

Spreckels Community Services District

REGULAR MEETING OF THE BOARD OF DIRECTORS

November 20, 2019

6:30 pm

Spreckels Veterans Memorial Building, 5th & Llano, Spreckels, CA 93962

AGENDA

Agenda order may be adjusted by Chair for purposes of meeting flow and to be respectful of the time concerns of guests present.

*If you will be attending a meeting and would like to request translation into a language other than English, including sign language interpretation, please notify the office at (831) 455-7855 or by email to spreckelscsd.main@gmail.com **at least 48 hours prior to the time of the meeting.** In compliance with the Americans with Disabilities Act, for those requiring special assistance to access the Board meeting room, to access written documents being discussed at the Board meeting, or to otherwise participate at Board meetings, please contact the Business Manager's Office at (831) 455-7855 for assistance. Notification of at least 48 hours before the meeting will enable the Spreckels Community Services District to make reasonable arrangements to ensure accessibility to the Board meeting and to provide any required accommodations, auxiliary aids or services. Documents provided to a majority of the Board of Directors regarding an open session item on this agenda will be made available for public inspection in the Business Manager's Office located at the Spreckels Veterans Memorial Building, 5th & Llano, Spreckels, CA 93962 during normal business hours.*

1. Opening Business

1.1 Call to Order

1.2 Roll Call & Establishment of Quorum

Otto Kramm, President

Mike McTighe, Secretary

Amanda Lane, Director

Brian Amaral, Director

Paul Ingram, Business Manager & Clerk to the Board

1.3 Pledge of Allegiance

1.4 Adoption of Agenda

Changes, additions and approval of the Agenda as presented. 2/3 vote required if any item is added to the Agenda.

1.4.1 Changes to the Agenda

1.4.2 Additions to the Agenda

1.4.3 Adoption of the Agenda

2. Communications

2.1 Correspondence:

2.2 Oral Comments from the Public

(At this time any person may comment on any item not on the agenda. Please state your name and address for the record. Action will not be taken on any item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on the next agenda. Board members may briefly respond to statements made or questions posed as permitted by Government Code Section 54954.2. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of five (5) minutes. Any member of the public may comment on any matter listed on this agenda at the time the matter is being considered by the Board of Directors.)

3. Approval of the Minutes

RECOMMENDATION/ACTION: At the Pleasure of the Board

3.1 Approval of the Minutes of the Regular Meeting of the Board of Directors October 16, 2019.

4. Business Manager’s Report

4.1 Monthly Financials

5. Unfinished Business Action Items

6. New Business Action Items

6.1 Review of Current Accounts Payable:

a. Paul J. Ingram Company	Management Services	\$	500.00
b. Clarke’s Turf & Water	Landscape Services	\$	600.00
c. Spreckels Memorial Dist.	AT&T	\$	49.72
d. Spreckels Water Company		\$	108.61
e. PG&E	Streetlights & Pump	\$	785.95
f. California Special Districts Association	Dues	\$	<u>653.00</u>
	TOTAL	\$	2,697.28

7. Unfinished Business Non Action Items

- 7.1 Zone 1 Assessment: Review of Proposal from SCI Consulting, Inc for Local Funding Measure.
- 7.2 Zone 2 Assessment.
- 7.3 Report from Spreckels Traffic Safety Enhancements Committee.

8. New Business Non Action Items

8.1 Board Member Vacancy

9. Comments by Members of the Board

9.1 Board Members:

- a. Mitigation Fees
- b. Standard Pacific Homes Subdivision
- c. Zoning
- d. Historical
- e. Community Service
- f. Street Lights
- g. Drainage
- h. Grading
- i. Legal Counsel
- j. Alleys
- k. Trees
- l. Landscaping
- m. Sidewalk Repairs
- n. Wheel Chair/Access Ramps
- o. Quarterly Services
- p. Trench Work

10. Consideration of Items for Future Meetings

10.1 Proposed Future Agenda Items

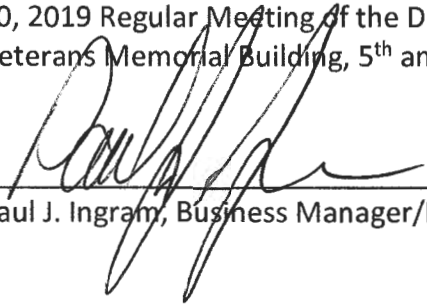
11. Next Meeting Date:

December 18, 2019-6:30 PM

12. Adjournment

Certification

I, Paul J. Ingram, Business Manager/Board Clerk for Spreckels Community Services District, do hereby declare that the foregoing agenda was posted at least (72) hours prior to the November 20, 2019 Regular Meeting of the District Board of Directors scheduled for 6:30 pm at Spreckels Veterans Memorial Building, 5th and Llano Streets Spreckels, CA 93962.



