

Dan Woolery,
President, Division 3

James Rickert,
Vice President, Division 5

Ronnean Lund,
Director, Division 1

Audie Butcher,
Director, Division 2

Steve McCarley,
Director, Division 4

Justin Dahl,
General Manager

BOARD MEETING

Agenda

September 14, 2023 – 6 pm

1. Call To Order

2. Flag Salute

3. Public Participation

Time set aside for members of the public that wish to address the Board regarding operations of the District within the jurisdiction of the Board. Individuals are requested to limit comments to a maximum of three minutes.

4. Consent Items

- a. Minutes – Approve the Minutes of the Regular Board Meeting on August 10, 2023
- b. Financial Status Report for Year-to-Date through August 2023
- c. Payroll: Approve the Payroll Check Register for the Month of August 2023
- d. Electronic Federal Tax Payment System (EFTPS) & Automated Clearing House (ACH) – Approve transactions for the Payroll Periods August 01, 2023, and August 16, 2023, and Voided and missing checks for August 2023
- e. Cash Disbursement Journal for August 2023

5. Business Items

- a. Discuss & Approve new Auditor
(Action may be taken)
- b. Discuss & Appoint two Board of Directors to new Budget Committee
(Action may be taken)
- c. Discuss & Appoint two Board of Directors to new Infrastructure Committee
(Action may be taken)
- d. Discuss & Appoint two Board of Directors to new Strategic Plan Committee
(Action may be taken)
- e. Discuss & Approve Proposal for Labor & Equipment at Holstein Rd. & Churn Creek Rd.
(Action may be taken)
- f. Discuss & Approve Reagan Dahle's Independent Contractor Agreement
(Action may be taken)

Other Business

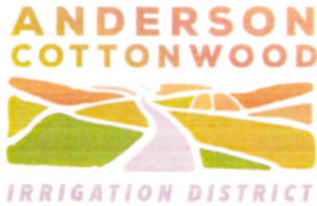
2810 Silver Street, Anderson, CA 96007 | **Phone:** 530-365-7329 | **Fax:** 530-365-7623

- a. Operations Manager Report
- b. General Manager Report

6. Closed Session

- a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code § 54956.9.)
Consider Claim Submitted by the City of Anderson
- b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION. Title: General Manager. (Government Code § 54957.)
- c. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code § 54956.9(d)(1).)
 - i. *PCFFA v. Raimondo* (USDC E.D. Cal., Case No. 1:20-cv-00431-JLT-EPG
 - ii. *CNRA v. Raimondo* (USDC E.D. Cal., Case No. 1:20-cv-00426-JLT-EPG
- d. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code § 54956.9(d)(2) or (d)(4)); One Case.

7. Adjourn



Dan Woolery,
President, Division 3

James Rickert,
Vice President, Division 5

Ronnean Lund,
Director, Division 1

Audie Butcher,
Director, Division 2

Steve McCarley,
Director, Division 4

Justin Dahl,
General Manager

BOARD MEETING

Draft Minutes

August 10, 2023 – 6 pm

1. **Call To Order:** Director Woolery called the meeting to order at 6:04 pm

Directors Present: Woolery, Lund, McCarley, Rickert

Directors Absent: Butcher

Staff Present:

Justin Dahl- General Manager

Ben Duncan- Operations Manager

2. **Flag Salute** led by Director McCarley

3. **Public Participation**

Time set aside for members of the public that wish to address the Board regarding operations of the District within the jurisdiction of the Board. Individuals are requested to limit comments to a maximum of three minutes.

- Mike Chittim-wrote a letter for the Board of Directors, and to Justin Dahl, (GM)
- Peter Libeu- owns a house on 1400 Andrew Avenue in Anderson, make sure that he has options to get rid of water in an efficient way to mitigate the impact on folks

4. **Consent Items**

- a. Minutes – Approve the Minutes of the Regular Board Meeting on July 13, 2023, and the Special Board Meeting on July 24, 2023
- b. Financial Status Report for Year-to-Date through July 2023

A motion was made by Director Rickert and seconded by Director Lund to move the Consent Items 4.a. Minutes, and 4.b. Financial Status Report down to Business Items. It was approved with a 4-0 vote.

- c. Payroll: Approve the Payroll Check Register for the Month of July 2023
- d. Electronic Federal Tax Payment System (EFTPS) & Automated Clearing House (ACH) – Approve transactions for the Payroll Periods July 03, 2023, and July 17, 2023

- e. Voided and missing checks for July 2023
- f. Cash Disbursement Journal for July 2023

A motion was made by Director Lund, and seconded by Director Rickert to approve consent items, c.d.e.f. It passed with a 4-0 vote.

5. Business Items

A motion was made by Director Rickert, and seconded by Director McCarley to approve July 13, Minutes, with approved changes. A motion was made by Director McCarley, and seconded by Director Rickert to approve the July 24, 2023, Minutes, with approved changes. It passed with a 4-0 vote.

A motion was made by Director Rickert and seconded by Director Lund to approve the Financial Status Report (moved from consent item 4b). It passed with a 4-0 vote.

- a. Discuss Projects and possible Actions to Mitigate High Groundwater Conditions
No action was taken.
- b. Discuss, Review, and consider cancellation of existing CV Strategies contracts.
A motion was made by Director Lund to have Justin Dahl cancel the \$5000 a month contract but keeping the website contract. It was seconded by Director McCarley, and it passed with a 4-0 vote.
- c. Discuss, & Approve Investment recommendations from the Investment Committee
A motion was made by Director Rickert and seconded by Director McCarley to approve the recommendation of the Investment Committee. It passed with a 4-0 vote.
- d. Discuss, & Approve Ben Duncan's Salary Increase
A motion was made by Director McCarley to approve the at-will employment agreement between Ben Duncan and ACID, it was seconded by Director Lund, and Rickert. The motion passed with a 4-0 vote.

