

FORESTHILL PUBLIC UTILITY DISTRICT

AGENDA

Regular Business Meeting of the
FORESTHILL PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
Foresthill Elementary School, 24750 Main Street, Foresthill, CA 95631
www.foresthillpud.com

Thursday	March 14, 2024	3:00 P.M.
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A. CALL TO ORDER: 3:00 PM

B. OPEN SESSION - ROLL CALL:

_____ President Ron Thompson
_____ Vice President Jane Stahler
_____ Treasurer Mark Bell
_____ Director Roger Pruett
_____ Director Peter Kappelhof

C. PUBLIC COMMENT:

- Members of the public may provide comments to the Board on items not on the agenda. We welcome and encourage your comments as the Board takes them into consideration in our deliberations.
- Speakers are limited to a maximum of three minutes.
- The Board may not respond to, discuss, or engage in any type of dialog regarding any public comment; however, the President may direct questions to staff for a later response or future consideration by the Board.
- Appropriate and respectful language and behavior is vital to the functioning of a public meeting. We ask the Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior.

D. CLOSED SESSION:

1. Conference with real property negotiators (Gov't Code Section 54956.8). Property: Up to 2,000 acre feet of stored Sugar Pine Reservoir water; District Negotiators: Jane Stahler and Henry N. White; Negotiating Parties: Prospective water users in the American River Basin, Central Valley or elsewhere in the federal Central Valley Project or State Water Project service areas, including but not limited to; U.S. Bureau of Reclamation, City of Folsom, City of Sacramento, Carmichael Water District, San Juan Water District, Sacramento Suburban Water District, San Luis and Delta-Mendota Water Authority and member agencies (e.g. Westlands Water District), State Water Contractors and member agencies (e.g. Santa Clara Valley Water District); Under Negotiation: Price and terms of payment for the sale of surplus stored water from Sugar Pine Reservoir
2. Public employee performance evaluation, Government Code Section 54957(b), Title: General Manager

E. OPEN SESSION - ROLL CALL (Starting at 6:00 PM):

_____ President Ron Thompson
_____ Vice President Jane Stahler
_____ Treasurer Mark Bell
_____ Director Roger Pruett
_____ Director Peter Kappelhof

F. PLEDGE OF ALLEGIANCE

G. ANNOUNCEMENT FROM CLOSED SESSION:

H. PUBLIC COMMENT:

- Members of the public may provide comments to the Board on items not on the agenda. We welcome and encourage your comments as the Board takes them into consideration in our deliberations.
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- The Board may not respond to, discuss, or engage in any type of dialog regarding any public comment; however, the President may direct questions to staff for a later response or future consideration by the Board.
- Appropriate and respectful language and behavior is vital to the functioning of a public meeting. We ask the Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior.

I. CONSENT AGENDA: All items listed under the Consent Agenda are routine in nature and may be approved by one motion.

1. Approval of February 8, 2024, Regular Board Meeting minutes
2. Receive and file combined financial reports for January 2024

J. ACTION ITEMS:

1. Local Agency Formation Commission Special District Board Member ballot
Recommended Action: Complete ballot and direct President to sign and submit
Public comment:
2. Authorize the General Manager to execute a contract with Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants for three years, with an option to extend the contract by two additional years.
Recommended Action: Approve the execution of a contract
Public comment:
3. Vice President Stahler's request to discuss GM "goals".
Recommended Action: Discuss and direct staff accordingly
Public comment:

4. Vice President Stahler's request to discuss Policy 5020, Board Meeting Agenda, particularly subsection .41.
Recommended Action: Discuss and direct staff accordingly
Public comment:
5. Vice President Stahler's request to discuss Policy 5010, Board Meetings, particularly in reference to designated place for FPU D public meetings.
Recommended Action: Discuss and direct staff accordingly
Public comment:
6. Vice President Stahler's request to discuss Policy 4050, Members of the Board of Directors, particularly in reference to subsection .60.
Recommended Action: Discuss and direct staff accordingly.
Public comment:
7. Vice President Stahler's request to discuss Policy 5040, Board Actions and Decisions, particularly in reference to subsections .14, .15, and .30.
Recommended Action: Discuss and direct staff accordingly.
Public comment:
8. Vice President Stahler's request to discuss Lead Service Line Inventory - Estimated Cost and review of any and all deadlines for completion.
Recommended Action: Discuss and direct staff accordingly.
Public comment:

K. DISCUSSION ITEMS:

1. General Manager Report
2. Remarks/reports by Directors

L. ADJOURNMENT

In accordance with Government Code Section 54954.2(a) this notice and agenda were posted in the district's front window at the Foresthill Public Utility District office, 24540 Main Street, Foresthill, CA 95631 on or before 4:30 PM., March 7, 2024.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the General Manager at (530)367-2511. Notification 48 hours prior to the meeting will enable the district to make reasonable arrangements to ensure accessibility to this meeting.

Henry N. White, General Manager

FORESTHILL PUBLIC UTILITY DISTRICT

MINUTES

Regular Business Meeting of the
FORESTHILL PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
Foresthill Elementary School, 24750 Main Street, Foresthill, CA 95631
www.foresthillpud.com

Thursday	February 8, 2024	3:00 P.M.
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A. CALL TO ORDER: 3:00 PM: *President Thompson called the meeting to order at 3:02 PM.*

B. OPEN SESSION - ROLL CALL:

_____ President Ron Thompson	<i>Present</i>
_____ Vice President Jane Stahler	<i>Present</i>
_____ Treasurer Mark Bell	<i>Present</i>
_____ Director Roger Pruett	<i>Absent</i>
_____ Director Peter Kappelhof	<i>Present</i>

C. PLEDGE OF ALLEGIANCE: *Pledge of Allegiance was moved to Open Session meeting.*

D. PUBLIC COMMENT:

- Members of the public may provide comments to the Board on items not on the agenda. We welcome and encourage your comments as the Board takes them into consideration in our deliberations.
- Speakers are limited to a maximum of three minutes.
- The Board may not respond to, discuss, or engage in any type of dialog regarding any public comment; however, the President may direct questions to staff for a later response or future consideration by the Board.
- Appropriate and respectful language and behavior is vital to the functioning of a public meeting. We ask the Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior.

Public comment period was made available. No comments were offered. No public in attendance.

E. CLOSED SESSION:

1. Conference with real property negotiators (Gov't Code Section 54956.8). Property: Up to 2,000 acre feet of stored Sugar Pine Reservoir water; District Negotiators: Jane Stahler and Henry N. White; Negotiating Parties: Prospective water users in the American River Basin, Central Valley or elsewhere in the federal Central Valley Project or State Water Project service areas, including but not limited to; U.S. Bureau of Reclamation, City of Folsom, City of Sacramento, Carmichael Water District, San Juan Water District, Sacramento Suburban Water District, San Luis and Delta-Mendota Water Authority and member agencies (e.g. Westlands Water District), State Water Contractors and member agencies (e.g. Santa Clara Valley Water District); Under Negotiation: Price and terms of payment for the sale of surplus stored water from Sugar Pine Reservoir

2. Public employee performance evaluation, Government Code Section 54957(b), Title: General Manager

F. OPEN SESSION - ROLL CALL (Starting at 6:00 PM): *President Thompson called the meeting to order at 6:00 PM.*

_____ President Ron Thompson	<i>Present</i>
_____ Vice President Jane Stahler	<i>Present</i>
_____ Treasurer Mark Bell	<i>Present</i>
_____ Director Roger Pruett	<i>Absent</i>
_____ Director Peter Kappelhof	<i>Present</i>

G. ANNOUNCEMENT FROM CLOSED SESSION: *President Thompson announced that no reportable action was taken during closed session.*

President Thompson led the Pledge of Allegiance.

H. PUBLIC COMMENT:

- Members of the public may provide comments to the Board on items not on the agenda. We welcome and encourage your comments as the Board takes them into consideration in our deliberations.
- Speakers are limited to a maximum of three minutes.
- The Board may not respond to, discuss, or engage in any type of dialog regarding any public comment; however, the President may direct questions to staff for a later response or future consideration by the Board.
- Appropriate and respectful language and behavior is vital to the functioning of a public meeting. We ask the Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior.

The Board received public comments and those comments will be taken into consideration.

I. CONSENT AGENDA: All items listed under the Consent Agenda are routine in nature and may be approved by one motion.

1. Approval of January 11, 2024, Regular Board Meeting minutes
2. Receive and file combined financial reports for October, November, and December 2023

Board Action: *Director Kappelhof made a motion to approve the consent agenda. The motion was seconded by Treasurer Bell. After a hand vote, the motion carried 4-0.*

J. ACTION ITEMS:

1. Director Kappelhof's request for the board to consider correcting the language relating to the appointment of the board's Clerk and Ex-Officio Secretary (Policy 5010.50)
Recommended Action: Discuss and direct staff accordingly
Public comment:

Board Action: *Vice President Stahler made a motion to grammatically correct Policy 5010.50. The motion was seconded by President Thompson. After discussion, Vice President Stahler withdrew her motion.*

Board Action: Director Kappelhof made a motion to restate Policy 5010.50 as “The Board of Directors shall hold an annual organizational meeting at its regular meeting in January. The Board will elect a President, Vice President and Treasurer from among its members, and will appoint the General Manager or other designee as the Board’s Clerk and Ex-Officio Secretary. Selection of officers will be based on experience or seniority on the Board.”. The motion was seconded by Treasurer Bell. After a hand vote, the motion carried 4-0.

2. Director Kappelhof’s request to reconsider the action taken at the January 11, 2024 board meeting regarding appointment of the board’s Clerk and Ex-Officio Secretary

Recommended Action: Discuss and direct staff accordingly

Public comment:

Board Action: Director Kappelhof made a motion to rescind action taken at the last meeting wherein President Thompson appointed a Board Clerk and for the Board to appoint a Board Clerk at this meeting. The motion was seconded by Treasurer Bell. After a hand vote, the motion carried 4-0.

Board Action: Director Kappelhof made a motion to appoint Treasurer Bell as Board Clerk and Ex-Officio Secretary. The motion was seconded by Treasurer Bell. After a hand vote, the motion carried 4-0.

3. Vice President Stahler’s request to discuss hiring a Business Manager

Recommended Action: Discuss and direct staff accordingly

Public comment:

Board Action: No action taken

4. Vice President Stahler’s request regarding current employee status

Recommended Action: Discuss and direct staff accordingly

Public comment:

Board Actions: No action taken

Public Comment: The Board received public comments on this item as well as on the prior item and those comments will be taken into consideration.

5. Vice President Stahler’s request regarding a 2024 budget amendment

Recommended Action: Discuss and direct staff accordingly

Public comment:

Board Actions: Vice President Stahler withdrew this item.

6. President Thompson’s request to discuss Policy 5050, 5040, 5020, 4070, 4050, and 3082

Recommended Action: Discuss and direct staff accordingly

Public comment:

Board Action: Director Kappelhof made a motion on Policy 5020.10 to change “Wednesday” to “seventh day” and to add at the end of that sentence: “For example, if Board meetings are on Thursday, the agenda will be closed to new items at 12 PM on the preceding Thursday”. The motion was seconded by Treasurer Bell. After a hand vote, the motion carried 4-0.