Paul J. Ingram, Business Manager/Board Clerk

Date

To download the full agenda packet, go to www.scsd.specialdistrict.org and click on the meeting date. A link to the agenda packet will appear as “Agenda” in smaller print.

Spreckels Community Services District
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
October 16, 2019
6:30 pm
Spreckels Veterans Memorial Building, 5th & Llano, Spreckels, CA 93962

1. **Opening Business**

1.1 Call to Order

The meeting was called to order by President Kramm at 6:29 pm.

1.2 Roll Call & Establishment of Quorum

Otto Kramm, President
Mike McTighe, Secretary
Joe Garcia, Director
Amanda Lane, Director
Brian Amaral, Director
Paul Ingram, Business Manager & Clerk to the Board

Present: Kramm, McTighe, Garcia, Lane, Amaral

Absent: None

QUORUM ESTABLISHED

1.3 Pledge of Allegiance

1.4 Adoption of Agenda

Changes, additions and approval of the Agenda as presented. 2/3 vote required if any item is added to the Agenda.

1.4.1 Changes to the Agenda

1.4.2 Additions to the Agenda

a. Add \$7,433.52 to Accounts Payable for ASAP Signs and Printing for Radar Speed Sign Work.

b. Add \$57.66 to Accounts Payable for Spreckels Memorial District for padlocks and tools for Nacional Lift Station.

Motion to approve [McTighe] 2nd [Lane]

Ayes: Kramm, McTighe, Garcia, Lane, Amaral

Noes: None

MOTION CARRIED

1.4.3 Adoption of the Agenda

Motion to approve [Lane] 2nd [Garcia]
Ayes: Kramm, McTighe, Garcia, Lane, Amaral
Noes: None

MOTION CARRIED

2. Communications

2.1 Correspondence:

2.2 Oral Comments from the Public

3. Approval of the Minutes

RECOMMENDATION/ACTION: At the Pleasure of the Board

3.1 Approval of the Minutes of the Regular Meeting of the Board of Directors September 18, 2019.

Motion to approve [McTighe] 2nd [Lane]
Ayes: Kramm, McTighe, Garcia, Lane, Amaral
Noes: None

MOTION CARRIED

4. Business Manager's Report

4.1 Monthly Financials

5. Unfinished Business Action Items

6. New Business Action Items

6.1 Review of Current Accounts Payable:

a. Paul J. Ingram Company	Management Services	\$	500.00
b. Clarke's Turf & Water	Landscape Services	\$	600.00
c. Spreckels Memorial Dist.	AT&T	\$	107.38
d. Spreckels Water Company		\$	268.30
e. PG&E	Streetlights & Pump	\$	700.00
f. Monterey County Tax Collector	Property Taxes	\$	203.64
g. ASAP Signs and Printing	Traffic Safety	\$	<u>7,433.52</u>
	TOTAL	\$	9,812.84

Motion to approve [McTighe] 2nd [Lane]
Ayes: Kramm, McTighe, Garcia, Lane, Amaral
Noes: None

MOTION CARRIED

7. Unfinished Business Non Action Items

7.1 Pump Station Sump Cleaning

Board and Business Manager toured the 2nd Street and Nacional Avenue Pump Stations to assess the need for sump cleaning.

7.2 Zone 1 Assessment: Review of Proposal from SCI Consulting, Inc for Local Funding Measure.

New board members were given the opportunity to review the issue and proposal.

7.3 Zone 2 Assessment.

7.4 Report from Spreckels Traffic Safety Enhancements Committee.

ASAP Signs and Printing will install the radar speed signs on Spreckels Boulevard on Thursday October 24th.