Other Business

- a. Operations Manager Report
Ben spoke about contracting with Allen Gill at laterals 29-1, 2, and 3. Replaced 200 feet of pipe, and put 3-5 cfs back into the system. Also contracted with TRG, repaired areas in leaking rodent holes (Radio Lane). Contractor work with K&K equipment, etc. New water operators are in training. Ongoing issues, and challenges in making the FEMA reimbursement.
- b. General Manager Report
Justin Dahl gave the Board of Directors an update on what he has been working on.
 - Said the website is updated now with a half-way letter
 - Regroup is in the testing phase, and is our new Mass Communication system
 - Hired 4 new water operators, and we are in the process of training them

6. Closed Session

- a. Conference with Legal Counsel – Anticipated Litigation (Government Code § 54956.9(d)(2) or (3).) One Case

7. Adjourn- 7:25 p.m.

Anderson Cottonwood Irrigation District
2023 Financial Status Report
Month Ending August 2023

Revenues

Account Number	Budget Item	Month To Date	Year To Date	2023 Approved Budget	Percent Used	Balance Available
General						
4111	Water Sales / Prior Year	\$0	\$0	\$0	0%	\$0
4112	Water Sales / Business	\$0	\$0	\$8,500	0%	\$8,500
4114	Water Sales / Irrigation	\$118	\$101,513	\$20,000	508%	\$80,351
4115	Water Transfer / CVP	\$185,572	\$546,631	\$1,543,000	35%	\$996,369
4117	Water Transfer / Base Supply	\$0	\$0	\$0	0%	\$0
4934	Penalty Revenue	\$0	\$0	\$2,000	0%	\$2,000
4971	Surplus Equipment	\$0	\$0	\$0	0%	\$0
4980	Misc. Revenue	\$6,273	\$20,545	\$0	0%	\$0
4984	Drainage Revenue	\$0	\$0	\$0	0%	\$0
4991	Contract/Project Income	\$0	\$0	\$0	0%	\$0
4995	Drought Relief	\$0	\$0	\$0	0%	\$0
	Sub-Total	\$191,963	\$668,689	\$1,573,500	42%	\$1,087,220

Account Number	Budget Item	Month To Date	Year To Date	2023 Anticipated Budget	Percent Realized	Total Revenue
Property Tax & Interest						
4920	Interest Revenue	\$0	\$172,717	\$40,000	432%	\$172,717
4930	Prop. Taxes / Shasta	\$0	\$241,946	\$558,000	43%	\$241,946
4931	Prop. Taxes / Tehama	\$0	\$21,453	\$46,500	46%	\$21,453
	Sub-Total	\$0	\$436,116	\$644,500	68%	\$436,116
	Total Revenues	\$191,963	\$1,104,805	\$2,218,000	50%	\$1,523,336

Anderson Cottonwood Irrigation District
2023 Financial Status Report
Month Ending August 2023

Expenditures

Account Number	Budget Item	Month To Date	Year To Date	2023 Approved Budget	Percent Used	Balance Available
Salaries & Benefits						
5010	Reg. Salaries (Admin)	\$42,078	\$195,523	\$311,750	63%	\$116,227
5012	Overtime (Admin)	\$0	\$88	\$0	0%	\$88
5014	Retirement (Admin)	\$418	\$5,416	\$17,700	31%	\$12,284
5015	Social Security (Admin)	\$884	\$7,897	\$0	0%	\$0
5016	Workers Comp. (Admin)	\$0	\$307	\$1,850	17%	\$1,543
5017	Unemployment Ins. (Admin)	\$0	\$1,093	\$2,000	55%	\$907
5018	Medicare (Admin)	\$352	\$1,848	\$4,550	41%	\$2,702
5019	Health Insurance (Admin)	\$167	\$10,942	\$61,500	18%	\$50,558
5110	Reg. Salaries (T&D)	\$81,139	\$293,824	\$512,000	57%	\$218,176
5111	Water Operator Milage	\$0	\$0	\$36,000	0%	\$36,000
5112	Overtime (T&D)	\$24,852	\$77,271	\$6,000	1288%	(\$71,271)
5114	Retirement (T&D)	\$5,395	\$15,019	\$40,000	38%	\$24,981
5115	Social Security (T&D)	\$8,861	\$30,612	\$31,500	97%	\$888
5116	Workers Comp. (T&D)	\$0	\$28,596	\$82,000	35%	\$53,404
5117	Unemployment Ins. (T&D)	\$324	\$3,021	\$5,000	60%	\$1,979
5118	Medicare (T&D)	\$1,085	\$3,470	\$7,500	46%	\$4,030
5119	Health Ins. (T&D)	\$6,428	\$47,096	\$219,000	22%	\$171,904
	Sub-Total	\$171,983	\$722,023	\$1,338,350	54%	\$616,327

Month Ending August 2023

Expenditures

Account Number	Budget Item	Month To Date	Year To Date	2023 Approved Budget	Percent Used	Balance Available
Administration						
6000	Vehicle Mileage	\$0	\$0	\$0	0%	\$0
6001	Medical Exp. / Supplies	\$604	\$1,928	\$1,200	161%	\$123
6002	Travel / Training Expense	\$0	\$597	\$10,000	6%	\$9,403
6003	Office Supplies / Expense	\$3,090	\$13,739	\$11,500	119%	(\$2,239)
6004	Office Equip. & Maintenance	\$0	\$0	\$2,600	0%	\$2,600
6005	Association Dues	\$7,484	\$22,339	\$25,000	89%	\$2,661
6006	Public Notices	\$0	\$3,335	\$500	0%	\$2,835
6007	Election Expense	\$0	\$4,978	\$0	0%	\$4,978
6008	Legal Fees / Expense	\$29,248	\$55,243	\$50,000	110%	(\$5,243)
6009	SRSC Corporation	\$0	\$21,275	\$22,000	97%	\$725
6010	Maintenance Agreements	\$9,098	\$15,524	\$15,000	103%	(\$524)
6011	CV Stratagies	\$5,000	\$41,810	\$60,000	70%	\$18,190
6012	Vehicle Insurance	\$0	\$6,881	\$5,000	138%	\$1,881
6013	Management Expense Acct.	\$0	\$42	\$1,000	4%	\$958
6014	Liability Claims	\$0	\$0	\$1,000	0%	\$1,000
6015	Property / Liability Insurance	\$0	\$33,972	\$30,100	113%	\$3,872
6016	Permit Fees	\$0	\$10,838	\$12,000	90%	\$1,162
6017	County Taxes / Assessments	\$0	\$5,248	\$5,000	105%	\$248
6018	Consultant Services	\$0	\$878	\$75,000	1%	\$74,122
6019	Audit / Accounting Services	\$0	\$9,800	\$11,000	89%	\$1,200
6020	Web Site Revamp	\$5,145	\$910	\$15,000	6%	\$14,090
6023	Utilities	\$1,452	\$5,410	\$20,000	27%	\$14,590
6024	Misc. Expense	\$5,584	\$6,596	\$1,000	660%	\$12
6026	District GIS	\$0	\$0	\$5,000	0%	\$5,000
6027	SGMA	\$0	\$8,263	\$7,600	0%	\$663
	Sub-Total	\$66,705	\$269,606	\$386,500	70%	\$116,894

