to note that there has been substantial turnover in the management of the District within the past year. In particular:

- There is currently an interim General Manager, whose tenure dates back to April 1, 2020 (there is a current active recruitment for a permanent General Manager);
- The Finance and Business Manager's tenure dates back to November of 2019;
- The Board Secretary's tenure dates back to December 2019;
- There is currently an interim Police Chief as of May 2020, although there is not

currently an active recruitment for a permanent Police Chief.

Administration

The Administration section oversees business and finance functions of the District. The General Manager implements policies at the direction of the Board of Directors, and advises the Board on efficient delivery of services and best practices to achieve an effective organization. The General Manager oversees major projects, and works cross-sectionally to explore methods to improve accountability, fiscal stability, cost effectiveness, and professional standards.

Budgeted personnel (FY 2020-21) in the Administrative section consist of a 0.50 full-time equivalent General Manager, a 0.50 FTE Finance and Business Manager, a 0.50 FTE District Board Secretary, a 0.25 Accountant, and a 0.50 Administrative Assistant.

Police

The Kensington Police Department was established in the mid-1940's, and provides a full range of local, municipal-type police services. Typical responsibilities include crime prevention, traffic control, neighborhood patrol, responding to emergency calls, issuing traffic and parking citations, enforcing warrants, mediating disputes, investigating crimes, investigating traffic accidents, providing first aid, enforcing warrants, arresting violators, testifying in court, and enforcing court orders.

Budgeted personnel (FY 2020-21) in the Kensington Police Department consist of a total of 10.5 FTE, including a Police Chief, a Police Captain, two Sergeants, six officers and a 0.50 FTE Police Services Aide.

Community Center and Park

KPPCSD maintains a recently renovated Community Center, Kensington Park and surrounding amenities, including the tot lot, swings, picnic areas, basketball court, and tennis courts. For many years, the District has entered into agreements with the Kensington Community Council (KCC) to offer recreation programs for school children and adults at the Community Center. KCC is a not-for profit organization that also helps raise funds and provides volunteers to help maintain the Community Center and Kensington Park.

Solid Waste

In 1979, Kensington residents voted to add solid waste to the services provided by the Kensington Police Protection and Community Service District. These services are now provided through a franchise agreement with Bay View Refuse and Recycling. The District's most recent franchise agreement with Bay View commenced in 2015 and will expire in 2023. Through this agreement, Bay View Refuse and Recycling provides weekly garbage collection and twice-monthly green waste pick-ups.

C. SCOPE OF FINANCIAL AUDITING SERVICES REQUESTED

Audit Services

The Kensington Police Protection and Community Services District is requesting an independent audit of its basic financial statements to be fully compliant with all current GASB pronouncements. Specifically, the selected independent auditor will be required to perform the following tasks:

- Perform an audit of all funds of the District, to be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States in full compliance with all current GASB pronouncements.
- Render an auditors' report on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements.
- Apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Fund and each major fund of the District.
- As may be necessary, perform a single audit on the expenditures of federal grants in accordance with the Uniform Guidance requirements.
- Issue a separate "management letter" to the general manager that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions.

Auditing Standards

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accounts;
- 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; and
- The provisions of U. S. Office of Management and Budget, the Uniform Guidance, and applicable OMB Compliance Supplements.

Working Paper Retention

All working papers and reports must be retained at the auditor's expense for a minimum

of seven (7) years, unless the firm is notified in writing by the District of the need to extend the retention period. The auditor will be required to make working papers available to the District or any government agencies included in the audit of federal grants. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

Irregularities and Illegal Acts

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: general manager; District legal counsel, and the Business and Finance Manager.

D. RFP SCHEDULE

The following is the tentative schedule for selection of financial auditing services:

Date	Activity
August 20, 2020	Release RFP
September 2, 2020	Final day to submit questions (5:00 PM)
September 7, 2020	Responses to questions provided to as a supplement to the RFP
September 14, 2020	Proposal due date
September 24, 2020	District Board selection of consultant
September 30, 2020	Approximate effective date of contract

E. PROPOSAL FORMAT GUIDELINES

The proposal should be concise, well organized, and demonstrate the proposer's qualifications and experience applicable to the project. The proposal shall not exceed 30 double-sided pages (8.5 inches x 11 inches), inclusive of graphics, forms, pictures, photographs, dividers, etc., resumes, required forms, certifications, front and back covers, or letters of commitment from sub-consultants. The required font size is 12 point.

Each proposal should adhere to the following order and content of sections. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer.

The following proposal sections are to be included in the consultant's response:

1. Auditor's Cover Letter

A cover letter should summarize key elements of the proposal and shall:

- Confirm that all elements of this RFP have been reviewed and understood, and include a statement of intent to perform the services as outlined in the scope of services;
- Express the firm's willingness to enter into an agreement under the terms and conditions prescribed by this RFP, and industry standard insurance provisions;
- Stipulate that the proposal price will be valid for a period of at least 180 days; and
- Identify a single person for contact during the RFP review process.
- Verify that the firm and all assigned key professional staff are properly licensed to practice in California.
- Provide an affirmative statement that the firm is independent of the District as defined by auditing standards generally accepted in the United States of America and the General Accounting Office's *Government Auditing Standards*.

The cover letter shall be signed (or electronically signed) by an authorized official of the company.

2. Background and Qualifications

This section shall include the following items:

- Provide background information on the firm, including details of the firm's experience performing financial audits for similar agencies, specifically including special district audits;
- Provide a list of financial audits completed within the past two years, with a description of the functions of the agencies for which work was completed;
- Include information that demonstrates the firm's experience in seeking a diverse workforce;
- Include a brief resume of the individual(s) assigned to this project;
- Provide a minimum of five references with related contact information;
- Include information about the firm's current engagements and an affirmation of the firm's ability to focus on this project to meet the timelines.

3. Technical Approach

The proposal should explain the audit methodology for performing the scope of services in this request for proposals. In developing the work plan, reference should be made to such sources of information as KPPCSD's budget and related materials, organizational charts, manuals, programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- Proposed segmentation for the engagement;
- Level of staff and number of hours to be assigned to each proposed segment of the engagement;
- Sample size and the extent to which statistical sampling is to be used in this engagement;
- Type and extent of analytical procedures to be used in this engagement;
- Approach to be taken to gain and document an understanding of the District's internal control structure;
- Approach to be taken in determining laws and regulations that will be subject to audit test work; and
- Approach to be taken in drawing audit samples for purposes of tests of compliance.

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the District.

4. Proposed Schedule

Provide a proposed schedule that identifies the various phases of the audit process, and when these phases will generally begin and conclude. Please note that the expectation is that a final audit report be delivered within 180 days following the end of each fiscal year. Please also identify the responsibilities of KPPCSD that are necessary to meet this timeline.

5. Cost Information

Submit a cost proposal, including consulting fees and reimbursable expenses for each of the five years anticipate in the contract. Payment terms should also be addressed.

6. Value Added Services

Please provide any additional services of benefit not specifically required herein.

7. Contractor Assignment of Sub-Contract

Provide an indication of any subcontracts to be employed for completing the work. Note that any resulting contract for the project shall not be assigned, transferred, or sublet, in whole or in part, without the prior written approval of the KPPCSD. If responders to this RFP intend to subcontract any portion of the resulting contract, they must so state in their proposal.

F. PROCESS FOR SUBMITTING PROPOSALS

Questions Concerning Request for Proposals

All questions must be submitted via email to the KPPCSD Interim General Manager by 5:00 PM PDT, on September 2, 2020. If necessary, responses to questions will be provided through an addendum to the RFP and distributed to potential responders on or prior to September 7, 2020.

Any party submitting a proposal shall not contact or lobby any District boardmember, District official, employee (except those specified for contact) or agent regarding the RFP. Any party attempting to influence or circumvent the RFP, bid submittal, and review process may have their proposal rejected for violating this provision of the RFP.

Submission of Proposals

Please submit an email response (.pdf format) to this RFP no later than 3:00 PM, local time, on September 14, 2020 to blindsay@kppcsd.org. KPPCSD staff may request that email proposals be supplemented with no more than seven (7) hardcopies of the proposal if necessary for Board distribution. If requested, hardcopies shall be mailed to:

Kensington Police Protection and Community Services District
217 Arlington Avenue
Kensington, California 94707-1401

Attention: Bill Lindsay, Interim General Manager

The emailed proposal and any required certifications shall be signed by an individual or individuals authorized to execute legal documents on behalf of the proposer.

Proposer is responsible for submitting its entire proposal package with all required submittal documents and any modifications or revisions in order to reach the KPPCSD's office as designated in the RFP by the time specified above. Any proposal, modification, or revision received by the KPPCSD after the exact time specified for receipt of proposals is "late" and will not be considered

The proposer shall be solely responsible for its delivery to the District prior to the date and hour set forth herein. Any proposals received subsequent to the date and hour set forth herein, because of delayed mail delivery or any other reason, will not be considered by the District.

G. GENERAL GUIDELINES

This RFP does not commit the KPPCSD to award a contract, to defray any costs incurred in the preparation of a proposal pursuant to this RFP, or to procure or contract for work. The KPPCSD may reject a proposal without providing the reason(s) underlying the declination. A failure to award a contract to the proposer with the lowest cost

proposal shall not constitute a valid cause of action against the KPPCSD. The District shall not be responsible for work done, even in good faith, prior to final approval of the proposed contract. The District may investigate the qualifications of any respondent under consideration, require confirmation of information furnished by the respondent, and require additional evidence or qualifications to perform the services described in this RFP.

The District reserves the right to:

1. Reject any or all proposals.
2. Issue subsequent Requests for Proposal.
3. Postpone opening for its own convenience.
4. Remedy technical errors in the Request for Proposal process.
5. Negotiate with any, all, or none of the respondents.
6. Solicit best and final offers from all or some of the respondents.
7. Select one or more respondents.
8. Accept other than the lowest proposed fees.
9. Waive informalities and irregularities in proposals.

Public Records

All proposals submitted in response to this RFP become the property of the KPPCSD and public records; as such, they may be subject to public review. Documents protected by law from public disclosure will not be disclosed by the KPPCSD if clearly marked with the word "confidential" on each applicable page. Trade secrets may be marked as confidential only to the extent they meet the requirements of California Government Code section 6254.7. Only information claimed to be a trade secret at the time of submittal to the KPPCSD and marked as "confidential" will be treated as a trade secret.

Contract

The successful responder will be required to enter into a service contract with KPPCSD that is approved by the District's legal counsel.

Withdrawal of Proposals

A respondent may withdraw their proposal before the expiration of the time for submission of proposals by delivering to the Interim General Manager a written request for withdrawal signed by, or on behalf of, the respondent.

H. PROPOSAL EVALUATION AND SELECTION PROCESS

All proposals shall be reviewed to verify that the respondent has met the minimum requirements.

The District Board may require selected firms to be available to attend a Board meeting or engage in a conference telephone call, or both, to make a presentation or to respond to questions from Board. (Based on public health restrictions imposed as a result of the coronavirus pandemic, all meetings and interviews will be completed

remotely, unless such restrictions are lifted prior to completion of the recruitment process.)

The District reserves the right to reject any or all proposals, or to make no award. The District also reserves the right to require modifications follow-up with requests for additional information, including, but not limited to, follow-up interviews.

Selection Criteria

The criteria upon which the evaluation of the proposals will be based include, but are not limited to, the following:

- **Adherence to the Requirements of this RFP** – The proposer’s responsiveness to the RFP including completeness and thoroughness of proposal; all required information must be provided in the format specified.
- **Qualifications and Experience** – Qualifications and experience with services outlined in this RFP, including experience with audits of special districts, and depth of individuals/ service team assigned to this recruitment.
- **The Proposal/Methodology and Approach to Work** – This category will also evaluate:
 - Approach and proposed methodology to project scope
 - Demonstrated knowledge of the work required
 - Innovative approaches and internal measures for timely completion of the project
- **Schedule and Availability** – Consideration will be given based upon the firm’s experience, years in business, past and current client references; technical expertise and professional competence in areas directly related to this RFP; number of years of experience in performing similar work.
- **Cost**
- **Reference Contact Results**

* * * * *

The KPPCSD Board of Directors thanks you for your interest in this project.