K. DISCUSSION ITEMS:

1. General Manager Report: *Report Received*
2. Remarks/reports by Directors: *Reports Received.*

L. ADJOURNMENT *Director Kappelhof made a motion to adjourn the meeting. The motion was seconded by President Thompson. After a hand vote, the motion carried 4-0 and the meeting was adjourned at 8:02 PM.*

Submitted by:

Attest:

Ron Thompson, Board President

Mark Bell, Clerk and Ex-Officio Secretary

Foresthill Public Utility District
Statement of Net Position
 January 31, 2024

Item I 2

	Jan 31, 2024
ASSETS	
Current Assets	
Checking/Savings	
10110 · Cash on Hand	250
10120 · Wells Fargo Checking	494,217
10510 · Local Agency Investment Fund	315,573
10512 · Umpqua Savings account	7,025
10519 · Wells Fargo Adv - Money Mrkt	24,878
10520 · Wells Fargo Adv - Face Value	5,350,000
	6,191,943
Accounts Receivable	294,286
Other Current Assets	121,335
	6,607,564
Fixed Assets	10,883,809
Other Assets	443,735
	17,935,108
TOTAL ASSETS	17,935,108
LIABILITIES & NET POSITION	
Liabilities	
Current Liabilities	
Other Current Liabilities	250,928
	250,928
Long Term Liabilities	611,871
	862,799
Total Liabilities	862,799
Net Position	17,072,309
	17,935,108
TOTAL LIABILITIES & NET POSITION	17,935,108

Foresthill Public Utility District
Profit & Loss Budget vs. Actual
July 2023 through January 2024

	<u>Jul '23 - Jan 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
41100 · Consumption Billed	374,005	315,000	59,005
41105 · Residential Overage Charge	0	0	0
41150 · Base rate - Residential	1,210,498	1,050,000	160,498
41200 · Base rate - Commercial	125,100	116,667	8,433
42300 · Meter Installation	0	3,500	(3,500)
49200 · Interest - LAIF	5,931	0	5,931
49210 · Interest - Taxes	2,775	0	2,775
49220 · Portfolio Income	223,241	37,917	185,324
49251 · Interest - Umpqua Bank	0	0	0
49300 · Property Tax Revenues	69,158	72,917	(3,759)
49310 · Home Owner Prop Tax exemption	94	0	94
49510 · Water Charges Penalties	0	0	0
49520 · Service Charges & Reconnect	3,383	8,750	(5,367)
49930 · Grant Income	0	23,333	(23,333)
Total Income	<u>2,014,185</u>	<u>1,628,084</u>	<u>386,101</u>
Expense			
51000 · Wages & Salaries	361,985	451,500	(89,515)
52000 · Taxes & Benefits	205,424	250,440	(45,016)
53000 · Materials & Supplies	71,721	81,667	(9,946)
54000 · Equipment costs	16,914	43,167	(26,253)
55000 · Contracted services	134,732	136,500	(1,768)
55001 · Professional Fees	79,139	130,667	(51,528)
56000 · Resource development	46,914	40,833	6,081
57000 · Utilities	29,365	44,333	(14,968)
58000 · Regulatory and General	103,882	73,500	30,382
61000 · Capital Activities	471,938	249,083	222,855
62400 · Depreciation Expense	225,890		
Total Expense	<u>1,747,904</u>	<u>1,501,690</u>	<u>246,214</u>
Net Ordinary Income	<u>266,281</u>	<u>126,394</u>	<u>139,887</u>
Net Income	<u><u>266,281</u></u>	<u><u>126,394</u></u>	<u><u>139,887</u></u>

Foresthill Public Utility District
Profit & Loss Budget vs. Actual
 July 2023 through January 2024

	<u>Jul '23 - Jan 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Administration	251,602	268,815	(17,213)
Capital Expenditures	471,938	249,083	222,855
Customer Service	205,578	231,583	(26,005)
Distribution	230,126	309,750	(79,624)
Pumping	6,465	18,958	(12,493)
Regulatory Compliance	101,453	184,333	(82,880)
Source of Supply	23,606	23,333	273
Treatment	251,994	215,833	36,161
ZZSP Dbt Svc	11,980	0	11,980
Depreciation	225,890	0	225,890
TOTAL	<u>1,780,633</u>	<u>1,501,688</u>	<u>278,945</u>

Fund Balances

	<u>7/1/2023</u>	<u>Received</u>	<u>Paid Out</u>	<u>Transfers</u>	<u>Balance</u>
General Fund - unspendable	11,109,706			246,047	11,355,753
General Fund - unrestricted	3,313,816	2,014,185	1,190,576	(803,375)	3,334,050
Operating reserves	1,150,830				1,150,830
Debt service reserves	204,676		85,390	85,390	204,676
Capital reserves	427,000		471,938	471,938	427,000
Emergency reserves	600,000				600,000
Total Fund balances	<u>16,806,028</u>	<u>2,014,185</u>	<u>1,747,904</u>	<u>0</u>	<u>17,072,309</u>

* This budget includes Debt Service

Foresthill Public Utility District
Cash Disbursements Register
January 2024

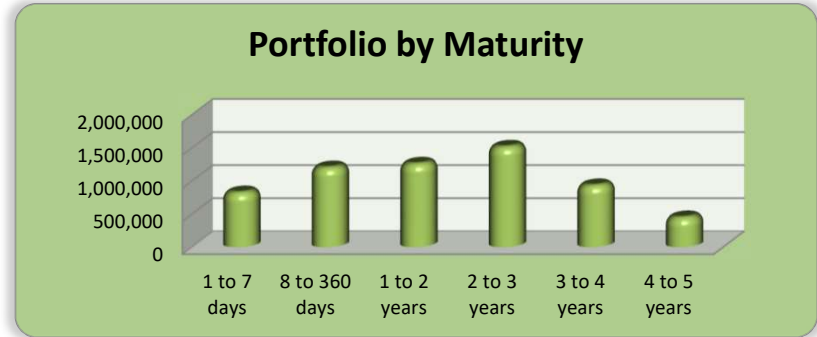
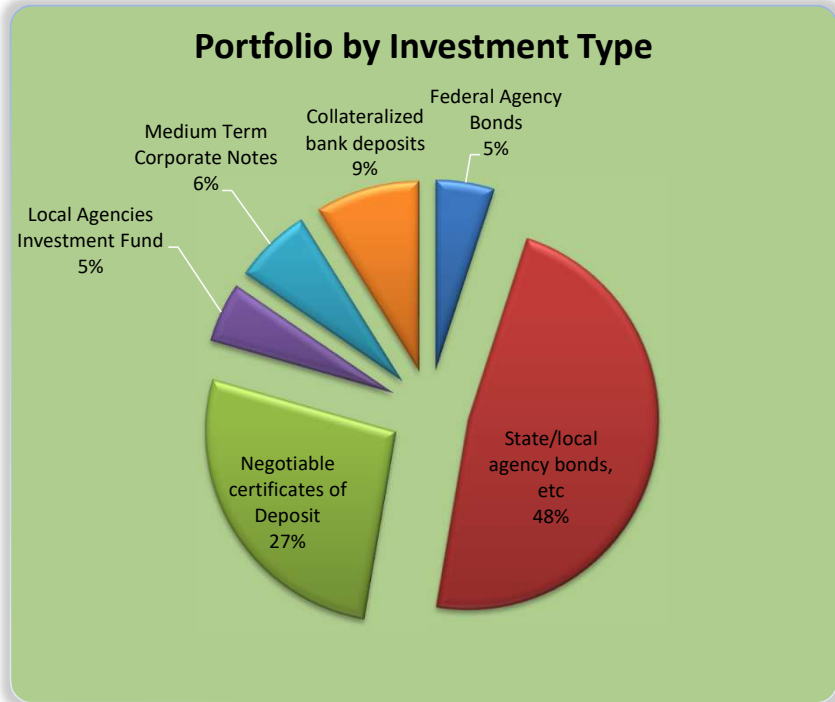
Date	Num	Name	Memo	Paid Amount
Jan 24				
01/03/2024	33741	Auburn Area Answering Service	Answering Service- Jan 2024	-110.05
01/03/2024	33742	Bureau of Reclamation	USBR Sugar Pine Fee- Dec 2023	-1,533.41
01/03/2024	33743	Foresthill Garage, Inc.	vehicle maintenance	-483.99
01/03/2024	33744	Humana Insurance Co	Retiree health insurance Feb 2024	-641.59
01/03/2024	33745	Inland Business Systems	copier costs - inv date 12/27/2023	-155.49
01/03/2024	33746	Kronick, Moskovitz, et al	Legal Fees- Client #012257	-189.00
01/03/2024	33747	Mutual of Omaha	EE life insurance Jan 2024	-323.22
01/03/2024	33748	Pacific Gas & Electric	Dec statements- Indian Ln well, To...	-396.71
01/03/2024	33749	Placer County Engineering and Surveying	Foresthill Rd Pipeine Regulatory In...	-229.83
01/03/2024	33750	Recology Auburn Placer	HQ & WTP Dec trash	-75.50
01/03/2024	33751	Sebastian	Dec telephone. Acct #00008712-7	-532.40
01/03/2024	33752	SWRCB Accounting Office	Water system annual fees 2023-20...	-16,596.79
01/03/2024	33753	United Healthcare	Retiree insurance- January	-243.20
01/03/2024	33754	Vision Quest Information Solutions, Inc.	IT Service Feb 2024	-1,559.00
01/09/2024	33755	Cranmer Engineering, Inc.	water quality	-447.00
01/09/2024	33756	Ferguson Enterprises Inc.	op supplies. cust #414764	-165.70
01/09/2024	33757	Foresthill Valero	Dec Fuel	-883.24
01/09/2024	33758	Grant Hardware, Inc.	Dec supplies	-115.23
01/09/2024	33759	Peterson Brustad, Inc.	Sierra View Lane Project	-12,484.57
01/09/2024	33760	Picovale, Inc.	Data/web service	-862.00
01/09/2024	33761	Placer County , Personnel	Dental- Jan & Feb	-1,113.03
01/09/2024	33762	Robinson Sand & Gravel	Gravel for yard	-670.09
01/09/2024	33763	Secure Record Management	document disposal Q4 2023	-75.00
01/09/2024	33764	Sierra Mini Mart, Inc.	Fuel Dec 2023	-34.49
01/09/2024	33765	Western Hydrologics, LLP	Annual water rights reporting	-210.00
01/16/2024	33766	Infosend	Utility Billing- Dec 2023	-1,433.92
01/16/2024	33767	Lund Construction Co	Foresthill Road Pipeline Proejct	-114,956.40
01/16/2024	33768	Keenan & Associates	EE medical insurance Feb 24	-17,300.60
01/23/2024	33769	Connie Whitehead	Refund 6052 Silverleaf Dr	-0.81
01/23/2024	33770	David Gehringer	Refund 5523 Happy Pines Ct	-74.16
01/23/2024	33771	Doug Renz	Refund 5881 Church St	-117.94
01/23/2024	33772	Foresthill Union Elementary School Distri	Board meeting costs Oct 23- Jan 24	-850.00
01/23/2024	33773	Kevin Wiedrick	Refund 6480 Longridge Ct	-79.82
01/23/2024	33774	Lenwood Shields	Refund 5976 Silverleaf Dr	-7.30
01/23/2024	33775	Paul Moresi	Refund 21655 Foresthill Rd	-9.40
01/23/2024	33776	Robert & Joanne Kennedy	Refund 5504 Mockingbird Ct	-90.10
01/23/2024	33777	Ronnie & Kristine Hollingsworth	Refund 6030 Green Leaf Ln	-46.51
01/23/2024	33778	Scott & Karen Spain	Refund 6171 Hickory Ln	-7.30
01/23/2024	33779	Stephen Miller	Refund 5647 Cold Springs Dr	-9.40
01/23/2024	33780	Vision Service Plan - (CA)	EE vision insurance Feb 2024- Clie...	-115.14
01/30/2024	33781	Ferguson Enterprises Inc.	supplies	-916.93
01/30/2024	33782	Inland Business Systems	copier costs - inv date 01/23/2024	-139.91
01/30/2024	33783	Mutual of Omaha	EE life insurance Feb 2024	-323.22
01/30/2024	33784	Napa Auto Parts	supplies- acct # 8802929	-35.03
01/30/2024	33785	Pacific Gas & Electric	pump, WTP, Sugar Pine Dam power	-5,047.28
01/30/2024	33786	United Healthcare	CL Retiree Health Insurance Feb 2...	-121.60
01/30/2024	33787	Verizon Wireless	cell phone Dec 07-23 Jan 06 24	-49.95
01/30/2024	33788	Wells Fargo Bank	supplies	-842.98
Jan 24				-182,706.23

Foresthill Public Utility District
Investment Policy Compliance
with Government Code Standards, and the Foresthill PUD Investment Plan Standards
As of January 31, 2024

Current Portfolio Balance: \$ 6,191,955

Ca Government Code Section 53601	Govt Code Maximum %	District Maximum %	District Actual %	Complies
Bonds issued by the District		100.00%	0.00%	Yes
Federal Treasury notes, bonds, bills	100.00%	100.00%	0.00%	Yes
State/local agency bonds, etc	100.00%	100.00%	47.50%	Yes
Federal Agency Bonds	100.00%	100.00%	4.97%	Yes
Negotiable certificates of Deposit	30.00%	30.00%	26.65%	Yes
Local Agencies Investment Fund	100.00%	100.00%	5.10%	Yes
Medium Term Corporate Notes	30.00%	30.00%	6.54%	Yes
Money Market Funds	15.00%	15.00%	0.40%	Yes
Collateralized bank deposits	100.00%	100.00%	8.84%	Yes
Shares of Beneficial Interest	20.00%	15.00%	0.00%	Yes
Mortgage pass through security bonds	20.00%	20.00%	0.00%	Yes
Total			100.00%	

Balance by Maturity	Actual %	Actual \$
Range		
1 to 7 days	13%	826,017
8 to 360 days	19%	1,204,153
1 to 2 years	20%	1,260,720
2 to 3 years	25%	1,517,073
3 to 4 years	15%	933,992
4 to 5 years	7%	450,000
Over 5 years	0%	-
		6,191,955



PLACER COUNTY
LOCAL AGENCY FORMATION COMMISSION

Electronic Transmittal

COMMISSIONERS:

Cindy Gustafson
Chair (County)

Susan Rohan
Vice Chair (Public)

Joshua Alpine
(Special District)

Shanti Landon
(County)

Sean Lomen
(City)

Tracy Mendonsa
(City)

Rick Stephens
(Special District)

ALTERNATE
COMMISSIONERS:

Jim Holmes
(County)

William Kahrl
(Special District)

Jenny Knisley
(City)

Cherri Spriggs
(Public)

COUNSEL:

Michael Walker
General Counsel

STAFF:

Michelle McIntyre
Executive Officer

Amy Engle
Commission Clerk

Date: February 27, 2024
To: Special District Presiding Officer c/o Clerk of the District
From: Michelle McIntyre
Re: Selection of a Special District Representative and Alternate

On January 17, 2024, LAFCO requested the Special Districts Presiding Officers consider nominating one or two special district board member(s) to serve as the Special District and Alternate Special District Representative on LAFCO.

