



**SAN MIGUEL COMMUNITY SERVICES DISTRICT
FINANCE & BUDGET COMMITTEE**

MEETING SUMMARY NOTES

For Friday, January 20, 2017 – 11:00 pm

I. Called to Order at 11:03pm by General Manager

II. Pledge of Allegiance lead by Director Reuck

III. Roll Call – Director Buckman – Present
Director Reuck – Present

General Manager announced that now is the time for selecting a Committee Chair. Committee Members unanimously agreed to Director Reuck assuming the Chair of this Committee.

Chair Reuck resumed the order of the agenda.

Others in Attendance: Laverne Buckman and Blaine Reely, Monsoon Consultants

IV. Public Comment – None

V. Review and Recommend a Bid Contract for District Engineer/Utility Services Management Services to Monsoon Consultants

General Manager introduced the written report submitted for Committee discussion. An RFP competitive bidding process was begun in October 2016. The RFP was distributed locally and regionally for these services and also included, the Wallace Group, existing District Engineers.

The Wallace Group has provided these engineering services since the inception of the District. There were 3 responses received at the end of RFP process. Monsoon Consultants was the only firm that was responsive to the District's RFP requirements. Wallace Group submitted a letter asking to remain the District's Engineer of Record at existing fee/rate structure. MNS Engineers withdrew from bidding consideration on November 1, 2017 due to current workload commitments. NO pricing was received from MNS.

Committee Members interviewed Dr. Reely of Monsoon Consultants on the firm's qualifications.

Committee members thanked Dr Reely on behalf of the District and their questions were answered by his responses on experience, qualifications, firm staffing, quoted pricing and priority for SMCS D and its intended projects and service needs. Dr Reely left the meeting after his interview.

Chair asked for public questions. There were none.

Committee members unanimously agreed to recommend that Monsoon Consultants be retained as District Engineer/Utility Services Manager by the Board. They asked GM to schedule this bid award for the next available Board meeting.

2. Review and Discuss bid contract for FY Auditing Services by Moss, Levy & Hartzheim, LLP.

General Manager stated that this item was initiated by RFP process in October to provide a replacement for previous auditor. Moss, Levy & Hartzheim (MLH) was the only bid response received by the deadline period.

Local and regional firms were solicited in this competitive bidding process. MLH had been a previous bidder in early 2015, so the firm is well-known to the District. They also had done prior work for the District in the early years of the District.

GM asked if there were any questions of staff. If there were no questions, a representative from MLH was present to answer any questions of the Committee. Staff was recommending a bid award to MLH for FY 2015-16, 2016-17 and 2017-18 financial audits.

Committee Members interviewed the MLH representative and asked that he review their qualifications, experience and background for these services. HLH representative reviewed the information submitted with their response to the RFP bid package, including a review of information on qualifications and experience in doing the requested audit services.

Chair asked if there were any public comments.

Laverne Buckman, resident, asked if the proposed work schedule for completing the 2015-16 would need to be revised once the award is approved. General Manager stated that he and MLH representative have discussed a revision of the schedule to be submitted.

Committee members thanked MLH for participating and unanimously agreed to recommend to the Board to award a bid contract to MLH for 3-years of financial auditing services.

3. Review and Discuss a Report on Quarterly General Counsel Expenses

General Manager introduced this item and report on General Counsel Expenses. This report was initiated to track such expenses as related to PERB proceedings, General Counsel services and Steinbeck Case.

General Manager reviewed the submitted Staff Report information and expenses. Committee members asked about the table showing a breakdown of categorized expenses. Chair Reuck asked if the General Manager could bring this item back more often than quarterly.

General Manager indicated that monthly reporting of these expenses using a Black Mountain vendor report is possible to provide for Committee discussions. Committee agreed unanimously to provide this type of report each month.

Chair asked if there were any public questions or comments.

Laverne Buckman, a resident, asked how the overages would be handled. General Manager advised the Committee that a mid-year adjustment would include the General Counsel expenses and does anticipate that an adjustment will be needed. The mid-year would have to identify where an adjustment is needed and how much of an adjustment would be done. Mid-year adjustment is scheduled for February Committee and Board meetings.

Ms. Buckman also asked about the water specialist charge in the December Claims Report and wanted to know if those were for or associated with the Steinbeck case. If so, she believed that the charge should be shown as Steinbeck, not General Counsel.

General Manager stated that he would follow-up and be prepared to answer this question in a response to the Committee as has been done in the past.

She also states that it is hard to find the Steinbeck fees associated with Fund 10 Administration account. She supports having the Black Mountain System Vendor report sent to Committee for these expense reviews and discussions.

Chair announced that this item should become a part of each month's F & B Committee agendas. Committee unanimously agreed and so directed the General Manager.

4. Review and discuss Monthly Financial Reports—October, November and December 2016.

General Manager asked for Committee to discuss whether or not a discussion was to be done now or have this item held over for a special meeting on only this item.

Committee Members indicated that they would like to hold discussion for a special meeting. Discussions were given about selecting a date and time for a special meeting to cover these monthly financial reports only.

Committee unanimously agreed to meet on Tuesday, January 24th at 10AM for the purpose of reviewing these reports.

Chair asked if there was anyone wishing to speak on this item.

Laverne Buckman, a resident, asked if the discussions when done could also identify what was done in adjusting the monthly statements so Committee Members and public could understand what happened.

There was dialogue between Committee and Ms. Buckman about changes in categories that hadn't been done as previously discussed. She indicated that credit card charges were scattered and that there were a lot of little items not correct about these reports. She was disappointed in what is there now.

There were no further comments.

Chair concluded discussion with announcement that Committee had agreed to meet on Tuesday, January 24th at 10AM for concluding this item.

VI. COMMITTEE COMMENTS

Chair noted that this meeting should be carried over to a Special Meeting so the Committee could focus on concluding the business of the Monthly Financial Report review since he had no time to complete his review.

There was also discussion comment about getting a follow-up on the Bank of West credit card account once it is established and provide information on who has a card and where are the credit cards residing. There were no additional comments by Committee Members.

Chair Reuck adjourned the Committee at 1:35 pm.

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