**PROPOSAL FOR FINANCIAL AUDITING SERVICES
Kensington Police Protection & Community Services District**

**For the Fiscal Years Ending
June 30, 2020-2024**



Respectfully Submitted by:

Paul J. Kaymark, CPA

Nigro & Nigro, PC

pkaymark@nncpas.com

Walnut Creek: 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

Murrieta Office: 25220 Hancock Ave. #400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064

Let's Work Together!



*By applying our financial expertise,
we partner with our clients to build
valuable relationships that inspire success.*

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September 11, 2020

Bill Lindsay
Interim General Manager
Kensington Police Protection & Community Services District
217 Arlington Avenue
Kensington, CA 94707-1401

Dear Mr. Lindsay:

Thank you for the opportunity to submit this proposal to provide auditing services for the Kensington Police Protection & Community Services District. Our understanding of the work to be done is: the annual audit of the District's financial statements for the years ending June 30, 2020-24. Based on our history with special districts, I believe our firm would be a great fit, and we would develop a great working relationship. Our staff works hard to help ensure our audits are completed with the highest level of service and meet all deadlines.

Although many people think that all special districts function in the same manner, we know that's not the case. The audit leadership team we've assigned to your district, including myself, will take the time to learn the intricacies of your organization. We find that by delving deep into our client's structure and operations we are able to make recommendations that are not only useful, but also practical to implement.

At Nigro & Nigro, PC, our greatest strengths correspond to your most critical needs; we possess the full spectrum of resources needed to most effectively help the District's management team and Board members meet their goals – all at a very competitive rate. We believe we are your best choice.

- **Credibility, Reputation, and Resources of a Large Firm** without sacrificing the small-firm touch. Our CPAs and consultants can help you analyze and address financial, operational, and regulatory issues so you can focus attention on serving your citizens. We were originally formed in 1999, and now perform annual audits for approximately 60+ public agencies annually.
- **State-Wide Reach with Local Presence.** At Nigro & Nigro, we have the benefit of having the resources of a state-wide firm while serving you from our Walnut Creek office. We also have an office in Murrieta for additional resources.

- **Efficiency.** Our use of portal software allows you to upload audit documentation at any time, which will minimize disruption to your staff and enable timely completion of all deliverables.
- **An Efficient and Effective Work Plan.** We currently serve over 60+ governmental entities state-wide, which enables our staff to understand the scope of the audit. We also understand the District's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective work plan that takes into consideration your needs for high quality audit services, as well as timely deliverables. As a result of our efficient work plan, we commit to meeting your deadlines to complete our auditing services within the time period you specify.
- **Thought Leadership.** Members of our firm have been actively involved as presenters in numerous industry conferences and programs, including the GFOA, CSDA, and CSMFO. We have incorporated our experience with these committees into our audit framework.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the engagement team members who are selected based on their experience, focus on serving local government agencies, and who are the best fit for you. Each of the District's engagement team members have completed and exceeded the mandatory requirement for continuing professional education hours as requested in the RFP. Paul Kaymark, Partner, will be the main contact for the District regarding this project.
- **A Focus on Providing Consistent, Dependable Service to Government Entities.** Nigro & Nigro is organized by industry, affording our clients with industry-specific expertise supplemented by valuable local service and insight. Therefore, the District will enjoy the service of members of our Governmental Audit Services Team who have experience with similar governmental entities and understand the issues and environment critical to you. You will not have to train our auditors.

Our standards require that we be without bias with respect to your operations. The Firm is independent of all entities listed in the RFP, as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's "Governmental Auditing Standards". In addition, the Firm shall give the District written notice of any relevant professional relationships entered into during the period of this agreement.

The Firm has had no prior engagements with the District, nor are there any personal or organizational conflicts of interest as prohibited by law.

The Firm and its entire CPA staff hold licenses to practice in the State of California. The Firm's CPA's are all members in good standing with the California Society of CPA's and the AICPA. We will assign a California licensed CPA as the auditor in charge of the audit.

You may have many options in selecting a professional audit firm. By choosing Nigro & Nigro, you will gain value-added accounting and operational insights. We are the right fit for the District, as we have the expertise and depth of resources within our firm to offer you exceptional service while maintaining a sincere and honest relationship. We understand the work, we are committed to meeting your deadlines, and we would like the opportunity to be your auditors. We also commit to meeting or exceeding your expectations.

It is understood that the District reserves the right to reject this proposal and that this proposal is a firm and irrevocable offer for 180 days from the date of the proposal.

Thank you once again for the opportunity to present our qualifications. If you have any questions about our offerings, please do not hesitate to contact me.

Sincerely,



Paul J. Kaymark, CPA
Audit Services Partner
25220 Hancock Ave. #400
Murrieta, CA 92562
pkaymark@nncpas.com
(951) 698-8783

BACKGROUND & QUALIFICATIONS

Experience

Nigro & Nigro team members are highly trained in governmental accounting and auditing, which sets us apart as being able to add value beyond the basic attest engagement. We are comfortable working with clients of various sizes. Within the past five years, we have worked with numerous governmental clients with revenues ranging from \$200,000 to over \$300 million.

Prior to any audit engagement, our engagement team leader will meet with the Board, Audit Committee and Management to gain a full understanding of the philosophy, objectives and policies for operating the organization, as well as to discuss significant business, regulatory and accounting matters that will affect the audit. At the conclusion of the audit, we will communicate the results of the audit with the Board, Audit Committee and Management.

Areas of specialization include:

- Audit and Review Services
- Government Auditing Standards & Single Audits
- Annual Report of Financial Transactions
- Agreed Upon Procedures Engagements
- Comprehensive Annual Financial Report (CAFR) development

Size of Our Firm

Firm-wide, we have the following staffing for our governmental audit services:

Position	Number of Employees	Number of Licensed CPA's
Partner*	5	5
Manager	1	1
Supervisor	1	-
Senior	4	1
Associates	8	-
Support Staff	3	-
Total	22	7

**Although the term "partner" is used throughout this proposal to avoid confusion, the firm is organized as a Professional Corporation, and the firm's owners are "shareholders."*

BACKGROUND & QUALIFICATIONS (CONTINUED)

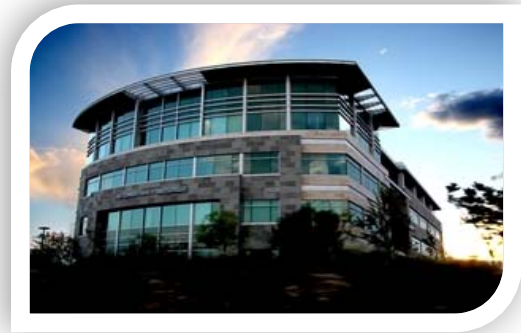
Size and Location of Offices

The Firm was originally established in 1999. In 2013, we opened our second office in Northern California in order to better serve our growing client base of school districts in the San Francisco Bay Area. The Firm now has five partners and a professional staff of 18 accountants and expects to add more in the coming years as we continue to grow. We are a full service firm, providing audit and review, tax, consulting, and accounting services to local government, non-profit organizations, charter schools, commercial businesses and homeowners' associations. The office serves clients of all sizes and industries, however, we focus on government agencies, just like yours.

We are prepared to do what it takes to provide the extra level of service required to maintain a long-term business relationship.



WALNUT CREEK OFFICE



MURRIETA OFFICE

Past Performance / Disciplinary Action

The Firm has not had any State desk reviews or field reviews of its audits in the last five years. We also have had no disciplinary action taken or pending against the Firm during the past five years with state regulatory bodies or professional organizations.

Meet Your Audit Leadership Team

Listed on the following pages are the resumes of the management team that will be assigned to your audit. As mentioned previously, our staff members have considerable governmental audit experience. This gives us a pool to draw on in addition to the group listed.

Name	Role	Years of Experience in Audits
Paul J. Kaymark, CPA	Lead Partner	24
Peter Glenn, CPA	Review Partner	11
Jared Solmons, CPA	Audit Senior	2
Stacy Macias	Audit Senior	2
Anabel Cruz	Audit Associate	1

BACKGROUND & QUALIFICATIONS (CONTINUED)

Staff Continuity

Effective service relies on a strong-working relationship between clients and our staff. For this reason, we do our best to ensure a consistent audit team is working on the engagement not only throughout the year, but in each subsequent year. This helps enable us to best respond to the specific needs of our clients, and will prevent your staff from feeling like they must “train” new auditors each year.

Our firm has been fortunate to experience less than typical turnover for a typical CPA firm. The average length of time a typical auditor has been employed by the firm is around four years. We find that our employees enjoy coming into work every day, which in turn provides a much better client experience.

Paul J. Kaymark, CPA

Lead Audit Partner

Paul recently joined the firm after more than 24 years of previous public accounting and auditing governmental entities experience. Paul is our choice for new governmental audit clients, having extensive experience in the areas of governmental entities. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

Mr. Kaymark has been working on audit engagements of governmental agencies, not-for-profit organizations, as well as for-profit corporations and companies. His previous experience includes audit and consulting work for large and small businesses with a focus on client service. Paul strives to build strong relationships with his clients by assisting them with any emerging issues and being available as a resource.

Consulting Services:

Mr. Kaymark has experience in a variety of governmental issues, garnered from his auditing experience over the years. He regularly consults with clients in areas of:

Special District Accounting:

- Internal controls
- Financial reporting
- Annual report of financial transactions

Financial Reporting:

- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections
- Pension and OPEB accounting

Some Agencies Served:

- Big Bear City Community Services District
- Golden Hills Community Services District
- Pauma Valley Community Services District
- Phelan Pinon Hills Community Services District
- Rosamond Community Services District
- Stallion Springs Community Services District



Education:

Bachelor of Science, Business Administration, Accountancy
California State University, Long Beach
1994

Licenses and Certifications:

- Certified Public Accountant, California
- GFOA Certificate for Excellence in Financial Reporting - Reviewer

Professional Affiliations:

- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)
- California Special District Association (CSDA)

Continuing Education:

Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation including:

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



Water and Wastewater Clients Audited and/or Consulted With over My Career
--

Water and Wastewater

Metropolitan Water District of Southern California
 Los Angeles County Sanitation District
 Long Beach Water Department
 Glendale Water and Power
 Colton Public Utilities
 Baldy Mesa Water District
 Bear Valley Community Services District
 Beaumont-Cherry Valley Water District
 Big Bear City Community Services District
 Cabazon Water District
 California Domestic Water Company
 Casitas Municipal Water District
 Castaic Lake Water Agency
 Chino Basin Water Conservation District
 Chino Basin Watermaster
 Coachella Valley Water District
 Diablo Water District
 East Orange County Water District
 El Toro Water District
 Farm Mutual Water Company
 Golden Hills Community Services District
 Goleta Water District
 Hi-Desert Water District
 Inverness Public Utilities District
 Irvine Ranch Water District
 Joshua Basin Water District
 Jurupa Community Services District
 Leucadia Wastewater District
 Mesa Consolidated Water District
 Mojave Water Agency
 Monte Vista Water District
 Montecito Water District
 North Coast County Water District
 North Marin Water District
 Novato Sanitary District
 Palmdale Water District

Water and Wastewater, continued

Phelan Pinon Hills Community Services District
 Pomona Valley Protective Agency
 Purissima Hills Water District
 Rincon del Diablo Water District
 Rosamond Community Services District
 Rossmoor Los Alamitos Area Sewer District
 Sacramento Suburban Water District
 San Bernardino Valley Water Conservation District
 San Gabriel valley Municipal Water District
 San Lorenzo Valley Water District
 Santa Ana Watershed Project Authority
 Santa Margarita Water District
 Saticoy Sanitary District
 Solano County Water Agency
 Soquel Creek Water District
 Stallion Springs Community Services District
 Summerland Sanitary District
 Trabuco Canyon Water District
 Tres Pinos Water District
 Triunfo Sanitation District
 Twentynine Palms Water District
 Vallecitos Water District
 Valley County Water District
 Ventura Regional Sanitation District
 Victor Valley Water District
 Victor Valley Wastewater Reclamation Authority
 Victorville Water District
 Water Facilities Authority - Joint Power Agency
 Water Replenishment District
 West County Agency
 West County Wastewater District
 West Valley Water District
 Westborough Water District
 Western Municipal Water District
 Western Riverside County Regional Wastewater
 Yorba Linda Water District

Peter Glenn, CPA

Review Partner

Peter joined the firm in 2011 after nearly three years of previous public accounting and auditing experience. Peter will work under the general direction of the partner. Peter is our choice for new governmental audit clients, having successfully worked on each of the Firm's clients since beginning with the Firm. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

Peter Glenn began his auditing career with Nigro & Nigro in 2011, participating in audits of special districts, LEAs, other governmental audits, and agreed-upon procedure engagements. Prior to joining the firm, he worked for three years at another public accounting firm, developing his auditing skills. He has previously been the in-charge accountant for some of the firm's largest clients.