We received several nominations for both seats within the deadline. Some nominees were nominated as the voting and alternate voting members. As a result, we ask you to complete the ballots in the following manner:

Regular Voting Special District Representative Ballot

- Choose one candidate only.

Alternate Special District Representative Ballot

- Choose your *first-choice* candidate by writing the number 1 next to their name.
- Choose your *second-choice* candidate by writing the number 2 next to their name.

We will count the ballots for the Special District Representative before tallying the votes for the alternate voting member seat. We will only use your second-choice candidate for the Alternate Representative if your first choice was selected as the regular voting member.

To be considered valid, ballots must be signed by the presiding officer of a special district, or another board member designated by the board. Ballots from a quorum of the Special Districts must be received for the election to be valid, and the person receiving the most votes for each seat shall be appointed. This memo contains ballots and any submitted Statement of Qualifications from the candidates.

Please return completed ballots via email to lafco@placer.ca.gov no later than **Friday, April 26, 2024, at 4 pm.**

Ballot: Selection of Regular Voting Special District Representative on LAFCO

Please choose one candidate:

_____ **H. Gordon Ainsleigh, Auburn Area Recreation and Park District Director**

Nominated by:
Auburn Area Recreation and Park District

_____ **Joshua Alpine, Placer County Water Agency Director**

Nominated by:
North Tahoe Public Utility District
Placer County Water Agency
Tahoe City Public Utility District

_____ **Peter Gilbert, Placer Mosquito & Vector Control District Trustee**

Nominated by:
Placer Mosquito & Vector Control District

_____ **Richard Hercules, Foresthill Fire Protection District President**

Nominated by:
Foresthill Fire Protection District

_____ **William Kahrl, Newcastle Fire Protection District President**

Nominated by:
Newcastle Fire Protection District
Penryn Fire Protection District
Placer Hills Fire Protection District

_____ **Luke Ragan, North Tahoe Fire Protection District Vice President**

Nominated by:
North Tahoe Fire Protection District

_____ **Teresa Ryland, South Placer Fire Protection District Director**

Nominated by:
South Placer Fire Protection District

Name of Special District: _____

Presiding Officer Printed Name

Presiding Officer Signature

Must be received by LAFCO via email at LAFCO@placer.ca.gov no later than Friday, April 26, 2024 by 4pm.

Ballot: Selection of Alternate Special District Representative on LAFCO

Please choose two candidates, numbering your first choice 1 and second choice 2.
Your second choice will be counted in the event your first choice is voted in as the
LAFCO Special District Regular Voting Member.

_____ **H. Gordon Ainsleigh, Auburn Area Recreation and Park District Director**
Nominated by:
Auburn Area Recreation and Park District

_____ **Joshua Alpine, Placer County Water Agency Director**
Nominated by:
Placer Hills Fire Protection District

_____ **Judy Friedman, Tahoe City Public Utility District Director**
Nominated by:
Alpine Springs Community Water District
North Tahoe Public Utility District
Placer County Water Agency
Tahoe City Public Utility District

_____ **William Kahrl, Newcastle Fire Protection District President**
Nominated by:
Penryn Fire Protection District

_____ **Luke Ragan, North Tahoe Fire Protection District Vice President**
Nominated by:
North Tahoe Fire Protection District

_____ **Teresa Ryland, South Placer Fire Protection District Director**
Nominated by:
Newcastle Fire Protection District
South Placer Fire Protection District

Name of Special District: _____

Presiding Officer Printed Name

Presiding Officer Signature

Must be received by LAFCO via email at LAFCO@placer.ca.gov no later than Friday, April 26, 2024 by 4pm.

I am Gordon Ainsleigh, 20-year Board Member of Auburn Recreation District. It has been my fortune, debatably good or bad, to have been president of two boards of directors at a time of crisis.

One was with Midway Heights County Water District in the late 1980s, when the EPA chose us as the first-in-the-nation community water district to attack, and force into chlorination. So in spite of the fact that the head of the National Cancer Institute had recently bragged about the new science showing that chlorinated water caused bowel and bladder cancer, and in spite of our Board's stance that we wanted to pursue ozonation for clean water, the Court went with the statement of the California State Health Officer that chlorinated water did not cause cancer, and we were forced to comply, trading the present giardia risk for a future bowel and bladder cancer risk. Our two small victories were that the EPA started with a proposed \$500,000 fine, and we maneuvered them down to \$37,500, and that we found a way to get the chlorinated water lines installed for less than half of the government-recommended approach, on a time-payment plan that was easy for our customers. It was a tempestuous time. I had taken the Presidency when the hall was full of angry customers, our past president was being unjustly prosecuted, and no one else was willing to sit behind the microphone. I changed the way meetings were handled, and two months later we had a peaceful nearly-empty hall, and could get on with business.

When I got elected to ARD, our organization was the least-trusted and most criticized special district in the Auburn Area. I was the only one who saw what the problem was. ARD had gone through 4 nightmare District Administrators in 10 years. All were wizards at resumes and interviews, but were either inept or dishonest, or both, at managing our recreation district. I also saw what no one else saw: that Placer High School District and Sierra College had also prospered as long as they hired people from within who had proven they were trustworthy and talented; but when they did a national search to get THE BEST, disaster struck. Sierra College paid out \$600,000 to a female librarian who had been bullied by their new wonder administrator, and Placer High School District had to pass a \$23,000,000 local bond to pay for the new high school in Foresthill, because their wonder administrator had deliberately not applied for 1994 State School Bond money that would have built Foresthill High School. Why? Because Mr Wonderful needed passage of a local bond in his resume to get the top job at wealthy Acalanes HSD, which pays twice as much as Placer HSD, and require superintendents with a proven record of bond passage, who can persuade their wealthy citizens in Orinda and Moraga and Lafayette to pass the many bonds and parcel taxes that support their elite school system. I saw that we had to hire from within, and that we had a bright, hard-working, honest young man with a degree in Recreation Management from Northern Colorado University named Kahl Muscott who could save us from disaster. For two month in a row, the rest of the ARD Board ridiculed me because Kahl didn't have the experience. Finally, I got together with the consultant who was doing the nationwide search, and we came up with a plan: hire the new Wonder Administrator for 6 months to teach Kahl how to do the job. Our new wonder administrator was so good that he left after 3 months to build a park from the ground up at decommissioned El Toro Marine Airbase, but Kahl knew enough by then to carry on. And ARD is now a model of success among special districts.

It seems likely that LAFCO could use a person like me on the Board, to see the problems that others don't see, and to formulate solutions that others don't comprehend. That's what I have done, repeatedly. My priorities are simple: to make sure that every LAFCO decision benefits the quality of life of the people who can be affected by that decision.

Joshua Alpine

District 5 Director, Placer County Water Agency | Special District Member, Placer LAFCo

Joshua Alpine is the District 5 Director for Placer County Water Agency (PCWA), where he oversees the Agency's vital efforts to provide an affordable, reliable, and sustainable water supply to the people, environment, and economy of Placer County and the region.

Joshua currently serves on the Placer Local Agency Formation Commission (Commission); he was elected in 2016 to represent Special Districts. He also served on the Commission from 2011-2012, including a term as Chair representing the City of Colfax.

As current President of the Board of Directors for Project GO, Inc., Joshua is engaged in providing affordable housing and energy efficiency programs for low- and moderate-income working families and senior citizens in our area.

Joshua recently served on the Placer County Economic Development Board and the Association of California Water Agencies (ACWA) Board, serving as Chair of ACWA's Region 3 Board from 2015-2023 (Alpine, Amador, Calaveras, El Dorado, Inyo, Lassen, Mariposa, Modoc, Mono, Nevada, Placer, Plumas, Sierra, and Tuolumne Counties). He also serves from time to time as a member of numerous other committees and task forces.

Prior to serving as a Director for PCWA, Joshua served on the Colfax City Council from 2003-2012, including two terms as Mayor. During that time, he was very involved in wastewater, regional water, and land planning issues.

Joshua works effectively with elected officials and agencies at the local, state, and federal levels, including the Regional Water Quality Control Board and the State Water Resources Control Board, developing solutions to water and land use policies that affect our region. At the federal level, he has worked with the U.S. Environmental Protection Agency, U.S. Corps of Engineers, U.S. Department of Agriculture, and the U.S. Department of Housing & Urban Development.

Joshua has a B.S. in Information Systems Management and holds a California State Hydro Power System Operator certification. He worked as a Hydro System Operator from 2003-2009 for Pacific Gas & Electric (PG&E) operating the Bear, South Yuba, and the American Middle Fork river systems; he is currently a Lead System Operator for PG&E's electric transmission system. Joshua is also a member of the Placer County Historical Society and Colfax Lions Club. Joshua lives in Colfax.

Judy Friedman
Director, Tahoe City Public Utility District
Candidate for Placer County LAFCO Special District Alternate Seat

Judy Friedman has been a full-time resident of Tahoe City, located in the unincorporated area of Placer County, for over 50 years.

Friedman was elected to the Tahoe City Public Utility District (TCPUD) Board of Directors in 2008 and is currently serving her 4th publicly elected term. In addition to serving as a director for TCPUD, Friedman has served a variety of community organizations over the years, both as a volunteer and Board member. She is currently the President of Sierra Senior Services and is a small-business owner. Friedman has experience in both the public and private sectors and appreciates the fiduciary responsibility that comes with the office she seeks.

In her role as a public servant, Friedman makes decisions based on sound financial principles and respect for the needs and concerns of residents and the business community.

There has been tremendous growth in Placer County. LAFCO is charged with helping identify ways to organize, simplify, and streamline government and make sure that services are provided efficiently and economically. That requires thoughtful and creative solutions and well-informed decision makers.

Tahoe City was a small town in the '70s. The issues were modest, and the quality of life was hard to beat. As Placer County continues to grow, Friedman believes we need to work hard to balance quality of life while meeting growing service challenges. Friedman is fully committed to serving the citizens of Placer County in this effort, in a collaborative and transparent manner.

Judy Friedman is asking for your support to serve as Special District Alternate Commissioner and appreciates the trust that comes with your vote.

PETER GILBERT

peter-gilbert@sbcglobal.net

Current Chair, Lincoln Planning Commission

Former Councilman/Mayor. City of Lincoln

Former Councilman/Mayor. City of Foster City

Current Board Member, Placer County Mosquito & Vector Control District

Former President/Treasurer, Lincoln Hills Comm. Assoc.

Current member Lincoln Hills Foundation, Board of Directors

Former member Placer County Grand Jury

Former President – League of California Cities Peninsula Division

33 Cities in San Francisco, San Mateo and Santa Clara Counties

Former Chair, San Mateo County Criminal Justice Council

San Francisco State University – Speech Major -Radio/TV

U S Army Intelligence Corp. Sgt., E-6 Honorable Discharge

San Mateo County Safety Man of the Year for efforts funding a major highway project. (92/101 highway interchange)

Executive management experience. I have managed groups as large as 5,000 employees.

Statement of Qualifications for Election to Placer LAFCO

Richard Hercules, President, Foresthill Fire Protection District

The Opportunity for Placer County

It is certain that the special districts within Placer County will have new challenges in their opportunities and manner in which they provide unique services to the public. These serviced communities need to be bound together to develop organizational solutions for the County. These may be that is different than what exists, but again, to the benefit of the public. New state laws will also affect those districts, governments, and their purposes.

Placer County has been affected by the increased rate of development in most all areas. Special districts will be affected, but are largely managed by elected volunteers and staff that focus on the operations of that district. It is apparent that there are separations between the larger urban districts and the more remote districts, but some effort is expected to better align these groups for the issues of the County. LAFCO, with staff and support from Placer County officials, the special district volunteers and local city officials, can evaluate impacts of growth and development on these districts and urban communities and effect change. Appropriately, citizens of Placer County have expectations of services at many levels, particularly those funded by property taxes and assessment measures.

My Background

Much of my career in private industry was the development, operation of new businesses and organizations to deliver a service or product to a wide range of users. In almost all cases, my skills in these efforts required knowledge in long term planning, policy development, defined organizational structure, and legislative and financial management. Accordingly, conflict resolution and the need to manage negotiations for those opportunities is part of that environment. Further, my experience in mergers and acquisitions has broadened my perspectives in finding solutions beneficial to those parties involved, however disparate.

I have many strengths to work and balance improvements of these services through separation, consolidations or restructuring. While these activities are within the purview of LAFCO, I would apply the reality of the needs of the County and its citizens. In the last 5 years of my work with the Foresthill Fire Protection District board, I can offer that the district is better managed in this period than some of its previous history, and with better engagement and appreciation by the community it serves. This is the type of energy and commitment I would apply to this appointment. I look forward to discuss and understand the particular issues your district is experiencing. I can be reached through the Fire District web site or by telephone.

**STATEMENT OF QUALIFICATIONS
PLACER LOCAL AGENCY FORMATION COMMISSION
WILLIAM KAHRL**

My name is Bill Kahrl. For the last 24 years, my wife Kathleen and I have been working together with local community leaders, business owners, elected officials, friends and neighbors to protect and, where possible, to enhance the quality of life we all enjoy in Placer County.