Anderson Cottonwood Irrigation District
2023 Financial Status Report
Month Ending August 2023

Account Number	Budget Item	Month To Date	Year To Date	2023 Approved Budget	Percent Used	Balance Available
General Maintenance						
7000	Fuels	\$8,164	\$43,467	\$40,000	109%	(\$3,467)
7001	Equip Rents & Leases	\$0	\$0	\$10,000	0%	\$10,000
7002	Light Vehicles	\$1,230	\$5,197	\$10,000	52%	\$4,803
7003	Heavy Vehicles	\$2,186	\$5,597	\$10,000	56%	\$4,403
7004	Light Equipment	\$119	\$3,654	\$5,000	73%	\$1,346
7005	Heavy Equipment	\$374	\$8,794	\$10,000	88%	\$1,206
7007	Personal Supplies & Equip.	\$0	\$97	\$500	0%	\$403
7008	Maintenance Supplies	\$3,342	\$16,510	\$25,000	66%	\$8,490
7009	Buildings / Yard Maintenance	\$421	\$3,188	\$2,000	159%	(\$1,188)
7010	Small Tools & Equipment	\$0	\$583	\$4,000	15%	\$3,417
	Sub-Total	\$15,836	\$87,087	\$116,500	75%	\$29,413
Canal Maintenance & Operations						
8000	SCADA Maintenance	\$15	\$4,133	\$3,000	138%	(\$1,133)
8001	Diversion Facilities Maint.	\$503	\$22,652	\$14,000	162%	(\$8,652)
8002	Contracted Services	\$0	\$13,338	\$35,000	38%	\$21,662
8003	Chemicals	\$0	\$0	\$15,000	0%	\$15,000
8004	Canal Maintenance & Exp.	\$9,843	\$229,312	\$450,000	51%	\$220,688
8005	Pump Maintenance	\$702	\$14,806	\$30,000	49%	\$15,194
8006	Utilities / Pumping	\$26,760	\$89,427	\$135,000	66%	\$45,573
8007	Project Water Costs / USBR	\$0	\$222,893	\$1,120,000	20%	\$897,107
8008	Water Rights Protection	\$1,175	\$25,583	\$80,000	32%	\$54,417
8009	Conveyance System	\$0	\$0	\$0	0%	\$0
8010	Water Transfer / Base Supply	\$0	\$5,510	\$0	0%	(\$5,510)
8012	Storm Damage Expense	\$0	\$128,074	\$0	0%	(\$128,074)
8019	High Groundwaetr Expense	\$5,875	\$28,969	\$0	0%	(\$28,969)
	Sub-Total	\$44,873	\$784,697	\$1,882,000	42%	\$1,097,303

Anderson Cottonwood Irrigation District
2023 Financial Status Report
Month Ending August 2023

Balance Summary

	Month To Date	Year To Date	2023 Approved Budget	Percent Used	Balance Available
Total Expenditures	\$299,397	\$1,863,413	\$3,723,350	50%	\$1,859,937
Total Revenues	\$191,963	\$1,104,805	\$2,218,000	50%	\$1,523,336

Capital Improvement

	Month To Date	Year To Date	2023 Approved Budget	Percent Used	Balance Available
1112 Land	\$0	\$0	\$0	0%	\$0
1114 Pumps	\$100	\$67,984	\$150,000	45%	\$82,016
1116 Trans & Distribution Plant	\$0	\$0	\$0	0%	\$0
1117 Equipment (Machinery)	\$182,486	\$182,486	\$325,000	0%	\$142,514
1118 Auto & Trucks	\$0	\$169,370	\$175,000	97%	\$5,630
1119 Buildings	\$0	\$0	\$10,000	0%	\$10,000
1120 Office Furniture & Equipment	\$2,289	\$2,289	\$25,000	0%	\$22,711
1123 Yard Improvement	\$0	\$0	\$0	0%	\$0
1124 Canal Lining & Pipe	\$0	\$68,058	\$350,000	19%	\$281,942
1125 Canal Safety Project	\$0	\$0	\$0	0%	\$0
1126 Main Canal Metering	\$0	\$0	\$0	0%	\$0
1127 Main Dam Improvement	\$0	\$0	\$0	0%	\$0
1132 Fish Screens	\$0	\$0	\$0	0%	\$0
1133 Fish Ladders	\$0	\$0	\$0	0%	\$0
1134 SCADA Equipment	\$0	\$0	\$0	0%	\$0
1135 Groundwater Program	\$0	\$0	\$0	0%	\$0
Total	\$184,875	\$490,187	\$1,035,000	47%	\$544,813

Anderson Cottonwood Irrigation District
2023 Financial Status Report
Month Ending August 2023

L.A.I.F.	\$922			
TCB Checking	\$687,333			
Petty Cash	\$100			
Imprest Cash	\$200			
TCB Money Market Acct.	\$0			
RBC Investments	\$13,000,634			
Total Cash	\$13,689,189	**		

Breakdown Of Funds on Deposit

General Fund	\$12,694,998			
Equipment Reserve	\$199,961			
Cap. Improvement Fund	\$544,813			
Drainage Fund	\$25,000			
Water Rights Protection	\$224,417			
Total Cash	\$13,689,189			

RBC Wealth Management Accounts Breakdown (as of 9/6/2023)

Anderson Cottonwood Irrigation District
Payroll Register
 For the Period From Aug 1, 2023 to Aug 31, 2023

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Employee ID Employee Masked SS No Reference Date	Pay Type	Pay Hrs	Pay Amt
12 White, Teresa L. XXX-XX-9533 20191 8/1/23	Finance_Ma	88.00	3,080.00
21-11 Jensen, Jason A. XXX-XX-7425 20192 8/1/23	Equip_Oper Overtime	90.39 1.20	2,275.12 45.31
22-03 Duncan, Benjamin XXX-XX-4453 20193 8/1/23	Reg_Salaric	88.00	2,833.33
23 Passmore, Scott C. XXX-XX-4422 20194 8/1/23	Main_Sup Overtime	90.64 87.14	2,383.83 3,437.67
23-02 Post, Cory P. XXX-XX-0811 20195 8/1/23	Maint	9.35	188.40
23-03 Moghadam, Sam C. XXX-XX-5081 20196 8/1/23	Maint	1.70	34.26
23-04 Bohannon, Robert C. XXX-XX-4806 20197 8/1/23	Maint Overtime	86.11 8.00	1,735.12 241.84
23-05 Geiger, Colleen M. XXX-XX-3576 20198 8/1/23	Admin_Spe	82.38	1,938.40