Consulting Services:

Mr. Glenn has experience in a variety of governmental accounting issues, derived from his auditing experience at the firm. He regularly consults with clients in areas of:

Special District Accounting:

- Internal controls
- Financial reporting & GASB 34
- Annual report of financial transactions

Financial Reporting:

- Uniform Guidance
- Performance Audits
- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections

Other Agencies Served:

- Riverside County Open Space and Park District
- Cahuilla Band of Indians
- Central Basin Municipal Water District
- Murrieta Valley Cemetery District
- Elsinore Valley Cemetery District
- Alamo-Lafayette Cemetery District
- Bodega Bay Fire Protection District
- Los Angeles Harbor Cemetery District



Education:

Bachelor of Science, Business Administration, Accounting
California State University,
San Marcos, 2008, Magna Cum Laude

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- CASBO Annual Conference
- SSC Finance & Management Conferences
- Government Accounting & Auditing Conference
- In-house training for audit staff (presenter)



BACKGROUND & QUALIFICATIONS (CONTINUED)

Training & Resources

The Firm is committed to a continuing professional education program, which emphasizes the areas of expertise of each member of our professional staff. The Firm is required to comply with the *Government Auditing Standards* for each professional practicing in the area of governmental accounting and auditing. We are committed to follow those standards, which result in quality audit services, including continuing education for all staff of 60-80 hours each year, specifically in school districts and governmental auditing. As required by *Government Auditing Standards*, all governmental audit staff receives the required continuing education in the area of governmental auditing and accounting. These policies are monitored internally, reviewed annually and certified periodically by independent peer review.


Library facilities are maintained which include current professional literature and specific information for the industries that we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our school district clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of the engagement.

Our staff participates in activities relating to government accounting and reporting issues through our membership and involvement with the following organizations:

- a. American Institute of CPA's Governmental Audit Quality Center
- b. California Society of CPAs
- c. Government Finance Officers Association (GFOA)
- d. California Special Districts Association (CSDA)
- e. Government Accounting Standards Board (GASB)
- f. Association of Certified Fraud Examiners (ACFE)

Through our participation in these organizations and continuing education provided by them, the Firm continues to stay abreast of all current governmental accounting and reporting issues. Some of the professional education our audit team members have either presented at or attended in the last two years include:

- SSC Annual Finance and Management Conference
- SSC Governor's Budget Workshop
- CSDA Annual Conference
- CSMFO Conference
- GFOA Annual Conference
- Various other governmental workshops



We recognize that our most important product is prompt and effective service.

We recognize that our most important product is prompt and effective service. We believe the District should work with its CPA firm throughout the entire year. We are available at any time throughout the year to provide any assistance you may need.

BACKGROUND & QUALIFICATIONS (CONTINUED)

References

We currently conduct over 60+ government audits each year and have well rounded experience with local governmental agencies. We are excited for the opportunity to devote our attention to you and your specific needs. Below is a partial list of some similar governmental clients we have audited within the past three years.

Organization Name:	Stallion Springs Community Services District
Contact Person:	Jenni Morris, Financial Officer
Address:	27800 Stallion Springs Drive Stallion Springs, CA 93561
Phone:	(661) 822-3268

Organization Name:	Pauma Valley Community Services District
Contact Person:	Bobby Graziano, Administrator
Address:	33129 Cole Grade Road Pauma Valley, CA 92061
Phone:	(760) 742-6900

Organization Name:	Big Bear City Community Services District
Contact Person:	Shari Strain, Finance Officer
Address:	139 East Big Bear Blvd. Big Bear City, CA 92314
Phone:	(909) 585-2562

Organization Name:	Casitas Municipal Water District
Contact Person:	Denise Collin, CFO
Address:	1055 N. Ventura Ave. Oak View, CA 93022
Phone:	(805) 649-2251 x 103

Organization Name:	Oxnard Harbor District
Contact Person:	Austin Yang, Director of Finance
Address:	333 Ponomo Street Port Hueneme, CA 93041
Phone:	(805) 488-3677

Affirmation of Ability to Meet Deadlines

While the Firm does conduct other audit engagements, we take pride in the fact that we provide each client with individualized focus. We can affirm that we will do our best to meet timelines during the current COVID-19 pandemic.

TECHNICAL APPROACH

Specific Audit Approach

We will audit the basic financial statements of the District for the fiscal year ended June 30, 2020 in accordance with the following standards:

- Auditing Standards Generally Accepted in the United States of America
- *Government Auditing Standards*, issued by the Comptroller General of the United States
- Minimum Audit Requirements and Reporting Guidelines for Special Districts

Our audit will be for the purpose of expressing an opinion on the basic financial statements, and will include such auditing procedures as considered necessary to accomplish this purpose. We will also provide an "in-relation-to" opinion on any other supplemental information and statistical schedules. We anticipate issuing the following reports:

- Independent Auditors' Report on the basic financial statements.
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

In addition, we will provide the District with a management letter that will give written appraisals of its accounting and related systems. This letter will identify any control deficiencies, significant control deficiencies or material weaknesses that are identified during the audit. We will work with management before audit fieldwork and during the course of the audit to assess internal controls and review mitigating controls in place in an effort to reduce the control deficiencies, significant control deficiencies and material weaknesses that need to be reported to management in writing, assuming there are mitigating controls in place. The letter will also offer recommendations for the elimination of weaknesses that we identify, and we will suggest any methods we discover to help improve efficiency and effectiveness.

We will schedule an appearance with the Board and the Audit Committee that allows an opportunity for us to present the audit and management letter. This is an excellent time for the District to resolve any questions it has regarding our audit or management letter. As mentioned earlier, the value in hiring our Firm comes from not only the audit, but from our experience and the education, we can provide. We hope that as questions or concerns arise throughout the year, the District staff will contact us and draw on our knowledge and experience.

Non-significant deficiencies discovered during the audit process shall be reported in a separate letter to management, the Board and the Audit Committee, which shall be referred to in the report(s) on internal controls.

TECHNICAL APPROACH (CONTINUED)

Specific Audit Approach (continued)

This separate letter also informs the Board and the Audit Committee of the following:

- 1) The auditor's responsibility under auditing standards generally accepted in the United States of America.
- 2) Significant accounting policies.
- 3) Management judgments and accounting estimates.
- 4) Significant audit adjustments.
- 5) Other information in documents containing audited financial statements.
- 6) Disagreements with management.
- 7) Management consultation with other accountants.
- 8) Major issues discussed with management prior to retention.
- 9) Difficulties encountered in performing the audit.

All working papers and reports will be retained at the Firm's expense for a minimum of seven (7) years, unless the Firm is notified in writing by the District of the need to extend the retention period.

Segmentation of Engagement

STEP 1: Planning

Our goal in preliminary fieldwork is to gain a thorough understanding of your internal controls, processes and procedures. Our goal is to accomplish as much interim fieldwork as possible so that our stay during final fieldwork is kept to a minimum. Our preliminary work focuses on planning and internal control documentation.

STEP 2: Interim Field Work

Internal Control Documentation

Our internal control documentation usually occurs during interim fieldwork. Our documentation process will be as follows:

- 1) Gather or update documentation for significant processes defined in our preliminary fieldwork.
- 2) Perform a "walk-through" of these significant processes.
- 3) Ask "what can go wrong" questions.
- 4) Identify controls in place. This will include both preventative and detective controls.
- 5) Evaluate the design of internal controls.
- 6) Decide whether to test and rely on controls.
- 7) Summarize preliminary fieldwork and submit management letter of all areas of concern.

TECHNICAL APPROACH (CONTINUED)

Segmentation of Engagement (continued)

STEP 3: Final Fieldwork

We assess risks, design procedures and obtain evidence to support financial statement amounts and disclosures during final fieldwork. Our Firm utilizes a methodology designed specifically for special districts. Our process emphasizes continuous communication with our staff.

Assess Risks and Design Procedures

As outlined in the risk based statements of audit standards (SAS 104 to 111), our Firm uses a risk-based approach to the audit. Our procedures to assess risks and design procedures are as follows:

- 1) Assess risk of material misstatement from errors or fraud based on internal controls combined with inherent risk of significant accounts.
- 2) Design procedures to test controls if considered necessary.
- 3) Design procedures to test details of account balances and classes of transactions based on risk.

Interim and Year End Testing

- 1) Perform tests of controls if considered necessary.
- 2) Perform tests of details of account balances and classes of transactions.
- 3) Evaluate quality and sufficiency of audit evidence.
- 4) Evaluate misstatements.

STEP 4: Audit Completion

Preparation of Audit Report and Management Letter

After reviewing the financial statements, notes and required supplementary schedules, we will agree the data to our working papers and provide a thorough review of all information by using written Firm standards and checklists. We will also review and incorporate any statistical data. This will verify appropriate presentation and disclosure. We will also at this time prepare our management letter that identifies financial trends and recommendations for improvement, reports required communications to the governing board, and discusses change in the environment in which the Agency operates.

TECHNICAL APPROACH (CONTINUED)

Proposed Schedule/Level of Staff Number of Hours Assigned to Each Segment

We will provide a detailed audit plan and prepare a list of schedules upon proposal acceptance. The following table summarizes our proposed segmentation of the engagement by date, segment, and level of staff:

Date/Segment	Total Hours			Total
	Partner/Manager	Supervisor	Staff/Admin	
May/June				
Preliminary planning and fieldwork	2	4	8	14
May/June				
Interim fieldwork	18	18	16	52
September/October				
Final fieldwork, report preparation, review, finalization, and presentation	30	25	32	87
Total hours	50	47	56	153

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

We perform sampling techniques and determine sample size after assessing the risk associated with specific transaction classes. No single “cookie-cutter” approach will be followed in regards to sampling techniques, but the District can be assured that an appropriate sampling methodology will be utilized. We use the following methods of sampling during our audits: statistical, haphazard, and judgmental. For statistical sampling we use guidance provided by the AICPA and by federal guidelines in accordance with industry standards, which typically recommends sample sizes between 40 to 60 items.

Type and Extent of Analytical Procedures to be Used

We will perform analytical procedures throughout the course of our audit. Professional standards require that analytical procedures be performed in the planning and wrap-up stages of the audit. Analytical review will be used during our expenditure, revenue, budget information as well as many other areas.

These procedures typically entail a review of interim reports, budgets, and comparisons to prior year data. We also use financial statement amounts to calculate certain ratios to determine whether any unusual or unexpected relationships exist in the financial data.

These procedures are then followed by inquiry of key District personnel to corroborate the auditors' expectations based on the data.

TECHNICAL APPROACH (CONTINUED)

Approach to be Taken to Gain and Document an Understanding of Internal Control Structure(s)

Our audit approach will entail interviews with key personnel in the District involved in the design and implementation of internal controls. In conjunction with the interviews, we will perform tests and observations of how well the controls function. Key areas of internal control generally include: cash receipting, accounts payable/purchasing, payroll/personnel, technology, facilities, and maintenance and operations.

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

We are required to obtain an understanding of the possible financial statement effect of laws and regulations that have a direct and material effect on the determination of financial statement amounts. The determination of laws and regulations is addressed in the planning stage through reading available grant documentation, inquiry of the client, a preliminary review of finance system accounts and search of the Board minutes. We also have working knowledge of the types of laws and regulations under which California special districts operate. We also obtain further information about federal laws and regulations through the Catalog of Federal Domestic Assistance (CFDA) and the Uniform Guidance.

Approach to be Taken in Drawing Audit Samples

Since each program or grant agreement is different, we use many different approaches to sampling in our tests of compliance. The size of the sample considers many factors; size and risk of the program, program maturity, complexity, level of oversight and prior audit findings. AICPA Guidelines generally recommend sample sizes of 25, 40, or 60 items when the population is greater than 250. Ultimately, our professional judgment determines that a representative number of transactions have been selected. You can be confident in our judgment because our peer reviews and an outside review by the U.S. Department of Education have all accepted our audit sampling techniques and procedures.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

At this time, we anticipate no audit problems. Should problems arise, the engagement partner will arrange a meeting with key staff and/or Board members to resolve the situation accordingly. We have a “no surprises” commitment to all of our clients. We strongly believe viewing the draft copy of an audit report is not the time when potential problems should be brought to management’s attention. We stress open lines of communication between the District and its auditors. We take a proactive stance on assisting our clients with the difficult treatment of accounting for certain non-routine transactions.