In that connection, I am just beginning my fourth term as President of the Newcastle Fire Protection District. We've accomplished a lot. In 2023, we opened the new fire station in Newcastle that had been delayed for more than ten years. And we're enjoying considerable success with the Joint Operating Agreement we negotiated with the Penryn and Placer Hills Fire Protection Districts. As a result, we have been able to reduce the administrative costs for all three districts while at the same time improving service, reducing response times, while enhancing overall fire safety throughout central Placer.

It's not just the taxpayers who benefit. These improvements mean more opportunities for training and advancement for our firefighters and a better chance that all the communities we serve will be able to meet the increasing demands of the future.

I believe that closer cooperation, practical coordination, and innovative efficiency are essential to ensure that all our special districts will be able to continue delivering the quality of service the public has come to expect. The Placer LAFCO can be the key to making that happen. But it will require leadership. And it will require better communications among the special districts represented on the commission.

I have a long and detailed familiarity with how the LAFCO process works – and where it can sometimes fall short. In my professional life in government and business, I have worked for Democrats and Republican leaders, held key positions on the staff of the Governor and the Speaker of the Assembly, and advised several of California's major corporations as well as its largest water districts and forestry companies. As a journalist, award-winning editor and author, I've been able to focus on several of the state's major natural resource issues. Some of my proudest accomplishments in this area include the creation of the California Wild and Scenic River System, the acquisition of Point Reyes National Seashore, the preservation of Headwaters National Forest, and initiating the creation of the conservation easement that now protects more than 80,000 acres of pristine coastal lands around Hearst Castle.

The point is, I know how to get things done. And, with respect, I would like to ask for your support so that I can continue working on behalf of all our special districts on Placer LAFCO. If you have any questions or would like to discuss the issues your district is facing, please do not hesitate to call me at 916-663-0785.

William Kahrl, President
Newcastle Fire Protection District
Board of Directors

Luke Thomas Ragan
P.O. Box 1793
Tahoe City, CA 96145
530.308.5098
ragan@ntfire.net

My name is Luke Thomas Ragan. My family is fifth generation Tahoe City. I currently serve on the North Tahoe Fire Protection District Board. I have been the Vice President on that Board for the past four years and have served on the Board since 2016. I also serve on the Boards for North Tahoe Little League and the Tahoe City Recreation Association. I am currently the President of Pacific Built, Inc. and sole owner of Ragan Snow Removal in Tahoe City. I graduated from North Tahoe High School and am currently the head junior varsity football coach and work with the varsity team as well.

I am interested in this position to make a difference and protect the interests in Placer County. I appreciate your consideration to be nominated for a seat on the Placer County LAFCO Board.

Please feel free to contact me if you have any questions.

STATEMENT OF NOMINEE FOR
INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

Name: Teresa R Ryland, CPA, CFE

Special District: South Placer Fire Protection District

I am excited with this opportunity to serve the County on the LAFCO. This committee work would capitalize on my extensive experience in serving government agencies in Placer and allow for future decisions and conversations that benefit all residents of the County.

I have lived in South Placer for 34 years and am proud to have served as a South Placer Fire Protection District Director for over a decade. Through strategic planning, careful budgeting, and efficient operating practices we have been able to maximize our funding, thereby continuing to provide top notch service. I am committed to working with all agencies in the County to assure our strong, continued operation in support of our community and the entire County.

Professionally, I have spent 37 years working with and for California public agencies in planning, finance and facilities arenas, including the last 20 as a local, small business owner in Placer County. My business has involved working with most of the school districts in the County, several cities, the County of Placer, PCWA and of course fire districts.

I served on the fire board as we worked with Loomis Fire on an administrative and support MOU, then through the actual consolidation of the two districts. I am currently working with two other counties' LAFCOs (school district version) – Los Angeles and Sacramento county - as we work through potential school district unification projects.

It would be an honor to represent SPFD on the Placer County LAFCO.

Ballot: Selection of Alternate Special District Representative on LAFCO

Please choose two candidates, numbering your first choice 1 and second choice 2.
Your second choice will be counted in the event your first choice is voted in as the LAFCO Special District Regular Voting Member.

_____ **H. Gordan Ainsleigh, Auburn Area Recreation and Park District Director**
Nominated by:
Auburn Area Recreation and Park District

_____ **Joshua Alpine, Placer County Water Agency Director**
Nominated by:
Placer Hills Fire Protection District

_____ **Judy Friedman, Tahoe City Public Utility District Director**
Nominated by:
Alpine Springs Community Water District
North Tahoe Public Utility District
Placer County Water Agency
Tahoe City Public Utility District

_____ **William Kahrl, Newcastle Fire Protection District President**
Nominated by:
Penryn Fire Protection District

_____ **Luke Ragan, North Tahoe Fire Protection District Vice President**
Nominated by:
North Tahoe Fire Protection District

_____ **Teresa Ryland, South Placer Fire Protection District Director**
Nominated by:
Newcastle Fire Protection District
South Placer Fire Protection District

Name of Special District: _____

Presiding Officer Printed Name

Presiding Officer Signature

Must be received by LAFCO via email at LAFCO@placer.ca.gov no later than Friday, April 26, 2024 by 4pm.

Ballot: Selection of Regular Voting Special District Representative on LAFCO

Please choose one candidate:

_____ **H. Gordan Ainsleigh, Auburn Area Recreation and Park District Director**

Nominated by:
Auburn Area Recreation and Park District

_____ **Joshua Alpine, Placer County Water Agency Director**

Nominated by:
North Tahoe Public Utility District
Placer County Water Agency
Tahoe City Public Utility District

_____ **Peter Gilbert, Placer Mosquito & Vector Control District Trustee**

Nominated by:
Placer Mosquito & Vector Control District

_____ **Richard Hercules, Foresthill Fire Protection District President**

Nominated by:
Foresthill Fire Protection District

_____ **William Kahrl, Newcastle Fire Protection District President**

Nominated by:
Newcastle Fire Protection District
Penryn Fire Protection District
Placer Hills Fire Protection District

_____ **Luke Ragan, North Tahoe Fire Protection District Vice President**

Nominated by:
North Tahoe Fire Protection District

_____ **Teresa Ryland, South Placer Fire Protection District Director**

Nominated by:
South Placer Fire Protection District

Name of Special District: _____

Presiding Officer Printed Name

Presiding Officer Signature

Must be received by LAFCO via email at LAFCO@placer.ca.gov no later than Friday, April 26, 2024 by 4pm.



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

FEBRUARY 29, 2024

Item J 2

FORESTHILL PUBLIC UTILITY DISTRICT
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
FOR THE FISCAL YEARS ENDING JUNE 30, 2023 THROUGH 2025,
WITH THE OPTION TO EXTEND FOR TWO YEARS

CONTACT PERSONS:
SCOTT MANNO, CPA, CGMA
smanno@ramscpa.net

BRAD WELEBIR, CPA, CGMA, MBA
bwelebir@ramscpa.net

909.889.0871

PREPARED BY
ROGERS ANDERSON MALODY & SCOTT, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, CA 92408

LICENSE #2596
FEIN 95-2662063

FORESTHILL PUBLIC UTILITY DISTRICT
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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Attachment A: Recent government clients served



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

February 29, 2024

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Foresthill Public Utilities District
P.O. Box 266
24540 Main Street
Foresthill, California 95631

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Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants



Proud Member of
AlliottGlobalAlliance™

We are pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP, (RAMS) to your request for a proposal regarding professional auditing services. As a recognized industry leader and innovator, our goal for the past 75 years has been to provide honest, objective and high-quality results to all our clients, including governmental organizations such as yours. Our success in these efforts is witnessed by the continued organic growth of our firm and our list of long-term clients, some we have served for over 20 years.

At RAMS, we are committed to providing the highest quality audit possible. We understand the complexity of performing governmental audits and that is why we have a *dedicated team of auditors* that possess the specialized knowledge and experience to help ensure our audits are planned and executed in a way that maximizes audit efficiency and effectiveness and provides you the highest quality services.

We are aware that Foresthill Public Utility District (the District) will be reviewing other proposals during this process, but we believe that RAMS would be an exceptional choice for the audit for the following reasons. Our firm:

- Utilizes *Teammate Analytics*, a suite of more than 200 Computer Aided Audit Tools (CAATs). This software empowers our audit teams with the ability to perform powerful, meaningful data analysis which builds upon our other robust, substantive audit procedures. This value-added service also helps to identify specific transactions or amounts which may be indicative of fraud.
- Performs an intelligent, risk-based audit (using our CAAT) which enables us to focus on key audit areas allowing us to become more efficient resulting in a higher quality audit at a reasonable fee.
- Currently provides auditing services to over 70 governmental agencies and not-for-profit organizations, including over 30 cities, most of which have enterprise activities and over 35 special districts.
- Developed a comprehensive remote working environment for our audits. All our staff currently have the tools for working remotely in an effective and efficient manner allowing us to still provide a quality audit. Our ultimate goal is to continue to meet your needs, but in a safe environment.
- Has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high quality reporting to our clients.
- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.

- Understands the audit process can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit. We make every effort to ensure the audit process, from the interim fieldwork to the preparation of any required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this by comprehensively planning the audit and utilizing our staff and audit technologies in the most efficient and effective manner while keeping disruptions and miscommunications to a minimum.
- Has audit team members that are personable and easy to work with, yet still focused on the audit. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service. Our firm has a total staff of forty-four people, which includes sixteen certified public accountants. The staff consists of seven partners, five managers, ten supervisors/senior accountants, seventeen staff accountants, and five support staff.
- Has an extensive internal quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and reviewed by the engagement manager, *each report is also examined by 2 partners and at least 1 professional proofreader.*
- Has assisted many of our clients with the preparation of their Annual Comprehensive Financial Reports, and all our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. *Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.*
- Believes that our fee estimate provides a fair and reasonable investment, commensurate with level of service provided and the experience of the audit team members. While we may not be the lowest bidder, that is not our objective. We focus on delivering the best value and price our prospective engagements accordingly.

As you will see from our proposal, it was prepared in a clear, concise and simple manner in accordance with the request for proposal. We feel our firm, staff and reputation as a leader in governmental auditing exceeds the need for the excess information you may see in other proposals.

Rogers, Anderson, Malody & Scott, LLP is properly licensed to practice in California, including all the assigned professional staff to the engagement. Mr. Manno, Partner, and Mr. Welebir, Partner, are authorized to represent the firm, are empowered to submit the bid and authorized to sign a contract with the District. We understand the work to be done as listed in the section of this proposal titled *Services to be provided* and have provided similar engagements in the section titled *Similar engagements with other entities*. In addition, we will be committed to meeting any agreed upon time frames.

We can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, smanno@ramscpa.net or bwelebir@ramscpa.net.

Thank you for the opportunity to present our proposal to the District. We will be committed to exceeding your expectations of an auditor and believe this proposal provides you with information about our firm, the service team members and our customized audit approach. We look forward to having a long and mutually beneficial relationship with the District. Please feel free to contact us if you have any questions regarding this proposal.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Scott Manno, CPA, CGMA
Partner

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the District and any component units, as defined by general standard number two of the generally accepted auditing standards, and by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards*.

License to practice

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. Our key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and follow all applicable Board of Accountancy standards.

Insurance

We will maintain the District's minimum insurance requirements, as listed in the RFP, during the entire term of the engagement.

Workpaper retention and access to workpapers

Our firm will retain audit workpapers for a minimum of seven (7) years, unless notified in writing by the District of the need to extend the retention period. In accordance with professional standards, workpapers are available upon requests to regulators.

Firm qualifications and experience

About our firm

We are a local firm founded in 1948 and located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. We provide a full range of services as expected of a full-service accounting firm. We are one of the oldest, most trusted, and respected CPA firms in Southern California, with over 75 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting, and management advisory services. Over *sixteen thousand hours per year* are devoted to this area of our practice, which includes cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. We do not use our government accounting and auditing practice as "fill work" for the firm, it is one of our primary focuses thus allowing us to provide quality services to local governments.



We understand your desire to engage auditors that have a thorough understanding of the ever-changing complex accounting and compliance issues confronting governments today. Our firm has an extensive history of governmental accounting and auditing. During that time, we have gained valuable experience, acquired an in-depth knowledge of, and obtained the technical expertise needed to perform high quality governmental audits. This expertise has enabled us to provide exceptional, high-quality service and to provide solutions at fees we feel represent our value to our clients. In addition, we use our participation in various industry associations to continuously update our knowledge with respect to issues relating to governmental accounting, auditing, and operations. Any insight we gain is immediately passed on to our clients if we feel they will benefit from it.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

Our firm has a total staff of forty-four people, which includes sixteen certified public accountants. The staff consists of seven partners, five managers, ten supervisors/senior accountants, seventeen staff accountants, and five support staff. The audit staff consists of twenty-one members who devote over 80% of their time to municipal engagements. The engagement team assigned to the District's engagement will consist of the following full-time staff: one audit partner, one audit manager, one audit supervisor, and two to three senior/staff auditors. All personnel are out of our San Bernardino office. All partners and the manager assigned to the engagement are GFOA ACFR reviewers.