Anderson Cottonwood Irrigation District
Payroll Register
 For the Period From Aug 1, 2023 to Aug 31, 2023

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Employee ID Employee Masked SS No Reference Date	Pay Type	Pay Hrs	Pay Amt
23-06 Dahl, Justin O. XXX-XX-6338 20199 8/1/23	Reg_Salarie		6,250.00
23-07 Miller, Timothy W. XXX-XX-5588 20200 8/1/23	MainI	8.00	166.00
23-10 Cardwell, Robert J. XXX-XX-4626 20202 8/1/23	MainI	8.00	166.00
30 Poliak, Jeff B. XXX-XX-7790 20203 8/1/23	MainII Overtime	2.11 0.92	44.65 29.20
33 Vega, Phillip XXX-XX-1154 20204 8/1/23	Ops_Sup Overtime	96.88 52.49	2,485.94 2,020.34
23-08 Dahle, Reagan T. XXX-XX-7463 20205 8/1/23	MainI	83.21	1,726.61
23-04 Bohannon, Robert C. XXX-XX-4806 20206 8/7/23	MainI	82.32	1,708.14
12 White, Teresa L. XXX-XX-9533 20207 8/16/23	Finance_Ma	88.00	3,080.00

Anderson Cottonwood Irrigation District
Payroll Register
 For the Period From Aug 1, 2023 to Aug 31, 2023

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Employee ID Employee Masked SS No Reference Date	Pay Type	Pay Hrs	Pay Amt
21-11 Jensen, Jason A. XXX-XX-7425 20208 8/16/23	Equip_Oper Dam Overtime	84.00 4.00 2.00	2,325.12 131.48 83.04
23 Passmore, Scott C. XXX-XX-4422 20210 8/16/23	Main_Sup Dam Overtime	84.00 4.00 40.50	2,566.20 145.16 1,856.12
23-05 Geiger, Colleen M. XXX-XX-3576 20211 8/16/23	Admin_Spe	19.00	460.37
23-06 Dahl, Justin O. XXX-XX-6338 20212 8/16/23	Reg_Salarie		6,250.00
23-08 Dahle, Reagan T. XXX-XX-7463 20214 8/16/23	Mainl	88.00	1,826.00
23-09 Carble, Bradley S. XXX-XX-1139 20215 8/16/23	Dam Overtime WO	4.00 23.00 70.00	119.56 868.48 1,761.90
23-11 Trucblood, Trevor W. XXX-XX-6840 20217 8/16/23	WO	16.00	402.72
23-12 Claycamp, Logan D. XXX-XX-8059 20218 8/16/23	WO	16.00	402.72

Anderson Cottonwood Irrigation District
Payroll Register
 For the Period From Aug 1, 2023 to Aug 31, 2023

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Employee ID Employee Masked SS No Reference Date	Pay Type	Pay Hrs	Pay Amt
33 Vega, Phillip XXX-XX-1154 20219 8/16/23	Ops_Sup Dam Overtime	84.00 4.00 45.50	2,444.40 138.24 1,986.08
23-07 Miller, Timothy W. XXX-XX-5588 20220 8/16/23	Overtime WO	34.55 56.00	1,304.61 1,409.52
23-10 Cardwell, Robert J. XXX-XX-4626 20221 8/16/23	Dam Overtime WO	4.00 54.75 84.00	119.56 2,067.36 2,114.28
22-03 Duncan, Benjamin XXX-XX-4453 20222 8/16/23	Reg_Salarie	88.00	3,125.00
22-03 Duncan, Benjamin XXX-XX-4453 20223 8/16/23	Stipend_pay		6,000.00
Summary Total 8/1/23 thru 8/31/23	Reg_Salarie Stipend_pay Dam Overtime MainI MainII Ops_Sup Equip_Oper Finance_Ma Admin_Spc Main_Sup WO	176.00 20.00 350.05 366.69 2.11 180.88 174.39 176.00 101.38 174.64 242.00	18,458.33 6,000.00 654.00 13,940.05 7,550.53 44.65 4,930.34 4,600.24 6,160.00 2,398.77 4,950.03 6,091.14
Report Date Final Total 8/1/23 thru 8/31/23	Reg_Salarie Stipend_pay Dam Overtime	176.00 20.00 350.05	18,458.33 6,000.00 654.00 13,940.05

Anderson Cottonwood Irrigation District
Payroll Register
For the Period From Aug 1, 2023 to Aug 31, 2023

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Employee ID Employee Masked SS No Reference Date	Pay Type	Pay Hrs	Pay Amt
	MainI	366.69	7,550.53
	MainII	2.11	44.65
	Ops_Sup	180.88	4,930.34
	Equip_Oper	174.39	4,600.24
	Finance_Ma	176.00	6,160.00
	Admin_Spc	101.38	2,398.77
	Main_Sup	174.64	4,950.03
	WO	242.00	6,091.14

Electronic Federal Tax Payment System Transactions (EFTPS)					
<i>Federal Payroll Taxes</i>					
<i>Date</i>	<i>Payroll Period</i>	<i>Amount</i>	<i>Comments</i>		
8/3/2023	7/16/2023 - 7/31/2023	\$8,142.79	EFTPS for P/R taxes		
8/17/2023	8/01/2023 - 8/15/2023	\$11,413.89	EFTPS for P/R taxes		
<i>Automated Clearing House (ACH)</i>					
<i>State Payroll Taxes</i>					
8/3/2023	7/16/2023 - 7/31/2023	\$1,780.82	ACH for P/R taxes		
8/17/2023	8/01/2023 - 8/15/2023	\$3,106.54	ACH for P/R taxes		
<i>Voided and/or Missing Checks</i>					
<i>Check #</i>	<i>Issued To:</i>	<i>Amount</i>	<i>Check Date</i>	<i>Comments</i>	<i>Date Voided</i>
30578	K & K Equipment	\$2,245.00	8/22/2023	wrong vendor	8/22/2023