Should minor issues arise, we address the situations and bring it to the attention of the appropriate level of management. All issues are periodically discussed with management at exit conferences which are conducted at the conclusion of each segment of the audit. Our preliminary testing results are documented in writing with copies distributed to management outlining areas for improvement, potential non-compliance, and possible control weaknesses.

We encourage our clients to call or email us with any questions. We are known in the industry for providing clear and concise answers. An important aspect of this commitment is our typical response time of less than 24 hours.

COST PROPOSAL

	Hours	Rates		Total
		Standard	Quoted	
Partner	20.00	\$ 175.00	\$ 150.00	\$ 3,000.00
Manager	30.00	150.00	125.00	3,750.00
Supervisor	47.00	125.00	100.00	4,700.00
Staff	50.00	100.00	75.00	3,750.00
Admin	6.00	75.00	50.00	300.00
Subtotal	153.00			15,500.00
Out-of-Pocket				-
Total Max				\$ 15,500.00

Fiscal Year	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Total
Audit	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
State Controllers	500	500	500	500	500	2,500
Not to Exceed Total	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 77,500

VALUE ADDED SERVICES

Testimonial

"Few people have the opportunity to work with someone who was a coach and a mentor-but I did when I worked with Paul. I had the pleasure working directly under Paul's supervision and I was particularly impressed by his ability to handle even the toughest clients - and effortlessly. That skill often takes years to develop, but it seemed to come perfectly natural to him. Paul was one of those rare partners who also naturally serve as an inspiring mentor for the whole staff and I was grateful to learn a lot from him."

*Deana Miller
Accounting Manager
PolyCera, Inc.*

Fraud Hotline



Throughout the audit process, we will make available our fraud hotline reporting service at no additional charge over the period of the contract to ensure the District has an effective anti-fraud program.

SUBCONTRACTORS

We do not subcontract for any part of the audit.



MANN, URRUTIA, NELSON CPAS
& ASSOCIATES LLP

Proposal to Provide Audit Services

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

SEPTEMBER 10 2020

CONTACT:

JUSTIN WILLIAMS, PARTNER

MANN, URRUTIA, NELSON CPAS & ASSOCIATES, LLP

SACRAMENTO OFFICE: 1760 CREEKSIDE OAKS DR., SUITE 160

SACRAMENTO, CA 95833

916-929-0540

jjw@muncpas.com

WWW.MUNCPAS.COM

TOTAL CLIENT COMMITMENT

SACRAMENTO • ROSEVILLE • GLENDALE • SOUTH LAKE TAHOE • KAUAI, HAWAII



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September 10, 2020

Kensington Police Protection and Community Services District
217 Arlington Avenue
Kensington, CA 94707-1401

Attn: Bill Lindsay, Interim General Manager

Dear Mr. Lindsay,

On behalf of our partners and staff of Mann, Urrutia, Nelson CPAs & Associates LLP (MUN CPAs) I am pleased to present our proposal to provide professional services to the Kensington Police Protection and Community Services District (KPPCSD). Our Firm has experienced continuous growth and success as we meet and exceed client expectations. Our overall goal is to provide responsive, innovative services of the highest quality to our clients.

We understand that the KPPCSD (the District) requires timely audit services and we are committed to meeting all terms, conditions, and requirements as addressed in the request for proposal. With our experience and expertise, we fully understand the audit requirements, as well as your expectations. Upon selection as your auditors, we will enter into an agreement under the terms and conditions prescribed by the RFP and industry standard insurance provisions.

It is our understanding that the term of the agreement will be for the fiscal years ending June 30, 2020 through June 30, 2024 and the scope of services will be the following:

1. Perform an audit of all funds of the Kensington Police Protection and Community Services District and issue related reports.
2. Issue a management letter that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions.

The audit will be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *the Basic Audit Program and Reporting Guidelines for California Special Districts*, as prescribed by the State Controller.

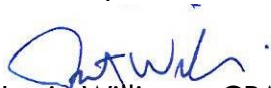
Our unique combination of technical expertise, combined with our philosophy of total client commitment throughout all phases of the engagement provides our clients the highest quality service and products available.

We are confident that our proposal addresses your needs and look forward to discussing and reviewing its content with you. We would welcome this opportunity to differentiate our Firm from our competition and further discuss our approach in providing quality service.

As a Partner listed on this proposal, I am authorized to make representations for and to bind our firm. Should you have any questions, I encourage you to contact me via telephone or email.

This proposal is valid for a period of 180 days from due date of the proposal.

Sincerely,



Justin Williams, CPA
Partner

LICENSE TO PRACTICE IN CALIFORNIA

MUN CPAs is a properly licensed, certified public accounting firm in the State of California. All certified public accountants involved in audit engagements of the Firm are licensed to practice in the State of California and have received at least the minimum number of continuing professional education hours required by the State Board of Accountancy and American Institute of Certified Public Accountants and the *U.S. Government Accountability Office's Government Auditing Standards*.

INDEPENDENCE

MUN CPAs is independent of the KPPCSD as defined by U.S. generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards* (latest edition).

MUN CPAs and Associates, LLP is independent of all associated agencies of the KPPCSD as defined by U.S. generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards*.

If MUN CPAs shall enter into a professional relationship that would present a conflict of interest during the period of engagement with the District, a written notice will be presented to the District defining such conflict.

INSURANCE

The Firm maintains professional liability insurance, worker's compensation, commercial general liability and bodily injury, automobile liability and property damage as part of our comprehensive insurance policy. Upon selection as the District's independent auditor, the Firm and our insurance provider will provide a certificate of insurance to the District that shows the requirements identified by the District have been met.



FIRM BACKGROUND AND QUALIFICATIONS

ABOUT THE FIRM

Founded in 2003, **MUN CPAs** is a locally established and respected full service accounting and auditing firm offering audit, tax, consulting, litigation support, and forensic accounting services. Our commitment to our clients has enabled the firm continued growth and success at developing and maintaining strong professional relationships.

We have over 60 well-trained professionals with office locations in Sacramento, Roseville, South Lake Tahoe, and Glendale, California, as well as Hawaii. While the majority of audit engagements are performed out of the Sacramento office, our various office locations allow us to expand our services throughout the State of California. **If awarded, work will be performed out of our Sacramento office.**

Sacramento Office

We have an outstanding team of twelve audit professionals consisting of three firm partners, three managers, three seniors and three staff accountants. Five staff members will be dedicated to KPPCSD should services be awarded to our firm. In addition to auditing, reviews and compilations, we also provide accounting, tax and consulting services to our audit clients.

We specialize in audits of local special districts and governmental agencies ranging from small organizations to entities with over \$150 million in annual revenue. We also specialize in retirement plans and nonprofit organizations. We are voluntary members of the following organizations:

- Government Audit Quality Control Center
- California Special Districts Association
- Association of California Water Agencies
- California Municipal Treasurers Association
- California Society of Municipal Finance Officers

Membership in these centers provides our firm with additional resources designed to enhance our audit quality and apply best audit practices to our engagements. We have access to the latest developments in accounting, auditing, and the various rules and regulations that affect the different audits and industries.





GOVERNMENTAL AUDITING EXPERIENCE

Since our founding in 2003, our office has performed over 250 audits of special districts and governmental entities. We have provided audit services for several other special districts that are similar to that which is requested by KPPCSD. We currently provide audit services to 23 governmental entities, of which 12 are special districts. We also perform Single Audits for 26 of our clients.

Every level of our audit staff has extensive experience in auditing special districts and municipalities.

LIST OF GOVERNMENTAL CLIENTS PAST TWO YEARS

Client	Financial Audit	Single Audit	CAFR	GFOA Certificate	Other
Kensington Fire Protection District	Yes	N/A	N/A	N/A	
Vallejo Flood & Wastewater District	Yes	Yes	Yes	Yes	
South Tahoe Public Utility District	Yes	Yes	Yes	Yes	
Santa Nella County Water District	Yes	N/A	N/A	N/A	SCOR
Diablo Water District	Yes	N/A	N/A	N/A	SCOR
South Placer Municipal Utility District	Yes	N/A	Yes	Yes	SCOR
Ironhouse Sanitary District	Yes	N/A	Yes	Yes	
Tahoe City Public Utilities District	Yes	Yes	Yes	Yes	SCOR
Solano County Water Agency	Yes	N/A	N/A	N/A	SCOR
North Tahoe Public Utility District	Yes	Yes	N/A	N/A	GANN
Sac-Yolo Vector Control District	Yes	N/A	N/A	N/A	SCOR
Rodeo Sanitary District	Yes	N/A	N/A	N/A	
City of Hollister	Yes	Yes	Yes	Yes	GANN Limit
City of Novato	Yes	Yes	Yes	Yes	GANN Limit
Town of Paradise	Yes	Yes	N/A	N/A	SCOR, GANN
City of Piedmont	Yes	N/A	N/A	N/A	GANN Limit
City of Sanger	Yes	Yes	N/A	N/A	GANN Limit
Town of Truckee	Yes	Yes	Yes	Yes	SCOR, GANN
City of Marina	Yes	Yes	N/A	N/A	SCOR
City of Gridley	Yes	Yes	N/A	N/A	SCOR, GANN
City of Rio Vista	Yes	Yes	Yes	N/A	GANN Limit
City of Auburn	Yes	Yes	N/A	N/A	SCOR, GANN
City of Lincoln	Yes	Yes	N/A	N/A	GANN Limit



LIST OF NONPROFIT CLIENTS PAST TWO YEARS

League of California Cities	California Rice Industry Association	California Beef Council
Sacramento Public Library Foundation	Community College League of California	Sacramento Steps Forward
Association of California Water Agencies	Rural Community Assistance Corp	Advocates for Mentally Ill Housing, Inc.
California Riceland Waterbird Foundation	Southern Indian Health Council	California Rice Commission
Sierra Business Council	California Park & Recreation Society	Solar Cookers International
Sacramento Native American Health Center	Sacramento Cottage Housing, Inc.	CSAC Finance Corporation
Valley Vision	Northern Valley Indian Health	Roberts Family Development Center
MACT Health Board	Sacramento Regional Conservation Corps	The Gathering Inn
United Mobilehome Owners Assn of Fairfield	Libraries Without Borders	Lakeside Park Association
Lake County Tribal Health Consortium	Project Go, Inc.	Capital Stage Company
Elica Health Centers	Feather River Tribal Health	Lions Center for the Visually Impaired
Fourth & Hope (Yolo Wayfarer)	Sol Aureus College Preparatory	American Indian Health & Services
CA. Statewide Financing Authority	Health Outreach Partners	Western Manufactured Housing Communities Association

LIST OF RETIREMENT PLAN CLIENTS PAST TWO YEARS

Aerometals 401(k) Plan	MACT Health Board 403(b)
Alliance Medical Center 403(b) Plan	Mendocino Coast Clinics 401(k)
Altura Centers for Health 401(k)	Physicians Network Medical Group 401(k)
Bradford & Barthel 401(k) Plan	RCAC 403(b) plan
Center for Human Services 401(k) Plan	Schools Financial Credit Union 401(K) Profit Sharing Plan
Child Action, Inc. 401(k) Plan	Lionakis- 401(k) Plan
Elica Health 403(b) Plan	UNDC 401(k)
Universal Site Services ERS Plan	MACT Health Board 403(b)
Feather River Tribal Health 401(k)	Vibrant Care Rehabilitation 401(k)
Gray & Skyler Electric Companies 401(k)	Winder Nursing 401(k) Plan
LACO Associates 401(k) Profit Sharing Plan	Work Training Center 403(b) Tax Sheltered Annuity

DIVERSITY WITHIN THE WORKFORCE

MUN CPAs is an equal opportunity employer that is committed to diversity and inclusion in the workplace. We prohibit discrimination and harassment of any kind based on race, color, sex, religion, sexual orientation, national origin, disability, genetic information, pregnancy, or any other protected characteristic as outlined by federal, state, or local laws.

MUN CPAs makes hiring decisions based solely on qualifications, merit, and business needs at the time.