Single audit experience

Most of our municipal clients, and some of our other governmental and not-for-profit clients, have been subject to an audit in accordance with *Uniform Guidance*. We recently performed single audits for the following entities:

City of San Bernardino	City of Menifee
City of El Cajon	Elsinore Valley Municipal Water District
City of San Marcos	City of Imperial Beach
City of Twentynine Palms	Town of Yucca Valley
City of Woodlake	City of Thousand Oaks
City of Exeter	San Joaquin Regional Rail Commission
City of Live Oak	City of Hawthorne

Our specialized Single Audits Team is led by Partners and Managers with Intermediate and Advanced Single Audit Certifications issued by the AICPA guaranteeing a successful and thorough engagement.

ACFR preparation

We have extensive experience in the preparation of Annual Comprehensive Financial Reports (ACFR). For the fiscal years ended June 30, 2021 and 2022, our staff prepared over 25 ACFR's, with each entity receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ended June 30, 2023, again, our staff prepared over 25 ACFR's for our clients for submittal to the GFOA. In addition, we have helped many cities and special districts develop their first year's report for submittal. Four of our audit partners and four of our supervisory staff are technical reviewers for the GFOA award program. **In addition, we review all the ACFR's for compliance with the GFOA certificate program checklist, as well as addressing any prior year comments, if applicable, to insure they have been addressed.**

Equal Opportunity Employer

Our firm is an equal opportunity employer and is committed to providing employment opportunities to all qualified persons regardless of race, color, sex, religion, national origin or handicap. Our staff represents a wide range of cultures and ethnic backgrounds. We provide opportunities for advancement for all staff based on ability, skill and desire to advance.

Engagement quality control

We have an extensive internal quality control review process to ensure your audit meets the highest standards. In addition to the preparation of financial reports by a senior member of the engagement team, each report is reviewed by the engagement manager/supervisor and then is examined by the engagement partner. Subsequently, a technical review is then performed by the engagement Quality Control partner along with being proofread by at least one professional staff. In addition, all audit workpapers are reviewed by the in-charge auditor and the partner in-charge of the engagement.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center* (the Center), we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental audit practice to deliver the highest quality audit services possible.

In addition, the Center provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership provides us with timely information on a variety of technical, legislative, and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations which we pass on to our clients.

External quality control review

As a member of the AICPA Private Companies Practice Section, our firm has participated in the "Peer Review" program since 1993 and has been examined every three years since that date by an outside, independent firm of certified public accountants. Participation in this program ensures that our engagements, firm policies, and audit procedures meet the standards of the AICPA, the Yellow Book, and the California State Board of Accountancy. Throughout our participation in this program, *the firm has only received pass ratings from the peer reviewers.*

During each review, an independent firm reviews our policies and procedures and then inspects a representative sample of engagement workpapers and reports, including governmental entities and engagements subject to the *Uniform Guidance*. For the year ended November 30, 2020, our firm received a rating of *pass* which indicates our auditing practice is suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable standards. The results provide confirmation that the custom audit approach and procedures we use are technically sound and in compliance with applicable standards.

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

June 4, 2021

To the Partners of Rogers, Anderson, Malody & Scott, 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 Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements 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 Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of *pass*.



GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



10850 Gold Center Drive, Suite 260
Rancho Cordova, CA 95670
916/922-5109 FAX 916/641-5200

Princetonville, HI 96722
888/769-7323

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

Disciplinary action

The firm **has never** had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. In addition, we are not aware of any federal or state desk reviews or field reviews of its audits during the last three years.

Our firm does not have a record of substandard work.

In addition to the external quality control review, our firm performs in-house monitoring procedures, which mirror the outside peer review procedures, over our audit and attest engagements annually.

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FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

Similar engagements with other government entities

Entity: *Beaumont-Cherry Valley Water District*

Scope of work: Financial Audit/ACFR*
Date: Years ending December 31, 2017 - present
Engagement partner: Mr. Scott Manno
Total hours: Approximately 200 hours each year
Contact person: Mr. William Clayton, Finance Manager, (951) 845-9581 x221

Entity: *Idyllwild Water District*

Scope of work: Financial Audit
Date: Years ending June 30, 2013 - present
Engagement partner: Mr. Scott Manno
Total hours: Approximately 120 hours each year
Contact person: Mr. Hosny Shouman, Chief Financial Office, (951) 659-2143

Entity: *Triunfo Water and Sanitation District*

Scope of work: Financial Audit/ACFR*
Date: Year ending June 30, 2020 - present
Engagement partner: Mr. Scott Manno
Total hours: Approximately 150 hours each year
Contact person: Mrs. Vickie Dragan, Finance Director, (805) 658-4649

Entity: *Rosamond Community Services District*

Scope of work: Financial Audit
Date: Years ending June 30, 2015 - present
Engagement partner: Mr. Scott Manno/Mr. Terry Shea
Total hours: Approximately 200 hours each year
Contact person: Mr. Brad Rockabrand, Finance Director (661) 256-5812

Entity: *San Bernardino Valley Municipal Water District*

Scope of work: Financial Audit
Date: Years ending June 30, 2004 - present
Engagement partner: Mr. Terry Shea/Mr. Brad Welebir
Total hours: Approximately 200 hours each year
Contact person: Mrs. Cindy Saks, Finance Manager, (909) 387-9224

FORESTHILL PUBLIC UTILITY DISTRICT

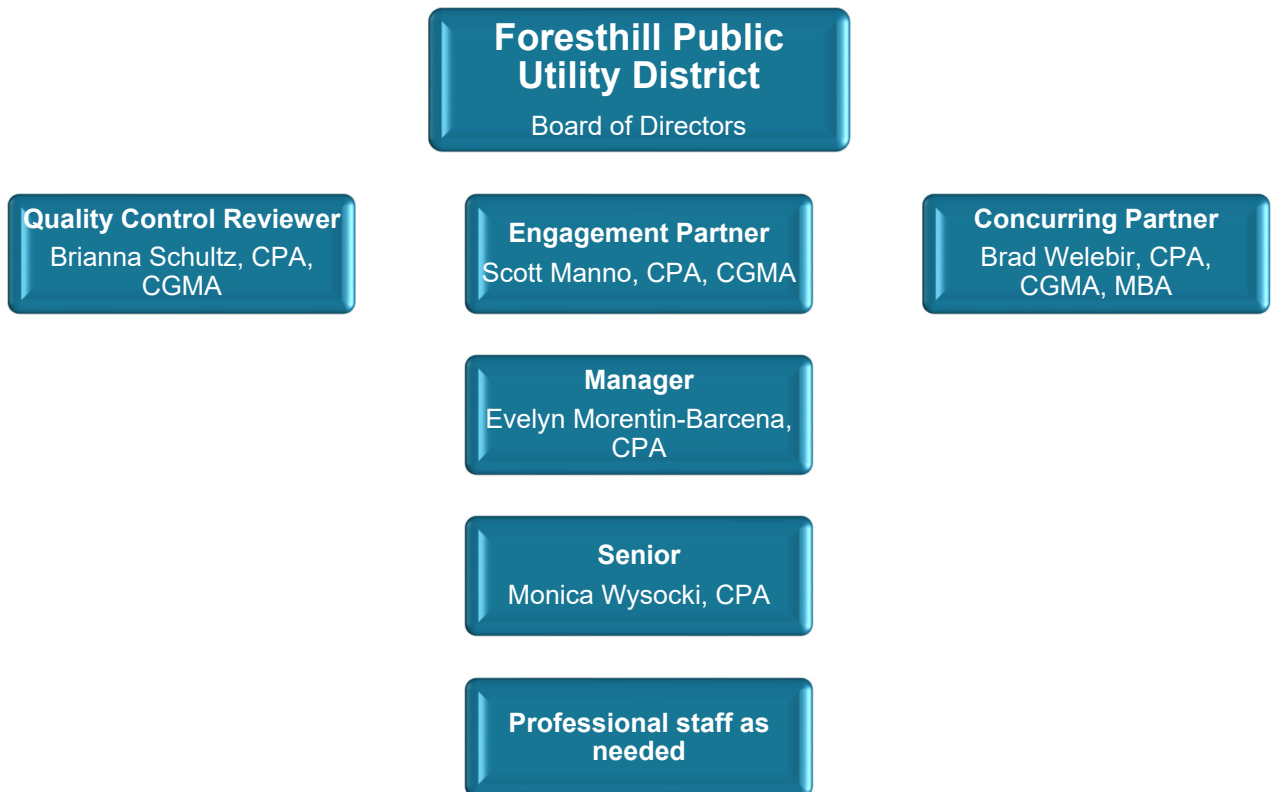
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience

The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement, and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental and not-for-profit entities operate. This experience is a critical component in providing the District with an effective and efficient audit.

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental accounting and auditing along with a broad business perspective. Each member will have access to a wide range of technical resources and knowledge bases which will enable them to provide the District with practical observations and effective solutions.

Below is our proposed organizational chart for the audit:



FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)

Partner and supervisory staff involvement

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim, thus facilitating a proper, efficient, and effective audit, with minimal disruption of your staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of the entire District's accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency, as well as offer practical and functional advice for improving your accounting processes and procedures.

All professionals on this engagement have worked on audits similar in nature to the District's, therefore, the District will not have to train our engagement team.

Staff continuity

Continuity of audit staff is a principal concern with our firm. In order to retain our staff, we offer extremely competitive wages, opportunities for advancement, generous medical packages, a retirement plan, bonus opportunities, as well as educational benefits. Even with the benefits we provide, we realize we may lose staff at any given time. Knowing this, we plan to provide staff continuity from year to year, which is in the best interest of the District and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted. **However, the District reserves the right to accept or reject replacements.**

We believe that due to the significant involvement of the partners on all our engagements, any staff transition would have a minimal effect on the audit efficiency and effectiveness of subsequent years.

Continuing professional education

Our team of auditor specialists stays current in this highly technical practice area by adhering to, and typically exceeding, the continuing professional education requirements of *Government Auditing Standards* as well as the State Board of Accountancy guidelines. All professionals at our firm participate in continuing professional education (CPE) programs, which are sponsored by various organizations including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers and the Association of Government Accountants. Participation in these programs helps us to ensure that our clients are serviced with the best trained and most proficient government auditors and accountants available. In addition, we periodically provide in-house training taught by our partners and senior level staff using published resources. All staff are required to attend fraud and ethics training. It is our goal to provide our professional staff continuing education which exceeds the minimum standard of 80 hours over two years.

In accordance with our firm's Quality Control document and *Government Auditing Standards (GAS)*, all staff members who work on audits subject to GAS are required to complete CPE in accordance with GAS standards which require 24 hours directly related to governmental accounting and auditing.

In addition to the required CPE, we also use the following to increase our technical knowledge: view the Governmental Audit Quality Center Annual Webcast Update and other relevant seminars and review monthly publications from the AICPA, the GFOA, and various other resources. We also attend conferences and seminars sponsored by the GFOA, California Society of Municipal Finance Officers, California State Society of Certified Public Accountants and the California Special Districts Association.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)

Assigned personnel

It is our goal to provide you with capable, competent, and personable individuals who offer an extensive background, not only in governmental accounting and auditing, but also in general business practices. By doing so, it allows us to offer practical solutions, as well as provide technical support. This enables you to stay at the forefront of governmental accounting and provides you with the support you need in dealing with the complex issues confronting entities such as yours.

In addition, our engagement team has the managerial and supervisory experience to provide the District with a comprehensive audit of the highest quality, while still focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. The following individuals will be assigned to the engagement for the entire contract period (see staff *Continuity* section of this proposal):

Scott Manno, CPA, CGMA - Partner, Engagement Partner

Scott will be the Concurring Partner. He is licensed to practice as a certified public accountant in the State of California. He has over 25 years of practical, governmental accounting and auditing experience. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. Scott will directly oversee all engagement staff while assisting in planning and performing the engagement, as well as reviewing all work-papers prepared during the engagement, in addition to all required reports. Scott is a working partner and will be actively and continually involved in all aspects of the engagement.

Brad Welebir, CPA, CGMA, MBA - Partner, Concurring Partner

Brad will be the Concurring Partner. He is licensed to practice as a certified public accountant in the State of California. He has over 20 years of practical, governmental accounting and auditing experience. As the concurring partner Brad will work directly with Scott in planning and performing the engagement. In addition, he will provide technical consultation for the engagement team.

Brianna Schultz, CPA, CGMA - Partner, Quality Control Reviewer

Brianna will be the Quality Control Reviewer. She is licensed to practice as a certified public accountant in the State of California. She has been in public accounting for over 13 years specializing in serving local governments. Brianna will be responsible for the final quality control review of all released opinions and related reports.