8. New Business Non Action Items

9. Comments by Members of the Board

9.1 Board Members:

- a. Mitigation Fees
- b. Standard Pacific Homes Subdivision
- c. Zoning
- d. Historical
- e. Community Service
- f. Street Lights
- g. Drainage
- h. Grading
- i. Legal Counsel
- j. Alleys
- k. Trees
- l. Landscaping
- m. Sidewalk Repairs
- n. Wheel Chair/Access Ramps
- o. Quarterly Services
- p. Trench Work

10. Consideration of Items for Future Meetings

10.1 Proposed Future Agenda Items

11. Next Meeting Date:

November 20, 2019-6:30 PM

12. Adjournment

The meeting was adjourned at 7:15 pm.

Respectfully submitted,

Approval date _____

Paul J. Ingram, Business Manager

DRAFT

**SPRECKELS COMMUNITY SERVICES
DISTRICT FUND BALANCE AS OF
11/20/2019 AFTER TODAY'S ACCOUNTS
PAYABLE.**

COUNTY FUND 634	\$109,446.85
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Spreckels Community Services District
Proposed Budget FYE 6/30/2020

	Budget FYTD to 11/20/2019				
Income		Budget	FYTD	BALANCE	%
Zone 1 Assessment 16.3%	TOTAL	\$6,700.00	42.64	\$6,657.36	0.64%
Zone 2 Assessment 83.7%	TOTAL	\$34,000.00	218.93	\$33,781.07	0.64%
Non-Assessment Prop Taxes		\$33,000.00	132.86	\$32,867.14	0.40%
Total Income		\$73,700.00	394.43	\$73,305.57	0.54%
Expense					
Administrative Fees Zone 1 16.3%		\$81.50		\$81.50	0.00%
Administrative Fees Zone 2 83.7%		\$418.50		\$418.50	0.00%
Audit Expense Zone 1 16.3%		\$733.50		\$733.50	0.00%
Audit Expense Zone 2 83.7%		\$3,766.50		\$3,766.50	0.00%
Board/Staff Education Zone 1 16.3%		\$392.00		\$392.00	0.00%
Board/Staff Education Zone 2 83.7%		\$2,008.00		\$2,008.00	0.00%
Capital Improvements Zone 1 16.3%		\$0.00		\$0.00	#DIV/0!
Capital Improvements Zone 2 83.7%		\$0.00		\$0.00	#DIV/0!
Equipment Repair/Maint. Zone 1		\$4,000.00		\$4,000.00	0.00%
Equipment Repair/Maint. Zone 2		\$2,420.00		\$2,420.00	0.00%
General Liability/Property Zone 1		\$300.00		\$300.00	0.00%
General Liability/Property Zone 2		\$1,600.00		\$1,600.00	0.00%
Landscape Maint. Zone 2		\$7,200.00	3000	\$4,200.00	41.67%
Legal Services Zone 1 16.3%		\$100.00		\$100.00	0.00%
Legal Services Zone 2 83.7%		\$500.00		\$500.00	0.00%
Management Zone 1 16.3%		\$1,060.00	407.5	\$652.50	38.44%
Management Zone 2 83.7%		\$5,440.50	2092.5	\$3,348.00	38.46%
Membership Fees Zone 1 16.3%		\$81.50	106.44	-\$24.94	130.60%
Membership Fees Zone 2 83.7%		\$418.50	546.56	-\$128.06	130.60%
Parcel Management Zone 1 16.3%		\$603.10	603.1	\$0.00	100.00%
Parcel Management Zone 2 83.7%		\$3,096.90	3096.9	\$0.00	100.00%
Power Zone 1		\$4,800.00	1723.2	\$3,076.80	35.90%
Power Zone 2		\$3,800.00	1708.88	\$2,091.12	44.97%
Property Taxes Zone 1		\$20.00	18.26	\$1.74	91.30%
Property Taxes Zone 2		\$710.00	185.38	\$524.62	26.11%
Streetlight Repairs Zone 2		\$1,000.00	115.71	\$884.29	11.57%
Sidewalk ADA Repairs Zone 1		\$0.00		\$0.00	#DIV/0!
Telephone/Internet Zone 1 16.3%		\$100.00	40.5	\$59.50	40.50%
Telephone/Internet Zone 2 83.7%		\$500.00	208.1	\$291.90	41.62%
Water Zone 1		\$500.00	598.91	-\$98.91	119.78%
Water Zone 2		\$2,000.00	936.84	\$1,063.16	46.84%
Website Zone 1 16.3%		\$48.90		\$48.90	0.00%
Website Zone 2 83.7%		\$251.10		\$251.10	0.00%
Emergency Reserve		\$25,749.50		\$25,749.50	0.00%
Total Expense		\$73,700.00	15388.78	\$58,311.22	20.88%