THE ENGAGEMENT TEAM

The team assigned to perform the audit of KPPCSD is composed of highly trained professionals with extensive experience in governmental audit engagements. Our small, efficient working group will maintain a knowledgeable, yet non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the District's on-going operations. The technical qualifications of MUN CPAs personnel selected for this audit ensures service of the highest quality. Engagements at MUN CPAs are conducted under the supervision of an engagement partner and manager, which assures that quality standards are maintained and all client requirements are met.

We propose the following audit team:

JUSTIN WILLIAMS, CPA, Engagement Partner
ERICA PASTOR, CPA, Concurring Partner
BOWEN AU YOUNG, CPA, Manager
PIERCE WRAY, MSA, Senior Staff Associate

Professional Affiliations

Our commitment to governmental accounting is further amplified by our involvement with respected organizations:

Justin Williams is a member of the California Special Districts Association Audit Committee and Finance Committee, and the statewide CalCPA Governmental Accounting and Auditing Committee. He has also published accounting and auditing articles and has been a speaker at webinars and seminars sponsored by these organizations with topics ranging from GASB 68 and 75, fraud, and preparing for annual audits.

Erica Pastor is a member of the statewide CalCPA Governmental Accounting & Auditing Committee, Sacramento Chapter, and is Past Board President of CalCPA-Sacramento Chapter.

GASB Implementation and Reporting

All audit partners and managers have been involved in the implementation of GASB financial reporting requirements, in addition to auditing and assisting with the preparation of GASB financial statements. Our firm is a leader in implementation of the new GASB standards going into effect in the coming years.

Continuing Education

Continuing education is a top priority for Mann, Urrutia, Nelson, CPA's & Associates LLP. Each of our team members receives a wide variety of annual training and content updates from highly qualified instructors, ensuring that they remain on the forefront of issues that could potentially impact our clients.





JUSTIN WILLIAMS, CPA
Engagement Partner

Justin's professional career includes more than 24 years of public and private accounting experience, of which 22 years has been heavily concentrated on audits of governmental entities throughout Northern California. As the engagement partner, Justin will have overall responsibility for the efficiency, timeliness and delivery of the services we provide, including developing and maintaining effective lines of communication with the District. He will directly interface with the General Manager and will plan and review the audit.

INDUSTRY EXPERIENCE: Special Districts
Municipalities
Nonprofit organizations
Privately held businesses
Retirement / employee benefit plans

OTHER EXPERTISE: GASB implementation
Board of Directors training
Federal and State compliance and financial reporting
Internal control implementation
Peer reviews

RELEVANT ENGAGEMENT EXPERIENCE: Kensington Fire Protection District
Rodeo Sanitary District
Diablo Water District
South Tahoe Public Utility District
Greater Vallejo Recreation District
Tahoe City Public Utility District
South Placer Municipal Utility District
Ironhouse Sanitary District
Town of Truckee
City of Novato
City of Sanger
City of Lincoln

DESIGNATIONS: Certified Public Accountant (CPA)

PROFESSIONAL MEMBERSHIPS: American Institute of Certified Public Accountants
California Society of Certified Public Accountants
CSDA Audit Committee Member
CSDA Finance Committee Member
National Institute of Pension Administrators, Sacramento

EDUCATION: Bachelor of Science, Accounting
Case Western Reserve University – Cleveland, Ohio





ERICA PASTOR, CPA
Concurring Partner

Erica has eighteen years of public accounting experience and has spent over thirteen years working for MUN CPAs. She has extensive experience serving government clients and is a leader in her vocation – Erica is immediate past President of CalCPA – Sacramento. As Concurring Partner Erica will perform a secondary review of the engagement, ensuring that all firm and professional standards are adhered to.

INDUSTRY EXPERIENCE: Special Districts
Municipalities
Nonprofit organizations
Privately held businesses

OTHER EXPERTISE: GASB implementation
Reviewed and compiled financial statements
Agreed-upon procedures
Audit committee training
Comprehensive Annual Financial Reports (CAFR)
Internal control implementation
Federal Single Audit Grant compliance
Grants and contracts compliance

RELEVANT	Vallejo Flood and Wastewater District	City of Lincoln
EENGAGEMENT	Tahoe City Public Utilities District	City of Rio Vista
EXPERIENCE:	Santa Nella County Water District	City of Piedmont
	Sacramento-Yolo Mosquito & Vector Control Dist.	City of Hollister
	City of Auburn	City of Novato

DESIGNATIONS: Certified Public Accountant (CPA)

PROFESSIONAL MEMBERSHIPS: American Institute of Certified Public Accountants
CalCPA Governmental Accounting & Auditing Committee,
Sacramento Chapter Chair
CalCPA, Sacramento Chapter, Immediate Past President

EDUCATION: Bachelor of Science, Managerial Economics
UC Davis – Davis, California
Certificate of Accountancy
National University – Sacramento, California





BOWEN AU YOUNG, CPA
Manager

Bowen has eight years of public accounting experience and provides audit services to a wide range of industries, including governmental and nonprofit entities, retirement plans, and closely held companies. As audit manager Bowen will be responsible for and will coordinate the planning and implementation of audit processes, including daily supervision and technical support of the audit. He will work closely with the District to ensure issues are identified and addressed and that the delivery of services is timely and day-to-day audit functions are performed in an efficient manner.

INDUSTRY EXPERIENCE: Governmental
 Nonprofit organizations
 Employee Benefit plans
 Closely held companies
 Publically traded entities

OTHER EXPERTISE: Internal control evaluation
 Accounting services
 Inventory observations
 Single Audit compliance
 Grants and contracts compliance

RELEVANT	Kensington Fire Protection District	City of Sanger
ENGAGEMENT	Santa Nella County Water District	City of Gridley
EXPERIENCE:	Diablo Water District	City of Lincoln
	Sac-Yolo Mosquito and Vector Control Dist.	Town of Truckee
	Ironhouse Sanitary District	City of Piedmont
	Solano County Water Agency	

DESIGNATIONS: Certified Public Accountant (CPA)

PROFESSIONAL
MEMBERSHIPS: American Institute of Certified Public Accountants
 California Society of Certified Public Accountants

EDUCATION: Bachelor of Science, Business Administration: Concentration in
 Accounting and Management Information Systems
 University of the Pacific, Stockton, CA – Cum Laude





PIERCE WRAY, MSA
Senior Staff Associate

Pierce has over 4 years of accounting experience and is soon to be our newest CPA. As the senior staff associate, he provides audit services to a wide range of industries, including governmental, employee benefit plans, and not-for-profit entities. In his role, Pierce will handle specific stages of audit work, ensure work is prepared in compliance with professional standards, and detect exceptional items and issues of non-compliance.

INDUSTRY EXPERIENCE: Governmental
Employee Benefit Plans
Nonprofit organizations
For-profit entities
Public, Private entities

OTHER EXPERTISE: Internal control evaluation
Accounting services
Inventory observations
Other grants and contracts compliance
Financial statement preparation

RELEVANT
ENGAGEMENT
EXPERIENCE: Kensington Fire Protection District
Diablo Water District
Tahoe City Public Utility District
South Tahoe Public Utility District
City of Piedmont
City of Sanger
City of Gridley
City of Lincoln
Town of Truckee

PROFESSIONAL
MEMBERSHIPS: American Institute of Certified Public Accountants
California Society of Certified Public Accountants

EDUCATION: Bachelor of Science, Business Administration
San Diego State University, San Diego, CA

Master of Science in Accounting
Saint Mary's College of California, Moraga CA.





REFERENCES

Below are current clients who can attest to our services and work performed on their behalf. We welcome the District to contact any of our clients as references listed below.

Clients	Contact Information	Dates	Services Provided
South Tahoe Public Utility District 1275 Meadow Crest Drive South Lake Tahoe, CA 96150	Paul Hughes Chief Financial Officer (530) 543-6211	2016 – Present	<ul style="list-style-type: none"> • District audit, CAFR • Single audit • GANN Limit
Diablo Water District 87 Carol Lane Oakley, CA 94561	Jennifer McCoy Finance & Accounting Mgr. (925) 625-3798	2018 - Present	<ul style="list-style-type: none"> • District audit • SCO Report
Tahoe City Public Utility District PO Box 5249 Tahoe City, CA 96145	Ramona Cruz Chief Financial Officer (530) 580-6047	2012 – Present	<ul style="list-style-type: none"> • District audit, CAFR • GANN Limit • Single audit • SCO Report
Santa Nella County Water District 12931 State Highway 33 Santa Nella, CA 95677	Amy Montgomery General Manager (209) 826-0920	2015 – Present	<ul style="list-style-type: none"> • District audit • SCO Report
Kensington Fire Protection District 217 Arlington Avenue Kensington, CA 94707	Glenn Lazof (510) 527-8395	2017 – Present	<ul style="list-style-type: none"> • District audit • SCO Report



TECHNICAL APPROACH

Our audit work plan targets our audit efforts on those areas of your financial statements that represent the greatest risk. This includes integrated quality-control processes, including policies and procedures for engagement quality control.

Our financial audit methodology comprises a set of interdependent audit work steps and procedures that enable the audit team to plan and execute the audit strategy and conclude and report audit results. The methodology also provides for performance measurement to enable improvement in quality of audit work through identification of training needs and motivation of staff through performance based growth and advancement. The financial audit methodology of our firm is built around the following:

- Generally accepted auditing standards
- Professional ethics
- Quality assurance and control

Our audit process begins with the assignment of staff to the engagement. Our engagement team has the expertise to provide a level of service desired and deserved by your organization. Our engagements are supervised by the engagement partner and the manager who specialize in government and special district audits. As high-level involvement is vital to a quality audit, the partner and manager's time will account for approximately 30% of total hours spent on the engagement. Our team's approach is designed to be efficient yet non-intrusive.

Proposed Segmentation of the Engagement

Audit Planning

Our audit planning process includes a risk assessment of the District and review of the control environment. We begin with a pre-planning meeting to ensure that management's expectations and our expectations are communicated prior to commencing the audit. We will confirm our understanding of the engagement deadlines and ensure these are met timely.



Interim Audit Phase:

Our interim audit phase typically consists of two to three days of fieldwork and includes the following:

Risk Assessment

As part of our extensive planning phase, the engagement team will discuss with management issues surrounding the applicable industry, the District's internal & external environment, significant events, as well as economic, political, and social factors to determine and document areas of risk. Once areas of risk have been identified, the next process will be to review the control environment.

Control Environment — Interim Phase

We will document and test the following control processes to evaluate their effectiveness in preparing reliable financial statements:

- ◇ Disbursements
- ◇ Receipts
- ◇ Payroll
- ◇ Financial reporting
- ◇ Journal entry process
- ◇ IT and general computer controls

Based on our understanding of the District's risks and control environment, we will design our substantive procedures and communicate our audit approach to management. As part of our review and documentation of the control environment, we may have recommendations for enhancing controls and/or efficiencies. These recommendations will be discussed with management prior to any comments included in a formal management letter.

Year-End Audit Phase:

Our year-end audit phase typically consists of three to four days of fieldwork and includes the following:

Substantive Procedures — Year End Phase

Substantive audit procedures are designed based on our risk assessment process. Complex and high-risk accounts will be identified early in the audit process and these accounts will be assigned to the manager and/or partner for actual testing. Our substantive audit procedures will include the following:



- ◇ Tests of account details — Detail transaction testing to source documentation
- ◇ Analytical procedures — Ratio analysis, variance analysis, trend analysis
- ◇ Use of data analysis software — Review of large volumes of data to detect anomalies
- ◇ Unpredictability tests — Varying timing and extent of tests
- ◇ Review of management’s estimates — To determine reasonableness
- ◇ Review of subsequent events and contingencies — For proper adjustment and footnote disclosure

Based on our review of the financial statements of the KPPCSD, we anticipate that our primary areas of audit focus will be:

- Financial reporting requirements
- Impact of COVID-19 to the District’s financial statement and disclosures
- Impact of new GASB accounting standards
- Fund balance classification
- Revenue recognition
- Valuation of investments
- Valuation of accounts and grants receivable
- Valuation of capital assets
- Valuation of pension and OPEB liabilities
- Expense and accrual timing
- Long-term debt reporting

Preparation of Audit Report and Review — Year-end Phase and Wrap-up Phase

The manager and engagement partner review audit workpapers throughout the audit. Before we leave your offices, the file will be substantially reviewed and any issues will be discussed and resolved. All reports are reviewed by the engagement partner and concurring partner.

Upon approval, we will issue drafts of all reports based on the District’s predetermined schedule as indicated in the Request for Proposal. This will allow adequate time for review and distribution of the report.