Evelyn Morentin-Barcena, CPA - Engagement Manager

Evelyn is a manager with the firm and is licensed to practice as a certified public accountant in the State of California. Evelyn has over 8 years' experience in providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As the engagement manager, she will work directly with the audit in-charge and partner, while supervising the engagement team during all phases of the engagement. In conjunction with the audit in-charge, she will also oversee the preparation of any required reports.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)

Partner and supervisory staff involvement (continued)

Monica Wysocki, CPA - Audit Senior

Monica is an Audit Senior with the firm. Monica has over 2 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit senior, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

Staff level accountants

All staff accountants employed by us and working on governmental audits are qualified to perform such audits. Prior to "audit season", our staff are subject to a rigorous training regimen in which we go over all aspects of our audit process and audit programs ensuring staff members have a solid foundation prior to starting fieldwork. Each staff member is encouraged to take on increased responsibility for engagements previously worked on. This enables our staff to grow on each engagement and allows them to continue to gain the skills and knowledge required to perform the audits.

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service that you will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible -- the professionals assigned to the audits have previously worked together as a multi-disciplined team, thus ensuring a smooth, efficient, and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with the District.

Full engagement team resumes are provided as follows.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)

Engagement team resumes



Scott W. Manno, CPA, CGMA
Engagement Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program. Also, Mr. Manno has done presentations on fraud.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc.

Education/licenses

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Western Municipal Water District	East Valley Water District	Crestline Village Water District	Pine Cove Water District
Beaumont Cherry Valley Water District	Upper San Gabriel Muni. Water District	Big Bear Area Regional Wastewater Agency	Triunfo Water and Sanitation District
West Basin Water District	Helix Water District	Mojave Water Agency	Idyllwild Water District
Chino Basin Desalter Authority	Running Springs Water District	Ventura Regional Sanitary District	Rubidoux Community Services District

Mr. Manno has completed over 170 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ Audits of State and Local Governments
- ◆ Government Accounting and Auditing Update
- ◆ OMB Supplement Addendum and Latest Covid-19

Professional affiliations

Mr. Manno is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Association of Government Accountants (AGA)
- ◆ Association of Certified Fraud Examiners (ACFE)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Special Districts Association (CSDA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)

Brad A. Welebir, CPA, CGMA, MBA
Concurring Partner



Professional experience

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in 2004. He primarily provides audits and advisory services to governmental agencies, small to mid-sized businesses, and not-for-profit organizations. Mr. Welebir serves as a technical reviewer for the GFOA ACFR Award program. He also serves as the CalCPA Inland Empire chapter chair of the governmental accounting and auditing committee and as the representative for the chapter at the state committee.

Education/licenses

Master of Business Administration, Accounting Emphasis – California State University, Fullerton
Bachelor of Arts in Business Administration – La Sierra University
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Riverside County Parks and Open Space District	Mission Springs Water District	Crestline Village Water District	March Joint Powers Authority
Beaumont Cherry Valley Water District	Upper San Gabriel Muni. Water District	Big Bear Area Regional Wastewater Agency	Rubidoux Community Services District
Crestline-Lake Arrowhead Water Agency	San Bernardino Valley Municipal Water District	Elsinore Valley Municipal Water District	Idyllwild Water District

Continuing professional education

Mr. Welebir has completed over 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ◆ Governmental Accounting and Auditing Update
- ◆ Single Audit Update
- ◆ Auditing Fraud Risk in the Current Environment
- ◆ Annual Conference Sessions
- ◆ GAAP Update

Professional affiliations

Mr. Welebir is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)
- ◆ California Special Districts Association (CSDA)

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)



Brianna Schultz, CPA, CGMA
Quality Control Partner

Professional experience

Ms. Schultz began her career with Rogers, Anderson, Malody & Scott, LLP in July 2014, and had over three years' experience with another public accounting firm serving the same industry. She primarily provides audits and advisory services to governmental agencies and not-for-profit organizations. Ms. Schultz serves as a technical reviewer for the GFOA ACFR Award program. She also serves as a member-at-large on the CalCPA governmental accounting and auditing committee.

Education/licenses

Bachelor of Science – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of recent relevant governmental agencies served (*includes enterprise fund accounting):

Las Virgenes Municipal Water District	Rubidoux Community Services District	March Joint Powers Authority	Pine Cove Water District
Elsinore Valley Municipal Water District	Mojave Water Agency	Rosamond Community Services District	San Luis Rey Municipal Water District
Inland Valley Development Authority*	San Bernardino International Airport Authority*	Rossmoor Community Services District	San Bernardino Valley Municipal Water District

Continuing professional education

Ms. Schultz has completed over 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ◆ 2022 Single Audit Update: What to Know and How to Prepare
- ◆ GASB's Lease and SBITA Standards: Practical Implications and Adoption Challenges
- ◆ ARPA and Infrastructure Bill Impacts and FAQs

Ms. Schultz also obtained the AICPA's *Advanced Single Audit Certificate* in 2019 and the *Intermediate Single Audit Certificate* in 2017.

Professional affiliations

Ms. Schultz is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)



Evelyn Morentin-Barcena, CPA
Audit Manager

Professional Experience

Evelyn is an Audit Manager with the firm. She has over 8 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit supervisor, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports. Currently, Evelyn serves as a technical reviewer for the GFOA ACFR Award program.

Education

Bachelor of Science – California State University, San Bernardino
Certified Public Accountant – State of California
Intermediate Single Audit Certificate – AICPA

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Montalvo Community Services District	Beaumont-Cherry Valley Water District	Triunfo Water & Sanitation District	Saticoy Sanitation District
Elsinore Valley Municipal Water District	Crestline-Lake Arrowhead Water Agency	Ventura Regional Sanitation District	Costa Mesa Sanitation District
Idyllwild Water District	Crestline Village Water District	Rosamond Community Services District	Vallecitos Water District

Continuing Professional Education

Ms. Morentin-Barcena has completed over 120 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- ◆ Governmental Accounting and Auditing Update: Single Audit Update
- ◆ SLFRF Final Rule Briefing
- ◆ GASB Update

Professional affiliations

Ms. Morentin-Barcena is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)



Monica Wysocki, CPA
Audit Senior

Professional Experience

Monica began her career with Eide Bailly in January 2022 and joined Rogers, Anderson, Malody & Scott, LLP in May 2022. Monica primarily providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As an audit senior, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

Education

Bachelor of Arts in Business Administration - California State University, San Bernardino
Certified Public Accountant – State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Rubidoux Community Services District	Rossmoor Community Services District	Conejo Recreation and Park District	Eastern Municipal Water District
Elsinore Valley Municipal Water District	Beaumont Cherry Valley Water District	Rosamond Community Services District	Idyllwild Water District
West Basin Municipal Water District	Crestline-Lake Arrowhead Water Agency	San Bernardino Valley Water Conservation District	Triunfo Water & Sanitation District

Continuing Professional Education

Ms. Wysocki has completed the following select courses that are relevant to this engagement:

- ◆ Advanced Auditing Series
- ◆ Audits of State and Local Government
- ◆ What's Going on at GASB

Professional affiliations

Ms. Wysocki is a member of the following professional organizations:

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

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach

Services to be provided

The District desires the financial statements to be audited by the independent auditor for the fiscal year ended June 30, 2023, and each of the subsequent years included in the audit firm's contract with the District. Our audit will be available to perform an on-site interim audit, if requested, use electronic paperless audit software and facilitate the collection of source documents through an electronic portal, as requested by the District.

In addition, we shall:

- Examine compliance with laws, regulations that may have a material effect on the financial statements.
- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information required by the Governmental Accounting Standards Board (GASB) as mandated by generally accepted auditing standards.
- Examine internal accounting controls and accounting procedures and render written reports on findings and recommendations to the General Manager.
- Test compliance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance) for the District, if necessary.
- Provide GASB 68 adjustments to present to District staff upon completion of the audit fieldwork.
- Prepare and print the District's financial statements, including printing of the reports (including a PDF copy)
- Other services as required.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- The Single Audit Act, as amended.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance).
- Independence standard promulgated in the General Accounting Offices Government Auditing Standards
- Any other applicable standards or provisions during the term of the contract required to be performed to complete the engagement.

Reports to be issued:

- Management letter setting forth findings and/or recommendations on those matters noted and observed during the conduct of the examination of the financial records and developed within the scope of the audit.
- Report on the fair presentation of the financial statements in accordance with auditing standards generally accepted in the United States of America for the Foresthill Public Utility District.
- Single Audit Report for the Foresthill Public Utility District, if necessary.
- Other applicable reports that are customary in nature for audit services or required under generally accepted auditing standards.

RAMS will also perform the following:

- Communicate to the governing body, as required by the auditing standards for the engagement performed.
- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the General Manager.
- We will be available to present all final reports to the District's management and governing bodies, as requested.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

Engagement approach

Our engagement approach for your audit will be developed, in part, by using established goals which will enable measurement of the audits progress by the engagement partner and lead auditor. This involves frequent communication between the partner and the engagement team to ensure that all audit objectives are achieved in accordance with our goals and that any issues which may arise are communicated and dealt with on a timely basis. In addition, our in-depth knowledge and expertise in governmental accounting and auditing has allowed us to identify key audit and accounting risks in the government environment. More importantly, the approach provides for a complete reassessment of the control environment in each year's audit and thus enables us to respond to any needed risk assessment changes.

Our engagement approach has been developed and refined over many years. The foundation of our approach revolves around the following:

- **Knowledge and experience.** We have been auditing governmental entities like the District, both large and small, for over 75 years. This experience has allowed us to gain in-depth knowledge of the governmental environment which in turn allows us to perform a more efficient and effective audit. It also enables us to perform detailed risk assessment procedures allowing us to identify significant audit risk areas within the District and its control environment.
- **Intelligent design.** As discussed later in our proposal, all our audits are designed to be intelligent using our powerful audit software/data analytic tools (Engagement and *Teammate Analytics*). This allows us to analyze large amounts of data in seconds increasing both the efficiency and, more importantly, the effectiveness of all our audit engagements.
- **Oversight.** Professional judgment is not developed overnight. Our partners, managers and supervisors have been deeply involved in governmental audits on a continuous basis for most of their professional careers. By having direct partner and manager oversight, we can design audit strategies that result in effective and efficient audits.
- **Timeliness.** Deadlines are not just “dates” to us, they are professional commitments. All required deadlines will be met.
- **Open communication.** Open lines of communication with all parties (the engagement team members and District Management and staff) throughout the audit process helps to eliminate “surprises.” Proper planning and proper use of experienced engagement personnel tend to provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.
- **Availability.** All engagement team members are available throughout the year for any questions or additional consultation. City staff will have direct access to the partner, manager, and other supervisory staff at all times during the engagement, as well as after.
- **Cost effectiveness.** Our customized audit approach and procedures and our experienced auditors help to reduce your overall audit costs while still providing an effective audit and high-quality reports.
- **Risk based approach.** Our detailed risk assessment procedures will consist of activities performed to obtain an understanding of the District and its environment, including its internal control. Evidence from these activities will provide the basis for our assessment of risks of material misstatement at the financial statement and relevant assertion levels. While performing our risk assessment procedures and we may choose to perform further audit procedures concurrently with risk assessment procedures as deemed necessary. In addition, risk assessment procedures will provide some of the necessary evidence about the relevant assertions related to classes of transactions, account balances, or disclosures and about the operating effectiveness of controls.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

As indicated in the previous section of the proposal, the overall objective of the engagement with the District is to conduct an audit of the financial statements in accordance with required auditing standards and the expression of an opinion(s) on those financial statements. Beyond that initial objective, we believe that our engagement approach provides certain other value-added characteristics, at no additional cost, that will benefit the District over the long-term:

- All our audits are designed to be performed in an efficient and effective way to minimize disruption to the office operations.
- We offer practical observations and recommendations relating to internal control issues, implementation of accounting standards and the policies and procedures regarding both.
- We identify opportunities for operating efficiencies which can be used to decrease operating costs of the District.

Proposed audit segmentation

The following is a summary of the audit team's audit approach for the engagement. The audit will be divided into the following segments:

Segment 1 - Interim testing - planning, pre-audit administration, and internal control testing

During this phase of the audit, our principal objectives will be to gather information about the District and its environment, including its internal control over financial reporting.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with the District's staff in order to determine convenient dates in which we can begin our audit and to discuss the assistance to be provided by the District's staff.
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the District's financial statements to material misstatement and fraud.
- Review and evaluate the District's accounting and reporting processes by reviewing the prior year's audit workpapers, any District-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of governance meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of the District and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state and federal statutes, regulations, or charters that apply to the District.
- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the District's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the District's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).
- Test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation to determine whether the relevant controls are in place and functioning properly.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

- Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations. The letter will also include suggestions for improving the efficiency of the District's operations.
- Utilize our powerful audit data analytic software allowing us to analyze large amounts of data in seconds and focusing on areas/transactions that are red flagged.

In addition, we will perform the following procedures related to IT General Controls that "touch" financial data:

- *Security access (including physical) controls:* evaluate the general system security settings and password parameters; evaluate the process for adding, deleting, and changing security access; evaluate the access capabilities of various types of users; evaluate access controls to networks and financial applications; evaluate access controls related to data files; and evaluate physical access to networks, servers, etc.
- *Computer operations:* Evaluate backup and recovery processes and review processes of identifying and handling operational problems.
- *System development and system changes:* Evaluate processes related to system development and system changes (if applicable).
- *Application testing:* We will determine if the testing of application controls is deemed necessary based on our professional judgment in the planning stages of the engagement.