Anderson Cottonwood Irrigation District
Cash Disbursements Journal
 For the Period From Aug 1, 2023 to Aug 31, 2023

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
8/1/23	30541	2224 1308	child suport W/H for JJ, 8/1/2023 CA State Disbursement Unit	375.87	375.87
8/1/23	30542	2226 5014 1308	W/H for BD, 8/1/2023 payroll retirement Edward Jones - Ben Swim	250.00 165.53	415.53
8/1/23	30543	2226 1308	457 W/H for SP, 08/01/2023 payroll Variable Annuity Life Ins. Co.	75.00	75.00
8/2/23	30544	6001 1308	medical for CP/Water Operator Agile Occupational Medicine	270.52	270.52
8/2/23	30545	8004 1308	invoice #0547483, parts for Lat #29 AlSCO, Inc.	567.93	567.93
8/2/23	30546	7004 7003 7002 1308	trailer tire, install, valve stems mount and balance 4 new tires/ dump truck front and rear brakes, vehicle #2 pickup Anderson Tire Pros	118.89 2,185.83 1,085.92	3,390.64
8/2/23	30547	6023 1308	monthly telephone/Internet service Charter Communications	370.55	370.55
8/2/23	30548	7008 1308	tarp, scalant, test strips Hardware Express	122.76	122.76
8/2/23	30549	6003 1308	business cards for GM Harvest Printing	70.04	70.04
8/2/23	30550	1114 1308	invoice # 20043-1 under payment from prior billing J & J Pumps, INC	100.00	100.00
8/2/23	30551	5110 1308	temp labor for week of 7/19, and 7/26 K S Staffing Solutions Inc.	7,106.16	7,106.16
8/2/23	30552	5019 5119 1308	health insurance for August/Admin helth insurance for August/T&D N.C.G.T. Security Fund	167.00 6,428.00	6,595.00
8/2/23	30553	6005 1308	2023 ducs/final installment Northern California Water Asso.	7,484.62	7,484.62
8/2/23	30554	8004 1308	2X4s, t-hinge, screws,2X12s, ground contact Payless Building Supply	636.35	636.35
8/2/23	30555	8006 8006 8006 8006 8006 8006 6003 1308	monthly power for Well #1 monthly power for Shasta Ranch Monthly power for well #2 monthly power for Perrys pond monthly power for Dymesich pond monthly power Cottonwood Hyline monthly power for office/shoip Pacific Gas & Electric	45.87 1,280.96 29.30 577.10 1,494.22 2,490.21 1,164.95	7,082.61
8/2/23	30556	7002 1308	oil change for Vehicle #2 and 2022 F150 pickup Primier Oil Change	118.18	118.18
8/2/23	30557	8001 1308	monthly power for diversion facilities City Of Redding	503.60	503.60
8/2/23	30558	7009 1308	3 weeks of office cleaning Sarah's Scottish Maids	210.00	210.00
8/2/23	30559	7008 1308	invoice #696202/696150, acetylene, hose Shasta Welding Supply	383.97	383.97

Anderson Cottonwood Irrigation District
Cash Disbursements Journal
For the Period From Aug 1, 2023 to Aug 31, 2023

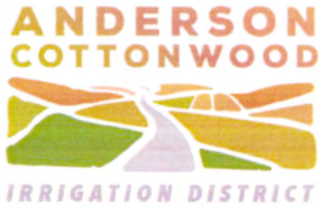
Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
8/2/23	30560	2222 1308	union dues August Teamsters Local No. 137	568.00	568.00
8/2/23	30561	6023 1308	monthly cell phone charges/service Verizon	924.17	924.17
8/2/23	30562	5014 5114 1308	monthly pension for Admin/July monthly pension for T&D/July Western Conf. Team. Pension	252.32 1,387.10	1,639.42
8/2/23	30563	7008 1308	toilet rental, weekly service,delivery Welch Enterprises, Inc.	329.62	329.62
8/16/23	30569	2224 1308	child support W/H for JJ, 08/16/23 payroll period CA State Disbursement Unit	375.87	375.87
8/16/23	30570	5114 2226 1308	retirement withholding for 8/16/23 payroll period retirement W?H for BD, 8/16/23 Edward Jones - Ben Swim	165.53 250.00	415.53
8/16/23	30571	2226 1308	457 WH for SP, 8/16/23 payroll period Variable Annuity Life Ins. Co.	75.00	75.00
8/21/23	30582	7008 1308	drinking water for shop/office Mt. Shasta Spring Water	103.74	103.74
8/21/23	30583	8000 1308	monthly power for SCADA/ Linda Lane Pacific Gas & Electric	14.97	14.97
8/21/23	30584	7005 1308	parts and repair of window on Backhoe Powerplan - OIB	373.98	373.98
8/22/23	30568	6008 8008 6008 8008 1308	general for June Water Rights Protection for June general for July Water Rights Protection for July Minasian Law LLP	20,416.02 885.50 8,832.10 288.75	30,422.37
8/22/23	30572	6023 1308	monthly water for July City Of Anderson	19.22	19.22
8/22/23	30573	7008 1308	vests (14) for crew/shop Applejacks T-Shirts & Graphics	471.34	471.34
8/22/23	30574	6020 6011 1308	web site development Retainer for monthly communication services for July C V Stratagies	5,145.00 5,000.00	10,145.00
8/22/23	30575	6001 1308	new hire drug testing and background checks. Compliance Associates	334.00	334.00
8/22/23	30576	7008 1308	case of motor oil, spark plugs for pickup, gl7002ass cleaner, tie downs Entreprise Auto Parts	574.99	574.99
8/22/23	30577	7000 1308	monthly gasoline and diesel for July Flyers Energy, LLC	8,163.67	8,163.67
8/22/23	30579	5110 1308	temp labor from 8/01/23 through 8/18/2023 K S Staffing Solutions Inc.	19,220.33	19,220.33
8/22/23	30580	8004 1308	concrete for Lat #24, Loucks Landscape Supply	364.19	364.19

Anderson Cottonwood Irrigation District
Cash Disbursements Journal
 For the Period From Aug 1, 2023 to Aug 31, 2023

