



# Agenda

## San Miguel Community Services District

### BOARD OF DIRECTORS

Anthony Kalvans, President

Larry Reuck, Vice President

John Green, Director

Gib Buckman, Director

Joseph Parent, Director

**MONDAY JANUARY 23, 2017 2:00 P.M.**

### BOARD OF DIRECTORS SPECIAL MEETING AGENDA

**SMCSD Boardroom**

**1150 Mission St.**

**San Miguel, CA 93451**

**Cell Phones:** As a courtesy to others, please silence your cell phone or pager during the meeting and engage in conversations outside the Boardroom.

**Americans with Disabilities Act:** If you need special assistance to participate in this meeting, please contact the CSD Clerk at (805) 467-3388. Notification 48 hours in advance will enable the CSD to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are available for the hearing impaired.

**Public Comment:** Please complete a "Request to Speak" form located at the podium in the boardroom in order to address the Board of Directors on any agenda item. Comments are limited to three minutes, unless you have registered your organization with CSD Clerk prior to the meeting. If you wish to speak on an item not on the agenda, you may do so under "Oral Communications." Any member of the public may address the Board of Directors on items on the Consent Calendar. Please complete a "Request to Speak" form as noted above and mark which item number you wish to address.

**Meeting Schedule:** Regular Board of Director meetings are generally held in the SMCSD Boardroom on the fourth Thursday of each month at 7:00 P.M. Agendas are also posted at: [www.sanmiguelcsd.org](http://www.sanmiguelcsd.org)

**Agendas:** Agenda packets are available for the public inspection 72 hours prior to the scheduled meeting at the Counter/ San Miguel CSD office located at 1150 Mission St., San Miguel, during normal business hours. Any agenda-related writings or documents provided to a majority of the Board of Directors after distribution of the agenda packet are available for public inspection at the same time at the counter/ San Miguel CSD office at 1150 Mission St., San Miguel, during normal business hours.

- I. Call to Order: 2:00 PM**
- II. Pledge of Allegiance:**
- III. Roll Call:**
- IV. Adoption of Special Meeting Agenda**
- V. Public Comment and Communications (for items not on the agenda):**

Persons wishing to speak on a matter not on the agenda may be heard at this time; however, no action will be taken until placed on a future agenda. Speakers are limited to three minutes. Please complete a "Request to Speak" form and place in basket provided.

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

**Staff Recommendation:** Review and Discuss a proposed sole source bid award for FY independent auditing services by Moss, Levy & Hartzheim, LLP and make a recommendation to the Board of Directors

M\_\_\_\_\_ S\_\_\_\_\_

**VII. BOARD COMMENT:**

This section is intended as an opportunity for Board members to make brief announcements, request information from staff, request future agenda item(s) and/or report on their own activities related to District business. No action is to be taken until an item is placed on a future agenda.

**X. ADJOURNMENT Time: \_\_\_\_\_**

ATTEST:  
 STATE OF CALIFORNIA )  
 COUNTY OF SAN LUIS OBISPO ) ss.  
 COMMUNITY OF SAN MIGUEL )

I, Tamara Parent, Account Clerk/Operations Coordinator of San Miguel Community Services District, hereby certify that I caused the posting of this agenda at the SMCSO office on January 20, 2017.

Date: January 20, 2017

*Tamara Parent*

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 Tamara Parent, Account Clerk II/Operations Coordinator



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Date: January 20, 2017

*Tamara Parent*

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 Tamara Parent, Account Clerk II/Operations Coordinator



# San Miguel Community Services District Finance & Budget Committee

## Staff Report

January 23, 2017

AGENDA ITEM: V. 1

**SUBJECT: Review and Discuss of bid contract for FY Auditing Services by Moss, Levy & Hartzheim, LLP**

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### **STAFF RECOMMENDATION:**

Review and Discuss a proposed bid award for FY independent auditing services by Moss, Levy & Hartzheim, LLP and make a recommendation to the Board of Directors

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### **BACKGROUND**

The District initiated an RFP process last October to solicit bids from qualified auditing firms or individuals to provide replacement auditing services for FY 2015-16, FY 2016-17 and FY 2017-18 as required by the District.

The RFP was distributed to local and regional auditing firms. The District received one bid response by the November deadline. The submitted bid was from Moss, Levy & Hartzheim, LLP. This firm had bid in the 2015 RFP round when the District awarded the contract to another firm.

The Finance & Budget Committee reviewed this request at its meeting on Friday, January 20, 2017 and unanimously recommended that the Board approve a bid award to Moss, Levy & Hartzheim for the next 3 years of financial auditing services as replacement to previous auditor. Committee recommended the earliest possible Board consideration in order to expedite and fast track the completion of the 2015-16 Audit report as well as the State Controller's Report.

Moss, Levy & Hartzheim (MLH) has over 61 years of experience in financial, independent auditing for nonprofits and governmental agencies. Their offices are located in Santa Maria, California and are accessible to the District for this assignment. MLH is responsible for preparing an audit report on District financial conditions using auditing standards generally accepted in the United States of America; preparing a Management Letter addressed to the Board setting forth recommendations for improvements in the District's accounting systems; communicating to the Board any and all reportable conditions found during the audit. A reportable condition is defined as a significant deficiency in the design or operation of the internal control structure which could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Non-reportable

conditions will also be communicated in the Management Letter; and finally MLH shall make immediate, written notification to the Board President, Board and General Manager of any and all illegal acts, indications of illegal acts and all irregularities of which they become aware.

Their communications to the District will, as required by audit standards, include, but are not limited to:

- Significant audit adjustments;
- Significant accounting policies;
- Management judgment and accounting estimates; and
- Adherence to generally accepted auditing standards as practiced in the United States;
- Disagreements with management;
- Management consultation with other accountants;
- Difficulties encountered in performing the audit;
- Errors, irregularities and illegal acts.

MLH will retain all work-related papers and reports, at their expense, for a period of seven (7) years and be made available to the District upon written request.

MLH could perform and complete this audit work by mid-March and make an Audit Report Presentation to Board at a date of the District's choice.

**FISCAL IMPACT:**

MLH proposes the following pricing for FY:

2015-16	\$10,450
2016-17	\$10,815
2017-18	\$11,195

For FY 2016-17, there is \$7,800 budgeted for audit services (based on previous auditing firm pricing). An additional appropriation of \$2,650, or a mid-year budget adjustment for these costs is required for the current fiscal year budget to cover the 2015-16 audit report services. The subsequent fiscal year budgets will need to adjust and specify these costs as a part of District fiscal year expenses.

**STAFF RECOMMENDATION:**

Staff recommends that Board approve a bid award to Moss, Levy & Hartzheim and authorize the General Manager to execute a signed agreement for the terms specified in bid response and outlined above. A resolution affirming the Board's decision and action at this Special Meeting has been included for the Regular Board Meeting on Thursday, January 26<sup>th</sup>.

**PREPARED BY:**

*Darrell W. Gentry*

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General Manager

Attachments: Bid Proposal submitted by Moss, Levy & Hartzheim