This phase of the engagement for the audit will be performed by the audit senior and two/three staff accountants with direct supervision by the audit manager and partner.

Segment 2 - Year-end testing - substantive testing

During this phase of the audit, our principal objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit and evaluate audit findings, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Identify significant risks and develop a detailed audit plan using the results in Segment 1.
- Design substantive tests of account balances designed and modified specifically for the District's operations and assessed level of risk. Substantive procedures will consist of testing material balance sheet accounts, material revenue and expenditure/expense accounts along with various analytical procedures as deemed necessary. In addition, various accounts may be confirmed with outside parties (cash, investments, etc.).
- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.

This phase of the engagement for the audit will be performed by the senior accountant and two/three staff accountants with direct supervision by the audit manager and partner.

If any proposed audit adjustments are noted during this phase, we will discuss and explain them, in detail, with the appropriate level of management prior to posting.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

Segment 3 - Reporting - report preparation/audit conclusion (workpaper review)

During this phase of the audit, our principal objectives will be to evaluate whether the financial statements, taken as a whole, are free from material misstatement and form an opinion(s) and issue our report.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- Review all audit workpapers to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

This phase of the engagement will be performed by the audit senior and one staff accountant with direct supervision by the audit manager and partner. In addition, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

The above procedures are a general list of procedures to be performed. After our initial review of the District and our detailed risk assessment, we will customize the engagement and gear it towards the needs of the District and the audit itself. In doing so, we will determine which procedures to perform relative to our risk assessment. All our audits are customized to each entity, helping to ensure a complete, effective, and efficient audit. The foundation of the above approach is based on open communication coupled with a strong knowledge of the District's operations and detailed planning at the initial stages of the audit.

Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with District staff and decide on adequate timeframes, agreed upon by both the District and us, for the performance of the audit and the release of the financial statements. *We will dedicate the necessary resources to meet any agreed upon time frames.*

Sample sizes (including for compliance testing)

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment or our TeamMate Analytics software, depending upon circumstance, as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

Intelligent audit technology

Our audits are designed to be intelligent using our powerful audit software tools (Engagement and Teammate Analytics). In addition, all audit team members are linked to each other using wireless connections which enables them to share information at an almost real-time speed. Below are some of the benefits of our audit technologies:

- ***We utilize Teammate Analytics, a suite of more than 200 dynamic Computer Aided Audit Tools (CAATs). This allows us to analyze large amounts of data in seconds. Using data received directly from the District, we can perform the following: search for duplicate checks, detect transactions occurring on holidays/weekends or during unusual hours, perform Benford's Law analysis, and identify instances when a vendor has issued multiple invoices with sequential references along with many other tests. The software empowers our audit teams with the ability to perform powerful, meaningful data analysis which will build upon our other value-added services.***
- We can create our own analytical schedules allowing for easy analysis of current balances to prior year balance, current vs budget balance, thus reducing significant District staff time.
- Once your trial balances and financial statements are entered into our software, we can observe your financial statements in the field allowing us to notice any variances and address them immediately.
- We link the financial statement schedules directly to our audit software trial balances, and as a result, we can provide the District with fund financial statements almost immediately after importing the trial balances.
- We can provide the District with our audited trial balances which show the coding of the financial statement schedules for ease of review for District staff. These reports show each account coded to a specific financial statement line item/function as well as journal entries posted during the audit.
- We have the capability to perform effective and efficient audits remotely as well.

Analytical procedures

In order to properly utilize analytical procedures, industry background and knowledge are needed. With our firm's long history and qualified staff, we believe we have the necessary knowledge and experience to effectively apply analytical procedures. We will utilize analytical review procedures throughout our audit of the District.

- During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine which areas may need additional analysis; we will also compare current year actual amounts to the District's annual budget (both original and adopted).
- During the *final* phase of our audit, we will perform procedures like those mentioned above, as well as compare certain financial ratios for current and prior years. We will also conduct certain "reasonableness" tests. Any significant variances are investigated further through inquiry and other substantive testing as deemed necessary until resolved to our satisfaction.
- Finally, after we have completed our fieldwork, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of the District, similar entities and the general economic environment. In addition, we may choose to use various other analytical techniques such as trend analysis, etc.

Unlike other audit firms, we use analytical procedures to supplement our substantive testing, not supplant them.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

Approach in determining applicable laws and regulations

We understand the importance of laws and regulations in planning an audit of a local governmental entity and design all our audits to ensure we test transactions for compliance. As part of our audit process, our audit team will obtain an understanding of the laws and regulations that will have a direct and material effect on the District's financial statements. In determining which laws and regulations are applicable to the District's financial statement audit, we will consult the following sources:

- AICPA Audit and Accounting Guide, Audits of State and Local Governments
- California Government Code (investments, GANN limit requirements, etc.)
- Applicable State of California laws
- U.S. Government Accountability Office's Government Auditing Standards (The Yellow Book), latest revision
- Applicable contracts/grants of the District
- *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB Uniform Guidance)

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance while continuing to refer to the applicable compliance guideline to ensure changes in compliance are not missed.

Understanding of internal control over financial reporting

Our approach to obtaining an understanding of the District's internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants -- our understanding will include the *Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring*. We will use customized procedures which we have developed internally to evaluate your internal control systems. By combining our customized procedures and our detailed knowledge of the District and their related environment, we will be able to provide constructive feedback in areas we feel need improvement. In addition to our customized procedures, we will also perform the following:

Control Environment. Through inquiry of the District's personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the governing body meetings, we will obtain an understanding of management's and the governing body's attitudes, awareness, and actions concerning the control environment, focusing on the substance of the controls rather than their form.

Risk Assessment. Through inquiry of the District's personnel and the use of questionnaires, we will obtain sufficient knowledge of the District's risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

Control Activities. Certain control procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented that will focus primarily on the District's major transaction cycles. As mentioned above, we will test the District's control procedures on which we intend to rely on for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts and any other manuals, programs, and financial and management information systems will be analyzed during this process.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

Information and Communication. Through inquiry of the District’s personnel, we will identify the major types of transactions engaged in by the related entity. We will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records, and the manner of processing the transactions. Finally, we will obtain an understanding of the District’s financial reporting process used to prepare financial reports, including the approaches used in making accounting estimates and disclosures.

Monitoring. Through inquiry of the District’s personnel and the use of questionnaires, we will obtain sufficient knowledge of the major types of activities the related entities use to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

Auditing in a remote environment

The availability and use of technology has had a significant impact on the accounting and auditing profession, allowing us to provide professional services across longer distances and timelier than ever before. We have continued to evolve our ability to serve our clients remotely throughout the COVID-19 pandemic and have experienced new efficiencies for both auditor and auditee. We anticipate continuing to perform substantially all our audit work remotely and will work with the District to maximize the remote efficiencies using technology. If the District would like members of the audit team on-site, we will work with the related management on determining an acceptable staffing level.

We maintain regular and routine contact with our clients throughout the audit planning, fieldwork, and conclusion phases of the audit with the use of email, phone calls, secure portals, video conferencing, project tracking schedules, and any other means necessary to ensure the timely completion of the audit by any agreed-upon deadlines. Our audit team is very responsive to our clients and we encourage our clients to connect with us throughout the year for any matters that may affect the audit or of a general accounting nature. We have found this to be mutually beneficial for both our clients and the annual audit work.

Remote auditing has many benefits some tangible, as listed above, others intangible. In performing remote audits, we are bettering our employee’s quality of life by reducing unnecessary travel time, reducing traffic congestion on our local freeways while also helping to improve California’s air quality.

Approximate number of hours assigned to each segment

Segment	Partner	Manager	Supervisory	Staff	Total
Segment 1	2	3	5	29	39
Segment 2	3	3	8	37	51
Segment 3	5	4	7	9	25
Totals*	10	10	20	75	115

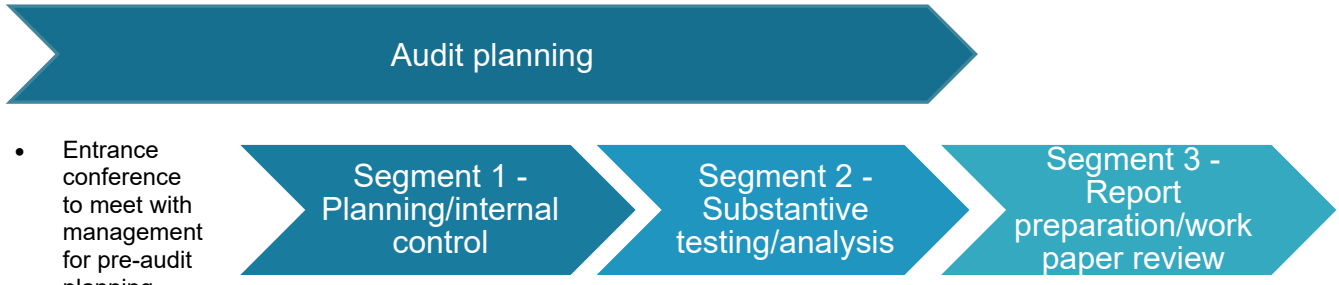
* = excludes Single Audit hours

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

Proposed audit timing



- Entrance conference to meet with management for pre-audit planning.
- Preliminary risk assessment procedures.
- Contact prior auditor for inquiries and review of workpapers.

Anticipated timing of each segment		
March/April*	May*	May/June*
<ul style="list-style-type: none"> • Obtain an understanding of systems, internal controls, and current-year issues. • Assess and evaluate design and implementation of key internal controls (including IT related). • Perform tests of internal controls as needed. • Identify control deficiencies • Perform detailed risk assessment procedures. • Draft internal control comment letter. • Develop detailed audit plan - provide management with a detailed listing of items needed to perform the audit, including the timing of when items are needed. 	<ul style="list-style-type: none"> • Perform substantive audit fieldwork, including substantive analytical procedures. • Consider whether audit evidence is sufficient to form an opinion. • Conduct exit conference with management to discuss proposed entries, internal control issues, etc. 	<ul style="list-style-type: none"> • Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. • Review all workpapers. • Evaluate financial statements and note disclosures. • Perform final analytical procedures. • Draft required reports. • Issue final required reports by or before agreed upon date. • Present to governing body as needed.

**timing for segments listed above are for fiscal year 2023, subsequent fiscal years timing will be discussed and agreed upon with management*

Identification of anticipated potential audit problems

GASBS implementation

One potential problem could be the implementation of any future Governmental Accounting Standards Board Statements. With our deep understanding of governmental accounting and auditing, constant training, and broad resources, we do not anticipate any issues during a GASB implementation. Our approach to any GASB statement implementation would be as follows: gain a thorough understanding of the pronouncement; determine applicability to the District; if applicable, discuss the statement and how it will affect the District with District staff; and provide guidance to District staff on the accounting and financial reporting implications.

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Total all-inclusive maximum price

All-inclusive maximum fee

	Cost of Services (All-Inclusive/Fixed Fee)					TOTAL
	2022-23	2023-24	2024-25	Optional		
				2025-26	2026-27	
Audit of the District's financial statements and related reports	\$ 22,000	\$ 22,800	\$ 23,600	\$ 24,200	\$ 24,800	\$ 117,400
Single Audit Report*	5,125	5,300	5,490	5,630	5,770	27,315
Total Annual Fee for All Reports to be Issued for the Fiscal Year Shall Not Exceed	\$ 27,125	\$ 28,100	\$ 29,090	\$ 29,830	\$ 30,570	\$ 144,715

* = for the first major program; each additional program will be \$4,500 per program for FY 2024 and 2025, \$4,750 for FY 2026 and 2027, and \$5,000 for FY 2028

Level and rate of assigned staff

Schedule of Professional Fees and Expenses to Support the Total All-Inclusive Maximum Price	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
	Partner	10	\$ 375	\$ 350
Manager	10	\$ 250	\$ 225	\$ 2,250
Supervisory Staff	20	\$ 200	\$ 175	\$ 3,500
Staff Accountants	75	\$ 155	\$ 150	\$ 11,250
Sub-Total	115			\$ 20,500
Other Expenses				\$ 1,500
Total				\$ 22,000

FORESTHILL PUBLIC UTILITY DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Additional Data

Why choose RAMS?

Our firm has a long history of providing high-quality professional services to government entities similar to the Agency and has a well-respected reputation in the industry, as partly evidenced by our client satisfaction and retention rates. Our staff are committed to the highest standards in performing quality engagements, and you will find they are very personable and easy to work with. At RAMS, you will always work with professionals who are experienced in governmental audits, and thoroughly informed of current issues facing this rapidly changing field. We focus on efficiency in each engagement by emphasizing detailed planning to mitigate or eliminate surprises and maximize the value of our services to our clients. Our knowledge and involvement in the industry lend to our ability to offer year-round guidance and build lasting relationships with our clients. In addition, RAMS possesses the following:

1. **Knowledge.** We provide highly trained and knowledgeable staff dedicated to client service. We are available throughout the year to answer questions or to provide guidance on any accounting matter.
2. **Quality.** A commitment to quality on **every** engagement is our priority.
3. **Experience.** A client focused team of experienced auditors and accountants will serve the Agency.
4. **Flexibility.** A flexible team that will work with your schedule.
5. **Value.** We provide exceptional client service and quality work at a reasonable and competitive fee.