Level of Staff and Number of Hours to be Assigned

Staff Classification Performing Work	Estimated Hours Annually
Partners	20
Managers	36
Senior Associates	50
Staff Accountants	70
Total Annual Hours:	176

Hours by Audit Phase	
Phase I - Planning & Interim	64
Phase II - Year End	82
Phase III - Reporting and Wrap-up	30
Total Annual Hours:	176

Sample Methodology and Extent to Which Statistical Sampling is Used

Audit sampling provides the auditor an appropriate basis on which to conclude on an audit area by examining evidence from a sample of a population. We utilize both statistical and non-statistical sampling techniques as described in the AICPA’s Audit Sampling Guide, depending on the type of testing being performed. Internal control, substantive and compliance testing samples are generally selected using non-statistical techniques. Sample sizes are determined by risk assessment and nature of the population. We may use statistical sampling to assist with forensic testing in areas that have a higher risk of misstatement due to fraud.

Use of Analytic Procedures during the Audit

The use of analytic procedures during our audit of the District is part of our planned audit approach for certain financial statement line items. In order to perform effective analytic procedures, MUN CPAs must first obtain an understanding of activity at the District, as well as changes in activity at the District during the year under audit. This will allow MUN CPAs to develop expectations for changes or lack of changes in key account balances for purposes of performing our analytic procedures. Our analytic procedures will be performed using a combination of the following:





- Independent recalculations of account balances: Performing our own independent recalculation of an account balance, then comparing to the District's actual account balance to see if our recalculated balance agrees to the District's balance. Significant variance between our recalculated balance and the District's balance would require additional inquires and procedures to determine if the account balance requires an adjustment.
- Variance analytics of prior year and current year account balances: By developing our understanding of activity at the District, we can then compare current year account balances to the prior year balance and determine if the change in the account balance is reasonable based on our understanding of activity at the District during the year. Account balances and/or changes in account balances that do not meet our expectations will require further inquiry with management to determine if an adjustment is needed.
- Ratio analysis: We can compare the relationship of certain accounts to other accounts or non-financial information to determine if the relationship is consistent or if a variance may indicate an adjustment to an account may be required.

Understanding the District's Internal Control Structure

Our understanding of and reliance on the District's internal controls related to financial reporting is a key factor in our audit approach to the District's financial statements. Our interim audit procedures are primarily focused on developing our understanding of internal controls related to cash receipts, cash disbursements, payroll, financial reporting close and the IT environment, and then performing tests of those controls. Our planned audit approach is a control-based audit, in which we are planning to perform tests of controls in order to place reliance on the District's key controls.

We develop our understanding of the District's internal controls through a combination of verbal discussions with management, and observation and inspection of documents. We first gain a high-level understanding of controls by asking an appropriate member of your finance department to describe the processes for recording transactions and more importantly, how the review and approval of transactions is documented. Then to corroborate the descriptions, we ask to see physical evidence that the control is in place. Physical evidence is typically management providing key documents that have evidence of a review or approval on the document.

Our approach to internal controls is, "If it is not documented, then the control did not operate", meaning, if we cannot see physical evidence of a review or approval on a document, then we must assume that the control did not operate as designed. Verbal representation that a review or approval has taken place is not audit evidence. If we identify any controls that are not operating as designed, we will first discuss with management before providing a written recommendation.



Laws and Regulations

As applicable, we will review the laws and regulations covering the District's grants and other programs. Based upon our inquiry with District staff, review of the District's government code, review of administrative policies, etc. we will determine the relevant laws and regulations that will be subject to additional test work.

Drawing Audit Samples

The selection of audit testing samples is based on a combination of materiality, qualitative factors, and auditor judgement. Account balances and/or transactions over a certain dollar limit are automatically selected for testing. Smaller account balances, transactions or disclosures that MUN CPAs determines may have a qualitative impact on the financial statements and influence a user of the financial statements will also be selected for testing.

Technological Advantages — Electronic Data Processing Software

We utilize the latest technology, including virtual servers, data analysis software, and online libraries, to provide us with the most up-to-date information to better serve our clients. First, our online client portal ShareFile gives us the capability of sending and receiving information to and from our clients faster and more securely. As portals are encrypted and use password protection to ensure that only the appropriate client can view data, we are dedicated to protecting the District's confidential information.

We streamline our audit process and organize support documents through use of the paperless audit program-CaseWare Working Papers. By effectively reviewing large volumes of data through these programs, we are able to develop a better understanding and gain a broader view of the District. These technologies enable us to increase both the scope of our engagement and the reliability of our audit opinion more efficiently, as a larger amount of information can be processed, analyzed and interpreted in a short time frame.

Remote Audit Capabilities

We are committed to serving our clients and meeting their deadlines regardless of the current health and social challenges. If public health concerns, client concerns or other issues restrict our team from performing the audit in-person at your offices, **MUN CPAs has the technological capabilities and solutions to perform the full audit remotely** and complete the audit according to your District's needs and timelines. With the use of our secure Sharefile website, management of the KPPCSD will be able to securely provide MUN CPAs with all needed documents and reports. The use of encrypted e-mails will be used to transmit smaller documents. Scheduling regular phone calls and audit updates will allow both management of the District and MUN CPAs to remain on the agreed-upon timeline.



Communication

Planning and continual communication are essential to developing the appropriate procedures, working collaboratively to resolve any identified issues, and meeting your timelines. We will communicate contemporaneously and directly with management and audit committees of the board regarding results of our procedures, and will anticipate and respond to any concerns of management and the committee.

Although our audits are conducted through a structured, risk-based model, we focus on understanding the client's needs, requirements and expectations. We work collaboratively with management, boards and audit committees to develop a communication and work plan to continuously improve client service.

Partner and Manager Availability

We believe your access to the partner and manager before, during and after the audit is important to the relationship between the District and our Firm. The partner and/or manager will be on-site during the audit in order to discuss issues with management of the District. We encourage our clients to call us throughout the year to discuss accounting matters as they arise. There are no additional charges for these routine phone calls.

We believe on-going communication throughout the entire audit will ensure that all aspects of the audit are thoroughly addressed. We encourage regular communications throughout the year, not just during fieldwork. As such, we do not anticipate any potential audit problems to arise during our engagement.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

The District requested in the RFP that we identify and describe any anticipated potential problems with the audit, the Firm's approach to resolving these problems and specific assistance that may be requested from the District. Based on our review of the financial statements, we do not anticipate any audit problems. However, if issues are noted during the audit process, we will use the following approach to seek a mutually agreeable resolution of accounting and reporting issues:

1. Define and understand the issue through discussion with the District's management and verified audit information.
2. Make an initial assessment of the impact of alternative accounting treatments.
3. If the impact has significant potential, gather research that may include the following: obtain the District's research and rationale for their position; gather additional details; draw on common practices within other California Special Districts or other similar sized local governments; utilize recognized Firm experts.
4. Discuss with District staff the Firm's preferred position and rationale.
5. Resolve the issue.



PROPOSED SCHEDULE

Upon approval, we will issue drafts of all reports based on a predetermined schedule allowing adequate time for review and distribution of reports. We suggest the following schedule for the **2020 year-end** which is subject to mutual approval by the Districts Management and MUN CPAs:

Audit Task	Begin by:	Completed by:
Audit planning and interim fieldwork	October 1, 2020	October 31, 2020
Year-end fieldwork	November 1, 2020	November 30, 2020
Draft reports to the District for review and discussion	December 1, 2020	December 31, 2020
Final financial statements and reports to District	January 1, 2021	January 31, 2021
Presentation to Board		TBD

Proposed schedule for subsequent years:

Audit Task	Begin by:	Completed by:
Audit planning and interim fieldwork	June 1	June 30
Year-end fieldwork	October 1	October 31
Draft reports to the District for review and discussion	November 1	November 30
Final financial statements and reports to District	December 1	December 31
Presentation to Board		TBD

Responsibilities of KPPCSD

A successful audit will not happen without a commitment from management of the Organization. In our experience, the most successful audits are directly linked to a management team that is committed to meeting all deadlines and providing the audit team with all requested information on the agreed-upon dates.

As part of the audit, we will provide management with our PBC request list of reports and schedules needed to perform our audit. We will include requested due dates for each requested document and provide templates for management to prepare as needed. In order for our audit to be completed timely and meet the agreed-upon timeline, we expect management of KPPCSD to provide MUN CPAs with all of the requested reports and documents on the due dates. We also expect management to be available to assist the audit team during audit fieldwork in order to respond to questions as they arise.



COST PROPOSAL

In accordance with the Request for Proposal for Audit Services issued by the Kensington Police Protection and Community Services District we hereby submit the following Cost Proposal for the fiscal years ending June 30, 2020 through June 30, 2024:

ALL-INCLUSIVE "NOT TO EXCEED" PRICE BY SERVICE

Audit Service	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24
District Audit and Related Reports	\$26,700	\$26,700	\$26,700	\$26,700	\$26,700
Management Letter	Included	Included	Included	Included	Included
Out-of-Pocket Expenses	Included	Included	Included	Included	Included
TOTAL	\$26,700	\$26,700	\$26,700	\$26,700	\$26,700

Professional Fees for Additional Services:

MUN CPAs may also furnish other accounting services, which may include advisory and system accounting services as requested by the Kensington Police Protection and Community Services District. If the District requests additional services, either to supplement the services requested or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and MUN CPAs. Any such additional work agreed to between the District and MUN CPAs shall be performed at the standard hourly rates listed above.

Staff Level	Standard Hourly Rate
Partners	\$275
Managers	190
Senior Staff	150
Staff	130





Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billings shall cover a period of not less than a calendar month.

VALUE ADDED SERVICES

Our value-added services begin with **total client commitment**. Keys to our success are higher levels of commitment, trust, flexibility and enhanced communication. We take pride in delivering value-added services by helping our clients improve transparency, governance accountability, and financial performance.

Our commitment to our clients has enabled the firm to experience continued growth and success at establishing and maintaining long term professional relationships.

Specialized Services

Our firm has provided specialized services to local governments that include, but are not limited to:

- Tax Measure Agreed-Upon procedures
- Cash Collections Agreed Upon procedures
- Board and Finance Committee training
- TDA audits
- Forensic audits
- Internal control special projects

Client Education and Updates

We provide one-on-one guidance and assistance to our clients with the preparation of GASB financial statements, as well as hands-on assistance with implementation of new GASB financial reporting requirements and State and Federal updates. Partner Justin Williams presented on the topic "**GASB Reporting Requirements and Their Effect on Your District**" at the 2015 and 2016 Annual CSDA conference, and "**Assessing the Financial Health of Your District**" at the 2017 Annual CSDA conference. Our firm is a leader in the new GASB standards going into effect in the coming years.



Board/Finance Committee Training

Our job doesn't stop when we issue your District's audited financial statement reports. While these reports may be intimidating to interpret, we can help. Our firm offers training to help you understand what the audit report means for your District. We can show you how to read the financial statements and how to use that information to analyze and evaluate your District's financial performance. We have certified professionals who are happy to further talk to you regarding various topic options that can be presented.

We separate ourselves from our competition by:

- Extensive Partner involvement on each engagement
- Manager and/or Partner always on site during fieldwork
- Consistent and experienced staff
- Timeliness of communications
- Proactive approach in addressing complex issues early in the engagement
- Availability to clients as a specialized resource
- Professionalism with understanding

CONTRACTOR ASSIGNMENT OF SUB-CONTRACT

Our firm does not use subcontractors and will not be subcontracting any portion of the engagement.

PEER REVIEW

Our firm undergoes a peer review every three years as established by the American Institute of Certified Public Accountants. Our last peer review was completed in June 2019 and resulted in a pass rating with no deficiencies (the highest rating possible) on our system of quality control for accounting and auditing. This quality control review included a review of specific government engagements. *A copy of the Peer Review Report is included on the following page.*



Peer Review Report



Report on the Firm's System of Quality Control

June 28, 2019

To Mann, Urrutia, Nelson, CPAS & Associates, LLP 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 Mann, Urrutia, Nelson, CPAS & Associates, LLP (the firm) in effect for the year ended December 31, 2018. 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





Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

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 Mann, Urrutia, Nelson, CPAS & Associates, LLP in effect for the year ended December 31, 2018, 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*. Mann, Urrutia, Nelson, CPAS & Associates, LLP has received a peer review rating of *pass*.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP

WWW.MUNCPAS.COM

BOARD OF DIRECTORS MEETING

October 8, 2020

ITEM 5

UPDATE ON THE CURRENT STATUS OF THE ARCHITECTURAL DESIGN PROCESS FOR HOUSING BOTH THE KENSINGTON FIRE DEPARTMENT AND THE KENSINGTON POLICE DEPARTMENT IN THE PUBLIC SAFETY BUILDING

SUMMARY OF RECOMMENDATION

Receive an update on the current status of the architectural design process for housing both the Kensington Fire Department and the Kensington Police Department in the Public Safety Building.