Paul J. Ingram Company
P.O. Box 354
Carmel Valley, CA 93924
[831] 601-6518
paulj Ingram93924@gmail.com

November 1, 2019

Invoice for: Spreckels Community Services District
P.O. Box 7432
Spreckels, CA 93962

<u>Date</u>	<u>Description</u>	<u>Hrs.</u>	<u>Rate</u>	<u>Total</u>
10/31/2019	Management Services October		500.00	\$500.00

Please make checks payable to Paul J. Ingram Company

Clarke's Turf and Water
 18939 Vierra Canyon Rd.
 Prunedale, CA 93907

Invoice

Date	Invoice #
11/1/2019	1569

Bill To
Community Service District PO Box 7432 Spreckels, CA 93962

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
1	Landscape Maintenance <i>October 2019</i>	600.00	600.00
	Sales Tax	7.25%	0.00

Thank you for your business. 262-9800	Total	\$600.00
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ACCOUNT NUMBER	DATE BILL MAILED
00129000	10/31/2019
PRESENT READING	SERVICE FROM
593	9/27/2019
PREVIOUS READING	SERVICE TO
589	10/30/2019
UNITS USED	DAYS USED
4	33
DESCRIPTION	AMOUNT
Last Billed Amount	\$56.69
Last Paid Amount	\$56.69
Prev. Balance	\$0.00
Water Usage	\$4.61
Base	\$51.39
CPUC Tax	\$0.69
CURRENT BILL DUE DATE	AMOUNT DUE BY DUE DATE
11/27/2019	\$56.69
AMOUNT DUE AFTER DUE DATE	\$56.69

RETURN THIS STUB WITH PAYMENT TO:

Spreckels Water Company
P.O. Box 7187
Spreckels, CA 93962
(831) 758-7644



ACCOUNT NUMBER	DUE DATE	AMOUNT DUE AFTER DUE DATE	AMOUNT DUE BY DUE DATE
00129000	11/27/2019	\$56.69	\$ 56.69

RETURN SERVICE REQUESTED

Spreckels Community Service Di
P.O. Box 7432
Spreckels, CA 93962

SERVICE ADDRESS:

00 2nd St Lift Sta

KEEP THIS STUB FOR YOUR RECORDS



ACCOUNT NUMBER	DATE BILL MAILED
00144800	10/31/2019
PRESENT READING	SERVICE FROM
571	9/27/2019
PREVIOUS READING	SERVICE TO
571	10/30/2019
UNITS USED	DAYS USED
0	33
DESCRIPTION	AMOUNT
Last Billed Amount	\$43.08
Last Paid Amount	\$43.08
Prev. Balance	\$0.00
Base	\$51.39
CPUC Tax	\$0.63
CURRENT BILL DUE DATE	AMOUNT DUE BY DUE DATE
11/27/2019	\$52.02
AMOUNT DUE AFTER DUE DATE	\$52.02

RETURN THIS STUB WITH PAYMENT TO:

Spreckels Water Company
P.O. Box 7187
Spreckels, CA 93962
(831) 758-7644



ACCOUNT NUMBER	DUE DATE	AMOUNT DUE AFTER DUE DATE	AMOUNT DUE BY DUE DATE
00144800	11/27/2019	\$52.02	\$ 52.02

RETURN SERVICE REQUESTED

Spreckels Community Srvs Dist
P.O. Box 7432
Spreckels, CA 93962

SERVICE ADDRESS:

00 Second Street Lift

KEEP THIS STUB FOR YOUR RECORDS



ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 7732644243-9

Statement Date: 10/22/2019

Due Date: 11/08/2019

Zone 1 Streetlights

Service For:

SPRECKELS COMMUNITY SERVICES DISTRICT
PO BOX 7432
SPRECKELS, CA 93962

Your Account Summary

Amount Due on Previous Statement	\$333.48
Payment(s) Received Since Last Statement	-154.82
Previous Unpaid Balance	\$178.66
Current PG&E Electric Delivery Charges	\$165.05
Monterey Bay Community Power Electric Generation Charges	13.84

Questions about your bill?