RECENT GOVERNMENT CLIENTS SERVED

<u>Government Client</u>	<u>Years Served</u>	<u>GFOA Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>
City of El Cajon	06/30/07 to 06/30/23	Yes	Yes	Yes
City of Exeter	06/30/17 to 06/30/23			
City of Woodlake	06/30/17 to 06/30/23			
Town of Yucca Valley	06/30/08 to 06/30/23	Yes	Yes	Yes
City of La Verne	06/30/11 to 06/30/23	Yes	Yes	Yes
City of San Jacinto	06/30/11 to 06/30/23		Yes	Yes
City of La Mesa	06/30/11 to 06/30/23		Yes	Yes
City of Menifee	06/30/14 to 06/30/23	Yes		
City of San Marcos	06/30/14 to 06/30/23	Yes	Yes	Yes
City of Loma Linda	06/30/13 to 06/30/23	Yes	Yes	Yes
City of Sierra Madre	06/30/12 to 06/30/23	Yes	Yes	Yes
City of Hawthorne	06/30/16 to 06/30/23	Yes	Yes	Yes
City of Aliso Viejo	06/30/16 to 06/30/23	Yes	No	No
City of Claremont	06/30/16 to 06/30/23	Yes	Yes	Yes
City of Thousand Oaks	06/30/18 to 06/30/23	Yes	Yes	Yes
City of South Pasadena	06/30/18 to 06/30/23	Yes	Yes	Yes
City of Rolling Hills Estates	06/30/19 to 06/30/23	Yes		
City of Calabasas	06/30/20 to 06/30/23	Yes		
City of San Bernardino	06/30/20 to 06/30/23	Yes		
City of Ojai	06/30/20 to 06/30/23			
City of Beaumont	06/30/20 to 06/30/23	Yes		
City of Moreno Valley	06/30/20 to 06/30/23	Yes		
City of Lawndale	06/30/20 to 06/30/23			
Town of Windsor	06/30/19 to 06/30/23			
City of San Dimas	06/30/20 to 06/30/23			
City of Imperial Beach	06/30/20 to 06/30/23			
City of Brawley	06/30/23			
City of Santee	06/30/23			
City of Perris	06/30/23			
City of Live Oak	06/30/23			
City of Yorba Linda	06/30/23			
City of Canyon Lake	Accounting support			
City of Fontana	Accounting support			
City of Hemet	Accounting support			
City of Rolling Hills	Accounting support			
City of Yucaipa	Accounting support			
City of Angels Camp	Accounting support			
City of Grand Terrace	Accounting support			
Crestline Village Water District	04/30/96 to 04/30/23			
Crestline-Lake Arrowhead Water	06/30/98 to 06/30/23			
San Bernardino Valley Muni Water District	06/30/04 to 06/30/23			
Elsinore Valley Municipal Water District	06/30/15 to 06/30/23	Yes		
Pine Cove Water District	06/30/10 to 06/30/23			

GOVERNMENT CLIENTS SERVICES (continued)

<u>Government Client</u>	<u>Years Served</u>	<u>CSMFO/ GFOA Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>
Consolidated Fire Agencies	06/30/14 to 06/30/23			
Successor Agency to the County of SB	06/30/14 to 06/30/23			
Riverside County Habitat Con. Agency	06/30/15 to 06/30/23			
Santa Ana Watershed Association	12/31/09 to 12/31/22			
Capistrano Bay Community Services District	06/30/13 to 06/30/23			
Ventura County Public Fin Authority	06/30/12 to 06/30/23			
Nipomo Community Services District	06/30/16 to 06/30/23	Yes		
SBIAA	06/30/17 to 06/30/23			
San Diego Workforce Partnership	06/30/16 to 06/30/23			
Rubidoux Community Services District	06/30/16 to 06/30/23			
Conejo Recreation and Park District	06/30/19 to 06/30/23			
Upper San Gabriel Valley MWD	06/30/19 to 06/30/23	Yes		
March Joint Powers Authority	06/30/19 to 06/30/23			
Chino Basin Desalter Authority	06/30/19 to 06/30/23	Yes		
Mountains Recreation and Conservation	06/30/19 to 06/30/23			
Palos Verdes Peninsula Transit Authority	06/30/19 to 06/30/23			
Yucca Valley Airport District	06/30/20 to 06/30/23			
West Basin Municipal Water District	06/30/20 to 06/30/23	Yes		
Idyllwild Water District	06/30/11 to 06/30/23			
Big Bear Area Regional Wastewater	06/30/12 to 06/30/23	Yes		
Mojave Water Agency	06/30/19 to 06/30/23	Yes		
Beaumont Cherry Valley Water District	12/31/17 to 12/31/22	Yes		
Rosamond Community Services District	06/30/15 to 06/30/23			
Rossmoor Community Services District	06/30/05 to 06/30/23			
Rim of the World Park & Rec. District	06/30/06 to 06/30/23			
Heartlands Communications Fac Auth	06/30/07 to 06/30/23			
Heartlands Fire Training Authority	06/30/07 to 06/30/23			
San Joaquin Regional Rail Commission				06/30/23
East Valley Water District				06/30/23
Leucadia Wastewater District				06/30/23
Las Virgenes Municipal Water District				06/30/23
Pomona Valley Transportation Auth				06/30/23
Crestline Sanitation District	Accounting support			
Running Springs Water District	Accounting support			

FORESTHILL PUBLIC UTILITY DISTRICT

POLICY HANDBOOK

Item J 4

POLICY TITLE: Board Meeting Agenda
POLICY NUMBER: 5020

5020.10 The General Manager, in consultation with the Board President, shall prepare an agenda meeting the requirements of the Ralph M. Brown Act for each regular and special meeting of the Board of Directors. Absent approval of the General Manager, the agenda will be “closed” to the addition of new items at 12:00 PM on the seventh day preceding the regular meeting of the Board of Directors. For example, if Board meetings are on Thursday, the agenda will be closed to new items at 12 PM on the preceding Thursday.

5020.20 Any member of the public may request that a matter directly related to District business be considered for placement on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

5020.21 The request must be in writing and be submitted to the General Manager together with supporting documents and information, if any, at least seven business days prior to the close of the agenda for the meeting where the item is to be considered. If the General Manager decides the request should be placed on a Board agenda, General Manager may exercise his/her discretion in including the item on the next, or a subsequent meeting, agenda depending on the press of other business before the Board.

5020.22 The General Manager shall be the sole judge of whether the request is or is not a "matter directly related to District business" in determining whether to place the matter on a meeting agenda. The person requesting the agenda addition may request that the Board of Directors reconsider the General Manager's adverse decision at the next regular meeting of the Board of Directors. Notwithstanding the determination of the General Manager, any Director may request that the item be placed on the agenda of a regularly scheduled Board regular meeting at the earliest feasible date.

5020.23 No matter which is authorized for consideration by the Board in closed session will be accepted under this policy.

5020.24 The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting, and may limit the time allowed for any one person to speak on the issue at the meeting.

5020.30 This policy does not prevent the Board from taking public comment at regular meetings of the Board on matters which are not on the agenda which a member of the public may wish to

bring before the Board. However, the Board shall not discuss or take action on such matters at that meeting.

5020.40 At least 72 hours prior to the time of all regular meetings, an agenda, which includes all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review at the District office. The agenda shall also be posted on the District's website for public information. All information made available to the Board of Directors (except confidential information allowed by State law per legal counsel authority) shall be available for public review at the time it is made available to the Board.

5020.41 At least 24 hours prior to the time of a special meeting, an agenda, which includes all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review at the District office. The agenda shall also be posted on the District's website for public information. All information made available to the Board of Directors (except confidential information allowed by State law per legal counsel authority) shall be available for public review at the time it is made available to the Board.

FORESTHILL PUBLIC UTILITY DISTRICT

POLICY HANDBOOK

POLICY TITLE: Board Meetings
POLICY NUMBER: 5010

Item J 5

5010.10 Regular meetings of the Board of Directors shall be held on the second Thursday of each month with a closed session at 3:00 PM and an open session at 6:00 PM. Regular meetings shall be held at the Foresthill Elementary School, 24750 Main Street, Foresthill, CA 95631. An agenda advising the public of the regular meeting and matters to be transacted or discussed must be posted in a location freely accessible to members of the public at least 72 hours before the meeting. The agenda must provide a brief general description of each item of business to be transacted or discussed at the meeting. The Board President may cancel a Regular meeting as necessary.

5010.20 Special meetings are meetings called by the President to discuss discrete items listed on the meeting notice. A notice advising the public of the special meeting, the time and location of the meeting and all business to be transacted or discussed must be delivered to the Board of Directors and posted in a location freely accessible to members of the public at least 24 hours before the meeting. The agenda must provide a brief general description of each item of business to be transacted or discussed at the meeting.

5010.30 Emergency meetings are a limited class of meetings. Emergency meetings are held when prompt action is needed due to actual or threatened disruption of public facilities and are held on little notice.

5010.40 Adjourned Meetings are regular or special meetings that have been adjourned or re-adjourned to a time specified in the order of adjournment. A copy of the order of adjournment must be posted within 24 hours after the adjournment. If a meeting is adjourned for less than five calendar days, no new agenda need be posted so long as a new item of business is not introduced.

5010.50 Annual Organizational Meeting. The Board of Directors shall hold an annual organizational meeting at its regular meeting in January. The Board will elect a President, Vice President, and Treasurer from among its members, and will appoint the General Manager or other designee as the Board's Clerk and Ex-Officio Secretary. Selection of officers will be based on experience or seniority on the Board.

5010.60 The President of the Board may adjust the order in which an item appearing on the posted agenda shall be considered for discussion and/or action by the Board.

5010.70 Responding to the public. The public can comment about anything within the jurisdiction of the Board of Directors during any type of meeting. The Board cannot act on or discuss an item not on the meeting agenda.

**FORESTHILL PUBLIC UTILITY DISTRICT
POLICY HANDBOOK**

Item J 6

POLICY TITLE: **Members of the Board of Directors**
POLICY NUMBER: **4050**

4050.10 Directors shall thoroughly prepare themselves to discuss agenda items at meetings of the Board of Directors. To improve the productivity of Board meetings, the General Manager should be consulted prior to the meeting to clarify any questions or to provide further materials that may be needed.

4050.20 Information exchanged before meetings shall be distributed through the General Manager, to ensure all Directors and staff will receive all information being distributed.

4050.30 Copies of information exchanged before meetings shall be made available to the public at the time of distribution, with copies available for those in attendance, and shall also be provided to anyone not present upon their request.

4050.40 Directors shall at all times conduct themselves with courtesy to each other, to staff, and to members of the audience present at Board meetings.

4050.50 Directors shall defer to the chairperson for conduct of meetings of the Board, but shall be free to question and discuss items on the agenda. All comments should be concise and confined to the matter being discussed by the Board.

4050.60 Minutes should be no longer than necessary to describe the action taken, including the motion, second, and vote, and the underlying facts as necessary to insure an adequate record for subsequent review. Modifications to the minutes of meetings that have occurred in the past should be avoided when possible, as should the addition of individual comments to prior meeting minutes.

4050.70 Directors shall recuse themselves from participating in the discussion or vote on any item where they have a personal interest or bias that prevents them from evaluating the facts and from making an objective decision or where they have a financial conflict of interest. In those circumstances, the minutes shall reflect that the Director so abstained from discussion and the vote. Unless such circumstances exist, however, Directors should affirmatively participate and vote as part of the Board's decision-making responsibilities. Directors recusing themselves from participating in the discussion or action due to a financial conflict of interest should announce the nature of the conflict and should leave the Board meeting room until the item has been concluded.

4050.80 Requests by individual Directors for substantive information and/or research from District staff will be channeled through the General Manager. Information so produced shall be provided to all Directors.

FORESTHILL PUBLIC UTILITY DISTRICT POLICY HANDBOOK

Item J 7

POLICY TITLE: Board Actions and Decisions
POLICY NUMBER: 5040

5040.10 Actions by the Board of Directors include but are not limited to the following:

5040.11 Adoption or rejection of regulations or policies;

5040.12 Adoption or rejection of a resolution;

5040.13 Adoption or rejection of an ordinance;

5040.14 Approval or rejection of any contract or expenditure;

5040.15 Approval or rejection of any proposal which commits District funds or facilities, including employment and dismissal of personnel; and,

5040.16 Approval or disapproval of matters that require or may require the District or its employees to take action and/or provide services.

5040.20 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. Actions taken at a meeting where only a quorum is present, therefore, require all three (3) votes to be effective (unless a 4/5 vote is required by policy or other law).

5040.21 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. Refer to Policy 4050 regarding when Directors should recuse themselves from participating in the discussion or vote.

5040.22 Example: If three of five Directors are present at a meeting, a quorum exists and business can be conducted. However, if one of three Directors comprising the quorum 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.

5040.23 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.

5040.24 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.

5040.30 The Board may give directions that are not formal action. Such directions do not require formal procedural process. Such directions include the Board's directives and instructions to the General Manager.

5040.31 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.

5040.32 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.).

5040.33 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.