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
8/22/23	30581	8019	pump rental for high groundwater areas	4,395.73	
		1308	MPS Multiple Pump Services		4,395.73
8/22/23	30585	8006	monthly power for Churn Creek pumps	20,452.11	
		8006	monthly power for Progress Drive pumps	390.61	
		1308	City Of Redding		20,842.72
8/22/23	30586	8005	parts and repair of compressor at churn Creek pumps	701.35	
		1308	Rogers Machinery Company INC.		701.35
8/22/23	30587	7009	office cleaning for 3 weeks	210.00	
		1308	Sarah's Scottish Maids		210.00
8/22/23	30588	7002	underpayment of invoice # 60100705215 paid 7/12/2023	25.66	
		1308	Les Schwab Tires		25.66
8/22/23	30589	8019	crushed gravel for high groundwater at Clear Creek273	1,479.99	
		1308	J.F. Shea		1,479.99
8/22/23	30590	7008	blades, trimmer string, parts and repair of water pump,	1,355.31	
		1308	Stroup's Power Equipment, INC		1,355.31
8/22/23	30591	2222	union dues for September	583.00	
		1308	Teamsters Local No. 137		583.00
8/22/23	30592	6010	Regroup	9,097.25	
		1120	deposit for new computers	2,288.60	
		6003	Linxup monthly charges, Fat Cow horting, emails, USPS, mail certified letter, office supplies	1,446.20	
		1308	Tri Counties Bank		12,832.05
8/22/23	30593	6023	monthly garbage for office/shop	138.50	
		1308	Waste Management		138.50
8/22/23	30594	8004	repair canal leaks at Bonny View School, Shasta County Health arc and South Bonny View area	8,485.00	
		1308	K & K Equipment, Inc.		8,485.00
8/29/23	30596	1117	2023 KUB KX0 EXC/Serial # KBCDZ84CLP3F15666	182,485.56	
		1308	Nor Cal Rentals		182,485.56
	Total			343,949.61	343,949.61



Dan Woolery,
President, Division 3

James Rickert,
Vice President, Division 5

Ronnean Lund,
Director, Division 1

Audie Butcher,
Director, Division 2

Steve McCarley,
Director, Division 4

Justin Dahl
General Manager

Date: 09/14/2023 Agenda Item No. 5a

Agenda Title: Discuss & Approve new Auditor
(Action may be taken)

Discussion: Request for proposals were sent out to 5 different auditing firms:
Horton McNulty Saeteurn, LLP- no reply
Robert W. Johnson an Accountancy Corp.- Too many clients to take on the District's needs
Charles W. Pillon Accounting Firm- Too many clients to take on the District's needs
Blain Boden/Boden Klein & Sneesby- submitted proposal
Richardson & Company, LLP- submitted proposal

Fiscal Impact: None

Recommendation: District staff recommends Board approve one of the two submitted proposals. The General Manager has worked in the past with Blain Boden/Boden Accounting Firm and was impressed with the professionalism and accuracy of the audits submitted. The company was extremely informational and submitted all audits accurately and on time.

Attachments: See auditor attachments:

Blain Boden/Boden Klein & Sneesby

Richardson & Company, LLP



CERTIFIED PUBLIC ACCOUNTANTS

3005 Douglas Blvd., Ste. 115

Roseville, CA 95661

(916) 774-1040

(916) 774-1177 Fax

August 4, 2023

Board of Directors
Anderson-Cottonwood Irrigation District
2810 Silver Street
Anderson, CA 96007

Dear Board:

We are pleased to submit this proposal to provide an audit of the financial statements for Anderson-Cottonwood Irrigation District for the years ended December 31, 2023.

Summary of Services:

The services contemplated under this proposal are an audit of the financial statements for the District for the year ended December 31, 2023. Our audit would be conducted in accordance with auditing standards generally accepted in the United States of America.

It is important in an audit to be in contact with those in charge of governance of the District. Therefore, as part of the audit, we would be in contact with management in the planning stage, throughout the audit as necessary, and at the conclusion of the audit to discuss the audit process and results and any recommendations for improvements. This would be done through phone calls, correspondence and meetings as needed. Additionally, we are available throughout the year to meet or discuss any issues or concerns that may arise.

Our firm prides itself in providing timely information and meeting client needs. We will work with the District to identify a mutually convenient time for fieldwork that allows for issuance of the financial statements in a timely manner.

Professional Experience

Boden Klein & Sneesby (BKS), a professional corporation, is a local firm of accountants, auditors and consultants which is authorized by the California Board of Accountancy to perform audits in California. Our firm currently consists of 2 partners, 2 accountants, and 1 administrative staff and provides services in all areas of accounting, including auditing, reviews, compilations, agreed upon procedures and various consulting engagements, as well as tax services. Our firm is a member of the California Society of Certified Public Accountants.

Our firm is unique in that we have minimal turnover of staff which provides for continuity of staff on engagements. In fact, we have had most of the same staffing for the past fifteen years. Although we are a smaller firm, our client base over the years ranges from special government districts (e.g. reclamation districts, fire protection districts, irrigation districts, & community service districts), nonprofit organizations, including several non-profit trade associations, to high profile regional corporations. This has allowed us to become proficient in all areas of auditing and accounting.

Our firm utilizes RIA's checkpoint software for its resource needs. RIA is continually updated to maintain the most up to date information and tools related to auditing, accounting and taxes. This service also provides necessary audit programs and checklists which are continually updated to the most current auditing and accounting standards. Additionally, as members of the California Society of Certified Public Accountants, we have access to resources the professional organization provides to address complex or technical issues.

Each of our firm's members also obtain the necessary continuing education hours required to maintain their certified public accountant license, including the required hours in auditing and accounting subjects.

Team Qualifications

The audit team at BKS has extensive experience in auditing. BKS currently performs over 70 audits and reviews annually; of which approximately 20% are special government districts. Due to our size, we are able to provide our audit clients with high level, experienced professionals, allowing for an efficient engagement.

The audit team would be led by Bruce W. Sneesby, CPA. Mr. Sneesby would be the engagement partner and would oversee much of the work associated with the engagement. Mr. Sneesby graduated from California State University, Chico with a Bachelor of Science in Business Administration, Accounting. He has been in the public accounting field for over 30 years and has provided accounting and auditing services, including single audits (Uniform Guidance), for a majority of his career.

James Boden, CPA, a partner, would be available as needed to assist in the engagement. He graduated from Brigham Young University, where he earned a Masters of Accountancy concurrent with a Bachelor's degree. After college, Mr. Boden worked for six years with KPMG. He has 25 years of experience in the public accounting arena which includes a significant amount of time auditing.