Monday-Friday 7 a.m.-9 p.m.
Saturday 8 a.m.-6 p.m.
Phone: 1-800-743-5000
www.pge.com/MyEnergy

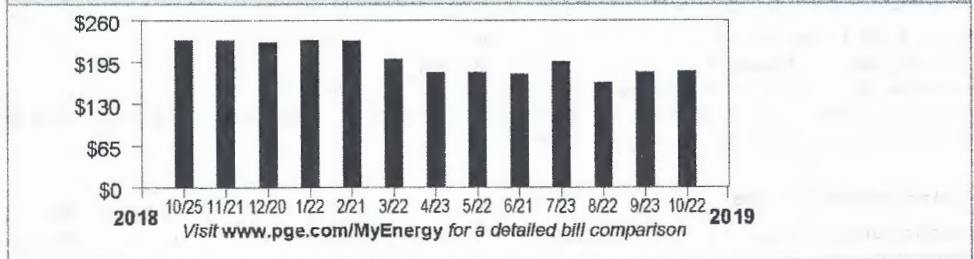
Total Amount Due by 11/08/2019 \$357.55

\$178.89

Ways To Pay

www.pge.com/waystopay

Electric Monthly Billing History



Important Messages

Streetlight rate adjustments If there have been streetlight installs, removals or modifications in your area during your billing cycle, the total amount billed will include prorated charges based on these adjustments. If you have any questions or would like more information regarding your streetlight bill, please call 1-800-743-5000.

Please return this portion with your payment. No staples or paper clips. Do not fold. Thank you.

99907732644243900000178890000035755



Account Number: **7732644243-9** Due Date: **11/08/2019**

Total Amount Due: **\$357.55**

Amount Enclosed:

\$

212800100533 01 AB 0.40 686 7033 13



SPRECKELS COMMUNITY SERVICES DISTRICT
PO BOX 7432
SPRECKELS, CA 93962-7432

PG&E
BOX 997300
SACRAMENTO, CA 95899-7300





ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 7510586845-1

Statement Date: 10/22/2019

Due Date: 11/08/2019

Zone 2 Streetlights

Service For:

SPRECKELS COMMUNITY SERVICES DISTRICT
SPRECKLES BLVD
SPRECKELS, CA 93962

Your Account Summary

Amount Due on Previous Statement	\$414.38
Payment(s) Received Since Last Statement	-126.99
Previous Unpaid Balance	\$287.39
Current PG&E Electric Delivery Charges	\$167.96
Monterey Bay Community Power Electric Generation Charges	100.44

Questions about your bill?

Monday-Friday 7 a.m.-9 p.m.
Saturday 8 a.m.-6 p.m.
Phone: 1-800-743-5000
www.pge.com/MyEnergy

Total Amount Due by 11/08/2019 \$555.79

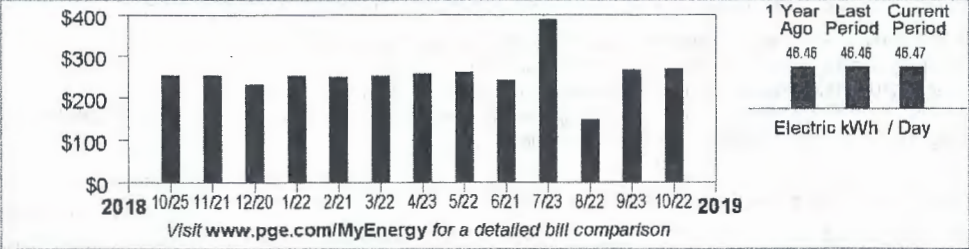
\$289.33

Ways To Pay

www.pge.com/waystopay

Electric Monthly Billing History

Daily Usage Comparison



Important Messages

Streetlight rate adjustments If there have been streetlight installs, removals or modifications in your area during your billing cycle, the total amount billed will include prorated charges based on these adjustments. If you have any questions or would like more information regarding your streetlight bill, please call 1-800-743-5000.