BACKGROUND

(Please refer to the section below regarding “Summary of Prior Architectural Work” for background leading to this “Current Update.”)

Current Update

On September 17, 2020, KPPCSD staff received from the architect draft conceptual plans for a new Option D (attached) for the renovated Public Safety Building. This conceptual plan incorporates an elevator and a wheelchair lift, and has a redesigned space on the ground floor to improve the layout of the Kensington Police Department based on prior comments from the department. The ground floor also incorporates the Kensington Fire Department’s preferred layout for the apparatus bays and support spaces. The conceptual design encloses the outdoor deck area, and includes modifications to meet accessibility codes.

On Thursday, October 1st, Police Chief Walt Schuld and the General Manager met (virtually) with the architects to review the new Option D conceptual design. Comments from the Police Chief to the architect related to:

- The need for a mandatory secure computer room;
- Design of the evidence room;
- Number of work stations for police personnel;
- Space for volunteers/cadets;
- Location of firearms clearance tube and safe;
- Storage spaces for files, office equipment, etc.;
- Prisoner processing area, which needs to conform to DOJ requirements;
- Department access from the upper parking lot;
- Inclusion of a Live Scan area;
- The need for a secure interview room.

These issues have been proposed as the subject of future discussions among police and fire management and the architects.

Of note, the Kensington Fire Protection District Board of Directors met last Wednesday, September 30th, to discuss the Public Safety Building project, and “payment options,” including a cost allocation to KPPCSD for a renovation of the Public Safety Building which had not yet been reviewed by KPPCSD staff nor its Board of Directors. Among the information that was included as part of this KFPD discussion was that the Option D project design budget was estimated to be nearly \$8 million (\$7 million net of the cost of a temporary facility). I corresponded with the KFPD general manager (attached) that I believed it to be premature to do a budget cost allocation for a project option that KPPCSD had not yet even reviewed with the architect, and that the two agencies must continue to work together in a cooperative manner to achieve success in this joint effort. The KFPD general manager’s response is attached to this report.

It should be noted, as indicated in my report of September 13th, that I have also requested that the architect provide a rough schedule for general planning purposes that describes the activities and timetable from now through project completion, assuming that there are no unforeseen obstacles. At the time this agenda report is being prepared, I have not yet received this schedule, but will provide it to the Board as soon it is available.

Summary of Prior Architectural Work

The architectural firm of RossDrulisCusenbery (RDC) was initially engaged by the Kensington Fire Protection District (KFPD) to design a necessary renovation of the KFPD Public Safety Building (PSB). On September 11, 2019, RDC presented a design for the PSB that housed only the KFPD. After that, the KPPCSD pursued the idea of having RDC come up with a design that would house both departments in the current PSB, and subsequently worked with both the Fire District and RDC for permission to engage RDC. At its meeting of January 23, 2020, the KPPCSD Board, with the concurrence of the KFPD, approved an agreement with RDC in the amount of \$15,673 for their firm to attempt to find a design for the renovation of the Public Safety Building that could accommodate space needs of both KFPD and the KPPCSD Police Department. It was understood that there was no guarantee that this work by RDC would result in a feasible design, but the Board majority felt that it was worthwhile to fund this important additional attempt at a solution.

During the course of the work by RDC, several technical design issues arose that required additional analysis and meeting(s) with the Contra Costa County Building Official. These issues involve accessibility and seismic requirements for the renovated Public Safety Building, and were outside of the original scope of work contracted for by KPPCSD. To continue this architectural analysis, the KPPCSD provided additional funding for an Extra Service Request (ESR 001), with the cost of that ESR split evenly with the Fire District. The cost to each agency was approximately \$13,000.

After undertaking this work, RDC met on July 22nd (along with their structural engineer, IDA) with two Contra Costa County Building Department plan check officials. The key agenda items discussed were:

1. Is there an opportunity to avoid having to add an elevator/lift to serve active-duty staff areas of the project?
2. Is it acceptable to enclose exterior deck areas for use as interior space without violating the “no increase in building size” provision in the Alquist-Priolo seismic legislation?
3. Is the team using the appropriate valuation methodology for establishing the “value of the building,” which in turn defines the project budget limit?
4. How does the County address cost contingencies such as property value changes, construction cost-overruns relative to the project cost budget?

Of the four items discussed, Items #3 and #4 received conclusive responses. The replacement value is calculated, consistent with the architect's approach, by estimating the project as though one was building a full-new-building, with a construction date equivalent to the dates of the proposed remodel. In addition, the budget approval occurs at the time of permitting, and is fixed at that time; therefore, cost overruns during construction (as a result of unforeseen circumstances) will *not* negatively impact the permit.

For Items #1 and #2 above, the County officials acknowledged the legitimacy of the collective approach, and reinforced that the architect's methodology was on track. However, they felt that more individuals needed to offer opinions before they could provide conclusive decisions. They agreed that the *unnecessary hardship* argument for the elevator/lift was the right approach, but could not confirm that it would be approved.

As for enclosing the deck, the Planning Department was called into the conversation for a ruling. During the meeting, the County acknowledged that they have rarely (if ever) had to rule on Alquist-Priolo legislation-related permitting issues, so they are figuring out internally which departments will be taking the lead on which items.

On August 20th, RDC provided an update to the interim General Manager regarding an August 18th call that they had with Judi Kallerman, Principal Plan Checker with Contra Costa County, regarding the two remaining technical issues. RDC reported the following:

- Enclosing the second floor deck, and replacement cost valuation – Contra Costa has yet to make a determination regarding which government entity is responsible for interpretation and enforcement of permitting issues associated with the Alquist-Priolo act.
- Necessity for an elevator/lift – Although there is yet to be a final determination, the preliminary indication is that an elevator/lift will be a required element of the renovation.

County staff also indicated that they are extremely busy and would not be able to resolve these issues for at least a number of weeks.

Based on this update, I contacted Kensington Fire Protection District General Manager Mary Morris-Mayorga to discuss how to move the design forward expeditiously. We agreed that, based on the County's preliminary indication regarding the necessity of an elevator/lift, and the belief that the issue regarding enclosing the second floor deck can be resolved in our favor, the best use of our collective resources would be to request that the architect begin immediately to create a new conceptual design option that includes an elevator/lift and encloses the second floor deck. The architect concurred that this was the most efficient approach, and redirected resources to that effort. They also indicated that completing that work would cost an additional \$6,000, to be equally divided between KPPCSD and KPFD (i.e, \$3,000 to KPPCSD). I authorized this cost increase on behalf of KPPCSD in order to keep this design process moving forward.

RECOMMENDATION

Receive an update on the current status of the architectural design process for housing both the Kensington Fire Department and the Kensington Police Department in in the Public Safety Building.

FISCAL IMPACT

The initial contract between KPPCSD and RDC was for the amount of \$15,673; the ESR approved by the KPPCSD Board was for an additional \$13,000; and the General Manager authorized a \$3,000 increase to the amount of the ESR. The total cost to date, then, for architectural services by RDC based on these authorized expenditures to date is approximately \$32,000. Funding is from budgeted capital funds.

ATTACHMENTS

Public Safety Building Design Option D
September 30, 2020 email from KPPCSD General Manager to KPPD General Manager
September 30, 2020 response to above-referenced email

SUBMITTED BY:

Bill Lindsay
Interim General Manager

GENERAL CONCEPT PLAN ASSUMPTIONS:

THE ATTACHED DRAWINGS ARE CONCEPTUAL IN NATURE AND ARE BASED ON PRELIMINARY FACTORS/ASSUMPTIONS THAT INCLUDE:

1. THE EXISTING BUILDING DOCUMENTATION IS INCOMPLETE. THE CURRENT LAYOUTS ARE BASED ON PAPER-DRAWINGS PROVIDED BY THE DISTRICT, BUT HAVE NOT BEEN CROSS-REFERENCED BY CONDITIONS IN THE FIELD. DETAILED AS-BUILT DRAWINGS ARE REQUIRED TO VALIDATE CURRENT CONDITIONS.

2. THE MAJORITY OF THE MECHANICAL EQUIPMENT IS ASSUMED TO BE RELOCATED TO THE ROOF OR OTHER AREA EXTERIOR TO THE MAIN BUILDING.

3. THE ELEVATOR ASSUMES A MACHINE ROOM-LESS (MRL) CONFIGURATION. THIS FEASIBILITY IS TO BE VERIFIED.

4. FURTHER VERIFICATION REQUIRED TO VALIDATE REDUCING THE SIZE OF THE ELECT/COMM/IT SPACE. A DETAILED AS-BUILT ASSESSMENT IS REQUIRED.