Blain Boden will also assist with the audit and would be directly supervised by Mr. Sneesby. Mr. Boden graduated from CSU, Sacramento with a Bachelor of Science in Business Administration, Accounting and a Master of Accountancy from Southern Utah University. He has been in public accounting for over 20 years and has auditing experience related to special government districts for more than 12 years.

Audit Approach

Upon being notified that BKS has been selected as the District's auditors, we will provide the District with a detailed engagement letter and an information request list that should be provided prior the beginning of field work. The information request list would typically

be support statements or schedule for balances sheet type accounts, such as bank reconciliations and bank statements to support cash accounts, accounts receivable and payable aging reports, etc. Should the items listed on the information request list be provided, the amount of time required by the District's staff would be reduced during our fieldwork. Also, dependent on the District's accounting software, we may request access to or a copy of the accounting system data file.

Our audit approach would be to perform risk assessment procedures based on financial statement materiality, on interviews with District personnel, and on the accounting structure. During this process, we will document the District's accounting processes as well as test them.

During fieldwork, our procedures will include a review of selected information to support amounts in the financial statements, this information will include invoices, loan agreements, lease agreements, etc. Additionally, we will inquire of District staff to answer any questions we may have or clarify supporting documentation and/or transactions. At the conclusion of the audit, we would have an exit conference with management to discuss the process for completing the audit as well as discuss any issues that came to our attention. Subsequently, a draft of the financials would be provided prior to finalizing the financial statements. We would then provide the financials to the District.

Fees

We realize you are concerned with costs. We will do our best to ensure that your fees are kept to a minimum, while still providing you with the best service possible. Our fees for these services will be based upon the actual time spent at our standard hourly rates, plus out-of-pocket costs such as report production, typing, etc. Our standard hourly rates vary according to the degree of responsibility and the experience level of the personnel assigned to the job. Our bid includes all professional services and out of pocket costs.

Board of Directors
Anderson-Cottonwood Irrigation District
August 4, 2023
Page 5

The fee for the audit engagement for the year ended December 31, 2023 will not exceed \$7,750 (seven thousand seven hundred fifty dollars). For the audit engagements ending December 31, 2024 and 2025), our fees would \$8,000 and \$8,250.

If during the engagement, we encounter circumstances that require additional time not contemplated under this proposal, we will immediately discuss any anticipated increase in the fee.

We are available throughout the year to assist our clients with any questions that may arise. This additional time will be billed at our standard hourly rates which vary depending on the staff assigned to the project and range from \$115 to \$200 an hour. We do not typically charge for phone calls during the year unless significant additional work is required.

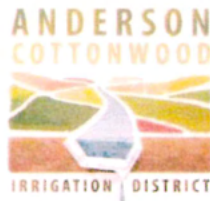
Additional Information

We thank you for allowing us the opportunity to submit this proposal and we look forward to your reply. Should you have any questions or need any clarification please contact Bruce Sneesby, Partner, Boden Klein and Sneesby at (916) 774-1040 or email at bruce@bkscpa.com.

Very truly yours,

Boden Klein & Sneesby

PROPOSAL TO PERFORM
INDEPENDENT AUDITING SERVICES
FOR



For the Year Ended
December 31, 2023

With the Option to Renew for December 31, 2024 to 2026

Richardson & Company, LLP

550 Howe Avenue, Suite 210
Sacramento, California 95825
(916) 564-8727

Primary Contact Person:

Ingrid Sheipline
Isheipline@richardsoncpas.com

September 1, 2023

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September 1, 2023

Terri White
Anderson-Cottonwood Irrigation District
2810 Silver Street
Anderson, California 96007

Thank you for your interest in our firm and the opportunity to present our proposal to serve the **Anderson-Cottonwood Irrigation District** (the District). We are genuinely enthusiastic about the prospect of serving as your auditors. Auditing special districts, especially those with water operations, has developed into one of our firm's major areas of expertise. If given the opportunity, you can be sure that we would serve the District with great care and pride.

Our Understanding of the Services to be Performed

We will audit and express an opinion on the fair presentation of the District's financial statements in conformity with U.S. generally accepted accounting principles for the year ending December 31, 2023, with an option to renew for 2024 through 2026. The audits will be conducted in accordance with U.S. generally accepted auditing standards, the standards set forth for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States as revised, and the State Controller's Minimum Audit Requirements for California Special Districts. In conjunction with our audit, we will also issue a report on internal controls and compliance, a management report and auditor's communication letter. We will also assist the District with the preparation of its financial statements and State Controller's Report.

Our Commitment to Perform Timely Services

We have a reputation for meeting our client's deadlines. You have indicated that our final reports for the audits shall be available by late May/early June. To ensure meeting these reporting deadlines, we will provide the District with an audit plan, including list of schedules and other work requested in January. We will plan to commence fieldwork in early March, or at such time as the books have been closed and all documents and analyses have been completed. We will ensure the audit reports are available for the June Board meeting. We will provide the District with the priority and timely service it deserves.

Independent Accountants with Proven Expertise Serving Water Districts and Other Governmental Entities

In any service organization, it is the people who make the difference. Our team members know and understand the challenges and opportunities confronting governmental entities and our team consists of professionals who have proven their ability to provide auditing services to water and utility districts. Serving this industry with its unique reporting requirements has developed into



one of our firm's areas of expertise. For this reason, we believe we are best qualified to perform the audits of the District. Included in the list of governmental entities we have served in the water industry are the Glenn-Colusa Irrigation District, El Dorado Irrigation District, Tuolumne Utilities District, Sacramento Suburban Water District, Fair Oaks Water District, Nevada Irrigation District, Calaveras County Water District, Westlands Water District, San Luis Delta Mendota Water Authority, Byron Bethany Irrigation District, Citrus Heights Water District, Carmichael Water District, San Juan Water District, Oakdale Irrigation District, South San Joaquin Irrigation District, Del Paso Manor Water District, Yolo County Flood Control and Water Conservation District, South Feather Water and Power Agency, Tri-Dam Project and Power Authority, Florin Resource Conservation District, Rio Linda/Elverta Community Water District, Merced Irrigation District, American River Flood Control District, Reclamation District 2035 and South Yuba Water District, among other water-related entities. We have also audited cities that have water and/or sewer operations, including the Cities of Chico, American Canyon, Sutter Creek, Colfax, Lincoln, Dixon, West Sacramento, Rocklin, Folsom and Marysville.