Please return this portion with your payment. No staples or paper clips. Do not fold. Thank you.

99907510586845100000268400000055579



Account Number: **7510586845-1** Due Date: **11/08/2019** Total Amount Due: **\$555.79**

Amount Enclosed:
\$

212800100520 01 AB 0.40 686 7020 13
SPRECKELS COMMUNITY SERVICES DISTRICT
PO BOX 7432
SPRECKELS, CA 93962-7432

PG&E
BOX 997300
SACRAMENTO, CA 95899-7300



ENERGY STATEMENT

www.pge.com/MyEnergy

2nd St. Power

Account No: 7301464711-6
Statement Date: 10/18/2019
Due Date: 11/04/2019

Service For:

SPRECKELS COMMUNITY SERVICE ASSOCIATION
W/END OF 2ND ST
SPRECKELS, CA 93962

Your Account Summary

Amount Due on Previous Statement	\$39.42
Payment(s) Received Since Last Statement	-40.74
Outstanding Credit Balance	<hr/> -\$1.32
Current PG&E Electric Delivery Charges	\$19.05
Monterey Bay Community Power Electric Generation Charges	0.00

Total Amount Due by 11/04/2019

\$17.73

Questions about your bill?

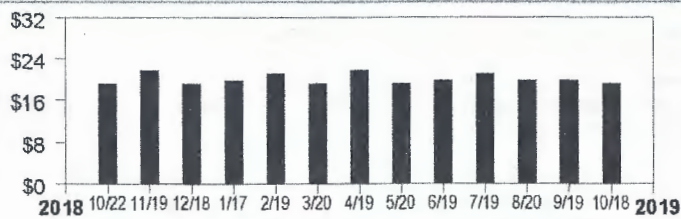
Business Specialist available:
Mon-Fri: 7am to 6pm
1-800-468-4743
www.pge.com/MyEnergy

Ways To Pay

www.pge.com/waystopay

Electric Monthly Billing History

Daily Usage Comparison



1 Year Ago	Last Period	Current Period
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N/A N/A N/A

Electric kWh / Day

Visit www.pge.com/MyEnergy for a detailed bill comparison

Please return this portion with your payment. No staples or paper clips. Do not fold. Thank you.

99907301464711600000019050000001773



Account Number:	Due Date:	Total Amount Due:
7301464711-6	11/04/2019	\$17.73

Amount Enclosed:

\$

210520067031 01 AB 0.40 440 3868 9

 SPRECKELS COMMUNITY SERVICE ASSOCIATION
 PO BOX 7432
 ATTN LEE SMITH
 SPRECKELS, CA 93962-7432

PG&E
BOX 997300
SACRAMENTO, CA 95899-7300





**California Special
Districts Association**
Districts Stronger Together

California Special Districts Association
1112 I Street, Suite 200
Sacramento, CA 95814
Phone: 877.924.2732 Fax: 916.520.2470
www.csdanet

2020 CSDA MEMBERSHIP RENEWAL

To:

Spreckels Community Services District
PO Box 7432
Spreckels, CA 93962

Membership ID: 275

Issue Date October 1, 2019

Due Date: December 31, 2019

RMS-Regular Member	\$653.00
Optional Purchases	
\$200 New Format! CSDA Administrative Salary and Benefits Survey - SPECIAL PRICE	\$
\$225 CSDA Sample Policy Handbook	\$
Total	\$
PAYMENT	
Account Name:	Account Number:
Expiration Date	Auth Signature

Please return this form with payment to CSDA Member Services, 1112 I Street, Suite 200, Sacramento, CA 95814, fax: 916.520.2470, or email cassandras@csda.net.

OBRA 1993 prohibits taxpayers from deducting, for federal income tax purposes, the portion of membership dues that are allocable to the lobbying activities of trade organizations. The non-deductible portion of your dues is estimated to be 8%. To view dues categories, please visit the CSDA transparency page at www.csdanet

Thank you for being a CSDA Member!

Spreckels Community Services District
P.O. Box 7432
Spreckels, CA 93962
[831] 455-7855
spreckelscsd.main@gmail.com
www.scsd.specialdistrict.org

November 14, 2019

Rupa Shah, CPA
Auditor-Controller
County of Monterey
168 West Alisal Street, 3rd Floor
Salinas, CA 93901

Dear Ms. Shah,

Under CA Code Section §26909, Spreckels Community Services District is required to perform annual audits of our financial statement by a Certified Public Accountant. Audits for SCSD are current up to FY 2015.