5. FURTHER ENGINEERING—INCLUDING STRUCTURAL DESIGN AND SHEAR WALL REQUIREMENTS—MAY IMPACT THESE SPACE LAYOUTS

AREA CALCULATIONS

FIRST FLOOR GROSS: 3,092sf

FIRST FLOOR F.D. NET: 1547sf

-includes elevator, stair, app. bays & support spaces

FIRST FLOOR P.D. NET: 859 sf

FIRST FLOOR SHARED NET: 297 sf

-includes lobby, secure hallway, restroom

SECOND FLOOR GROSS: 2,932sf

-excludes existing 327sf outdoor terrace

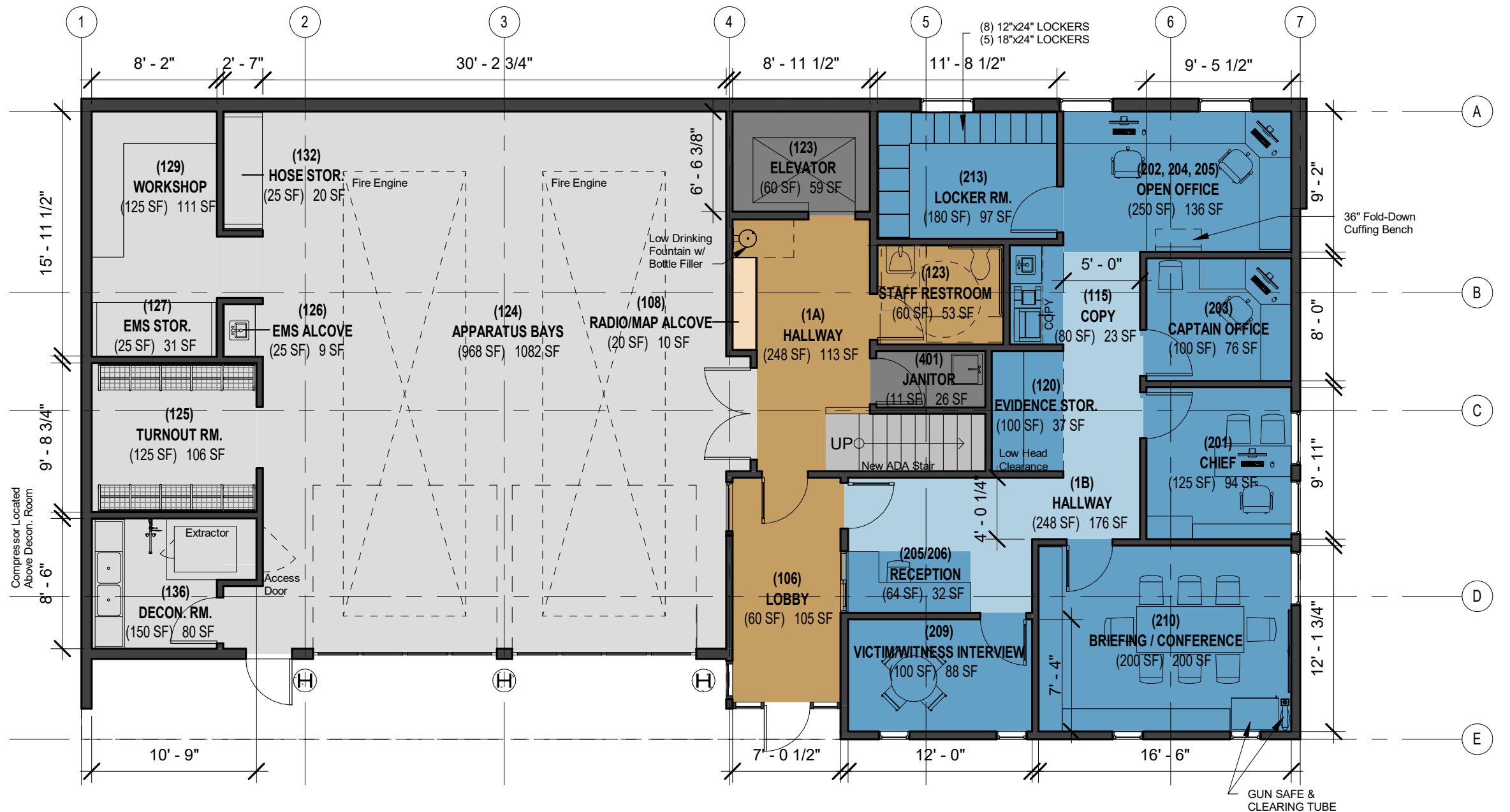
SECOND FLOOR F.D. NET: 2,796sf

SECOND FLOOR SHARED NET: 163 sf

-includes elec., mech & gen rooms

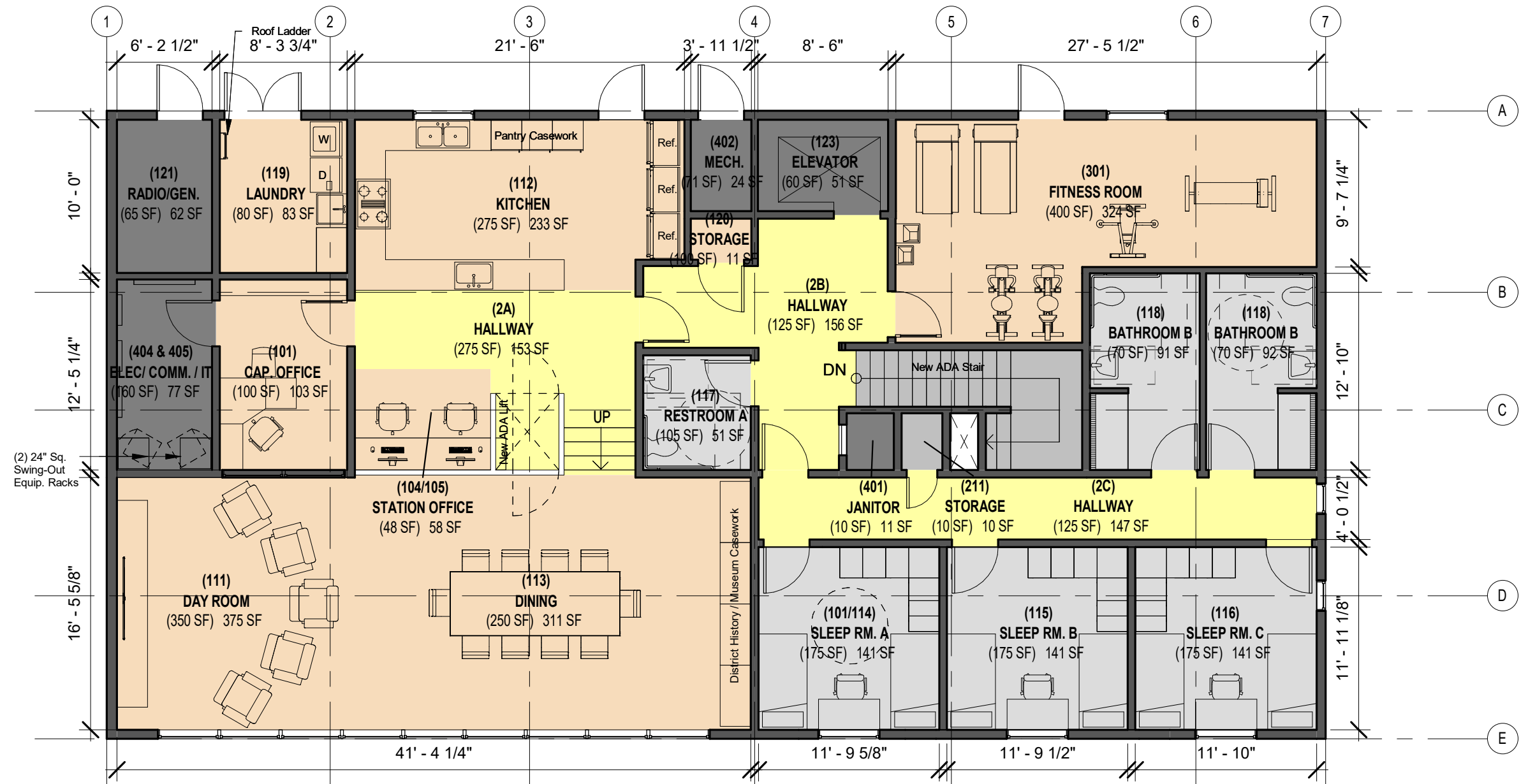
Net areas do not include interior partitions or exterior walls.

RossDrulisCusenbery Architecture, Inc.



**FIRST FLOOR OPTION D
With Elevator & Enclosed Deck**

CONCEPTUAL FIRST FLOOR PLAN - RENOVATION



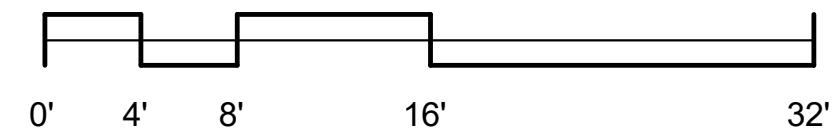
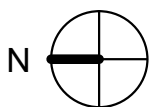
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RossDrulisCusenbery Architecture, Inc.



**SECOND FLOOR OPTION D
 With Elevator & Enclosed Deck**

CONCEPTUAL SECOND FLOOR PLAN - RENOVATION

From: [Bill Lindsay](#)
To: ["Mary Morris-Mayorga"](#)
Cc: [Walt Schuld](#)
Subject: Special Meeting of KPPFD Board of Directors
Date: Wednesday, September 30, 2020 5:59:33 PM

September 30, 2020

Mary Morris-Mayorga
Interim General Manager
Kensington Fire Protection District

Dear Ms. Morris-Mayorga:

I was both surprised and disappointed to receive your email this afternoon informing me that the Kensington Fire Protection District Board of Directors called a special meeting for tonight for you to discuss "payment options," including a cost allocation to KPPCSD, for a conceptual design of the renovation of the Public Safety Building which has not yet been reviewed by KPPCSD staff nor its Board of Directors.

The surprise was in hearing that there was a special meeting called, since you represented to me in our phone conversation last week that the KPPFD Board would not meet until October 14th. This is significant in that the schedule we discussed would have allowed:

- (1) An opportunity for the KPPCSD interim Police Chief and interim General Manager to have a meeting with the architect to discuss specific elements of the "Option D" design, which includes the elevator and patio enclosure. As I confirmed with you today, our meeting with the architect is scheduled for tomorrow, and
- (2) An opportunity for the KPPCSD Board of Directors to discuss the draft "Option D" design with the KPPCSD Board of Directors to determine how it might meet the needs of the KPPCSD Police department, and to provide input to staff and to the architects.

I was also very surprised to see the nearly \$8 million cost estimate for the first time (\$7 million net of the cost of a temporary facility) for what I understand to be the Option D design. While we have discussed in very general terms how costs for the renovated facility might be reasonably allocated between the two agencies, I believe it is premature to do a budget cost allocation for a project option that KPPCSD has not

yet even reviewed with the architect.

Perhaps more difficult to accept is the disappointment in your not having communicated with me until this afternoon the change in your schedule for reviewing plans, and the fact that there was no communication whatsoever concerning the material to be presented to the KPF Board of Directors this evening. I was under the impression that our communication on this topic was far more open and transparent than I am currently witnessing.

It has always been my perception, one that I believe you share, that government agencies can achieve far more for their constituents if they work together in a cooperative manner. I hope that you will accept this communication in the spirit of continuing to work in this manner, which is my intent in sending it to you.

I look forward to continuing to work with you on the Public Safety Building project, and on other important projects of mutual interest.

Sincerely,

Bill Lindsay
Interim General Manager
Kensington Police Protection and Community Services District

*Bill Lindsay
Interim General Manager
Kensington Police Protection and Community Services District
510-292-7408*

From: [Mary Morris-Mayorga](#)
To: [Bill Lindsay](#)
Cc: [Walt Schuld](#)
Subject: Re: Special Meeting of KFPD Board of Directors
Date: Wednesday, September 30, 2020 6:35:32 PM

Bill,

Thank you for your email regarding the Special and Adjourned Meeting of the KFPD Board of Directors. I believe there may be a miscommunication on my part and need to clear that up immediately as I do not want to impair the working relationship of the two of us and our respective agencies.

The adjourned meeting was a continuation of the KFPD Regular Board of Directors Meeting which contained the Public Safety Building Renovation as most meetings do in order to keep the Board apprised of the status. We did not anticipate this meeting when you and I spoke so I did not have the information to provide or definitely would have. This item contained the project cost estimate (including the updated amount you referenced) and proposed financing options for discussion to determine how the Board would like to proceed and solicit feedback. I anticipate the current budget is on the higher end and may be adjusted downward; however, I need to provide the Board with the information needed to plan for the overall financing of the project on our end to determine whether they would like to explore external financing.

For option D, the Fire Chief has concerns on the design as well so we will be working with the architect to revise to the extent possible. I provided the update for the discussion that the elevator is required which changes design options as I keep them updated along the way. The plan is in no way ready for adoption, this is simply an update of the most current.

I did not intend to blindside you at all with this meeting as I just finalized the information yesterday morning and would like to offer my sincerest apologies at the surprise and disappointment caused. I look forward to working on any and all mutual projects together as well, it has been a pleasure thus far.

Sincerely,

Mary A. Morris-Mayorga, MBA
Interim General Manager
Kensington Fire Protection District

On Wed, Sep 30, 2020 at 5:59 PM Bill Lindsay <BLindsay@kppcsd.org> wrote:

September 30, 2020

Mary Morris-Mayorga
Interim General Manager

Kensington Fire Protection District

Dear Ms. Morris-Mayorga:

I was both surprised and disappointed to receive your email this afternoon informing me that the Kensington Fire Protection District Board of Directors called a special meeting for tonight for you to discuss “payment options,” including a cost allocation to KPPCSD, for a conceptual design of the renovation of the Public Safety Building which has not yet been reviewed by KPPCSD staff nor its Board of Directors.

The surprise was in hearing that there was a special meeting called, since you represented to me in our phone conversation last week that the KPFD Board would not meet until October 14th. This is significant in that the schedule we discussed would have allowed:

(1) An opportunity for the KPPCSD interim Police Chief and interim General Manager to have a meeting with the architect to discuss specific elements of the “Option D” design, which includes the elevator and patio enclosure. As I confirmed with you today, our meeting with the architect is scheduled for tomorrow, and

(2) An opportunity for the KPPCSD Board of Directors to discuss the draft “Option D” design with the KPPCSD Board of Directors to determine how it might meet the needs of the KPPCSD Police department, and to provide input to staff and to the architects.

I was also very surprised to see the nearly \$8 million cost estimate for the first time (\$7 million net of the cost of a temporary facility) for what I understand to be the Option D design. While we have discussed in very general terms how costs for the renovated facility might be reasonably allocated between the two agencies, I believe it is premature to do a budget cost allocation for a project option that KPPCSD has not yet even reviewed with the architect.

Perhaps more difficult to accept is the disappointment in your not having

communicated with me until this afternoon the change in your schedule for reviewing plans, and the fact that there was no communication whatsoever concerning the material to be presented to the KPF Board of Directors this evening. I was under the impression that our communication on this topic was far more open and transparent than I am currently witnessing.

It has always been my perception, one that I believe you share, that government agencies can achieve far more for their constituents if they work together in a cooperative manner. I hope that you will accept this communication in the spirit of continuing to work in this manner, which is my intent in sending it to you.

I look forward to continuing to work with you on the Public Safety Building project, and on other important projects of mutual interest.

Sincerely,

Bill Lindsay

Interim General Manager

Kensington Police Protection and Community Services District

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