Assembly Bill No. 2613 [Achadian], passed August 4, 2016, amends Section §26909 to allow small special districts with annual revenue under \$150,000 and all revenues and expenditures through the County's financial system, to replace annual audits by a private auditing firm with a compilation engagement performed by the County Auditor-Controller's office.

Implementation of AB 2613 requires unanimous consent of the special district's elected board of directors and the County Board of Supervisors. Being eligible under the conditions of the statute, Spreckels Community Services District would like to begin the process of moving to this lower compilation engagement level.

Annual audits for SCSD are completed through fiscal year 2015. As the bill was passed during fiscal year 2017 and did not become law until January 1, 2017, we are not eligible for this relief until fiscal year 2018.

As a former board member for Carmel Valley Recreation and Park District, I worked with the previous Auditor-Controller to move CVRPD from full audit to financial review, as was existing law under Section §26909 before AB 2613 was passed. As part of this upcoming action for SCSD, I would propose that concurrently we would be allowed to move from full audit to financial review for fiscal years 2016 and 2017, and then to compilation engagement for fiscal year 2018 and future years. If you have different interpretation of our eligibility, please correct my analysis.

I do not know if other eligible districts in Monterey County have acted towards this change as of yet. CVRPD would also be eligible. I believe LAFCO Executive Kate McKenna has knowledge of other eligible districts. I will encourage CVRPD to take this action as well.

If needed, this action can wait until after the New Year. I look forward to working with your staff. Feel free to reach out to me at the contact information shown in our letterhead. Thank you for your kind attention.

Sincerely,



Paul J. Ingram, Business Manager

Cc: LAFCO of Monterey County
Kate McKenna, Executive

Assembly Bill No. 2613

CHAPTER 164

An act to amend, repeal, and add Section 26909 of the Government Code, relating to local government.

[Approved by Governor August 22, 2016. Filed with
Secretary of State August 22, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2613, Achadjian. County auditor: audits: special districts.

Existing law requires the county auditor to either perform an audit, or contract with a certified public accountant or public accountant to perform an audit, of the accounts and records of every special district within the county, as specified. Existing law authorizes a special district, by unanimous request of its governing board and unanimous approval by the board of supervisors, to replace the annual audit with an audit over a longer period of time or with a financial review, as specified.

This bill would additionally authorize a special district, until January 1, 2027, by unanimous request of its governing board and with unanimous approval of the board of supervisors, to replace the annual audit for not more than 5 consecutive years with an annual financial compilation of the special district to be performed by the county auditor, or with an agreed-upon procedures engagement, in accordance with professional standards, if certain conditions are met.

The people of the State of California do enact as follows:

SECTION 1. Section 26909 of the Government Code is amended to read:

26909. (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) If an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the

special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, or an agreed-upon procedures engagement, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(C) The special district shall pay for any costs incurred by the county auditor in performing an agreed-upon procedures engagement. Those costs shall be charged against any unencumbered funds of the district available for that purpose.

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review, or an agreed-upon procedures engagement, in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) (1) A special district may, by annual unanimous request of the governing board of the special district and with annual unanimous approval of the board of supervisors, replace the annual audit required by this section

with an annual financial compilation of the special district to be performed by the county auditor in accordance with professional standards, if all of the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(C) The special district shall pay for any costs incurred by the county auditor in performing a financial compilation. Those costs shall be a charge against any unencumbered funds of the district available for that purpose.

(2) A special district shall not replace an annual audit required by this section with an annual financial compilation of the special district pursuant to paragraph (1) for more than five consecutive years, after which a special district shall comply with subdivision (a).

(e) Notwithstanding this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

(f) Upon receipt of the financial review, agreed-upon procedures engagement, or financial compilation, the county auditor shall have the right to appoint, pursuant to subdivision (a), a certified public accountant or a public accountant to conduct an audit of the special district, with proper notice to the governing board of the special district and board of supervisors.

(g) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

SEC. 2. Section 26909 is added to the Government Code, to read:

26909. (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) If an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) Notwithstanding this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

(e) The section shall become operative on January 1, 2027.