We have audited the California Department of Water Resources on behalf of a large Southern California water agency for the past thirty-two years, including twelve years while key personnel in our firm were with Ernst & Young. The agency is a consortium of twenty-six cities and water districts serving nearly nineteen million people in the Los Angeles and San Diego areas. It is the largest water district in the world. This large, complex audit of the multi-billion dollar State Water Project managed by the California Department of Water Resources is on a scale and nature as to rarely be performed by other than "Big Four" firms.

We also have extensive experience with performing audits of other special districts, including the Sacramento Metropolitan Fire District, Sacramento Transportation Authority, Cosumnes Community Services District, El Dorado County Transportation Commission, El Dorado Transit Authority, Yolo County Transportation District, Sacramento Public Library Authority, Sacramento Regional Fire/EMS Communication Center and Mountain House Community Services District; and joint powers authorities such as the Regional Water Authority, Sacramento Groundwater Authority and Amador Regional Sanitation Authority. We have also provided audit services to most of the cities in the Sacramento area including the Cities of West Sacramento, Lincoln, Chico, American Canyon, Colfax, Elk Grove, Citrus Heights, Sonoma, Ione, Sutter Creek, Dixon, Folsom, Marysville, Biggs, Colusa, Rancho Cordova and the Town of Loomis, which includes services provided that are similar to those the District provides. We have also audited the Transportation Development Act (TDA) funds of the various cities and counties in Sacramento, Yolo, Yuba, Sutter, Butte, El Dorado, Calaveras, Amador, Placer, Lassen and San Joaquin counties. We have extensive experience with Single Audit Act procedures and reports, preparation of State Controller's Reports, letters to underwriters and preparation and review of Annual Comprehensive Financial Reports for compliance with the GFOA's preparers checklist in order to receive the Certificate of Achievement for Excellence in Financial Reporting. Providing these services for these entities makes us exceptionally well qualified to provide the services you currently request and to provide you with these additional services should you request them in the future.

In addition to demonstrating that we have the technical expertise needed to serve the District, we have also demonstrated that we have the engagement management skills and local staffing resources sufficient to ensure that the District's reporting deadlines are met. We have planned, scheduled and conducted our audits of the governmental entities we serve in an efficient and effective manner in order to meet reporting deadlines. From time to time our clients may need to contact us to ask questions or discuss accounting issues and other matters. We are available through the year to answer questions and encourage our clients to ask questions as the issues



surface. We are timely and responsive to our clients' questions and requests for information. We have established a reputation with our clients for quality service, timeliness and professionalism. Accordingly, we have included some of these entities as references in this proposal and we encourage you to contact them. A list of these similar engagements and their contact information follows.

Our Profile and Commitment to Quality

Richardson & Company, LLP is a regional CPA firm established in 1991 and located in Sacramento. We have a staff of thirty-three, including eleven CPAs. We are among the top 15 largest CPA firms operating in the Sacramento area. Richardson & Company, LLP is a certified Micro-Small Business Enterprise by the California Department of General Services and a certified Disadvantage Business Enterprise and Woman-owned Business Enterprise by CalTrans. All of our professional staff have governmental auditing experience, and specifically, water industry experience. We provide audit services to numerous governmental entities, including water and utility districts, cities, fire districts, regional transportation planning agencies, Transportation Development Act funding recipients, joint powers authorities, cities, fire districts and other special districts. We also provide audit services to nonprofit organizations, financial institutions, holding companies, Securities and Exchange Commission (SEC) registrants, real estate partnerships, a magazine circulation audit and several others. We provide tax services to our audit clients requiring those services. Our firm is dedicated to providing our clients with quality audit, tax, accounting and business advisory services at a reasonable cost consistent with the highest professional standards.

We are registered with the Public Company Accounting Oversight Board (PCAOB) and we are a member of the Center for Audit Quality and the Center for Public Company Audit Firms of the American Institute of Certified Public Accountants (AICPA). All firms that join the Center for Audit Quality agree to adhere to published AICPA and PCAOB quality control standards and submit to peer reviews and PCAOB inspections of their practice every three years. We have passed all ten peer reviews and all three PCAOB inspections of our practice.

Why We are Best Qualified

Richardson & Company, LLP is the best qualified to perform the auditing services required by the District for the following reasons:

- We have extensive history in providing high-quality audits to water and utility districts and other governmental agencies, as previously discussed.
- Our firm uses more experienced staff to actually perform the work than is typical of larger and other firms. If our firm is selected, we plan to have senior managers and the Partner present during fieldwork. While larger and other firms may be able to demonstrate significant amounts of experience in the areas of expertise needed to provide the services you require, the specific individuals they actually assign to your engagement may not have the specific experience you need like the team of accountants we will assign to your engagement. The use of more experienced staff will also ensure you will receive quality services. Also, smaller firms do not have our large government experience, which is essential to address unusual and complicated transactions.
- We have a thorough audit approach that focuses on substantive testing of the District's accounts. Some firms provide lower cost audits by performing mostly analytical review procedures and the evaluation of internal controls instead of performing substantive testing of account balances. Our thorough approach ensures material misstatements are



detected, which should provide a level of comfort to management and the Board of Directors.

* * * * *

Once again, we would like to thank you for the opportunity to discuss our services, present our qualifications, and submit our proposal to serve as independent auditors for the District. We are genuinely enthusiastic over the prospect of serving you and sincerely believe that we have the people, experience, resources and reputation to assure you of outstanding services. For the preceding reasons and many others as outlined in this proposal, we genuinely believe that your selection of our firm as the District's independent accountants is the best decision that the District could make.

If you have questions or need additional information, please contact Brian Nash or me at (916) 564-8727, fax (916) 564-8728, correspondence at 550 Howe Avenue, Suite 210, Sacramento, California 95825 or email sent to bnash@richardsoncpas.com or isheipline@richardsoncpas.com.

Very truly yours,

RICHARDSON & COMPANY, LLP



Ingrid Sheipline, CPA
Managing Partner



RICHARDSON & COMPANY, LLP PROFILE

Firm Qualifications and Experience

Richardson & Company, LLP (successor to Richardson & Company) is a regional CPA firm established in 1991 and located in Sacramento. We have a total staff of thirty-three, including eleven CPAs. Our governmental audit staff totals twenty-six, all of which are located in Sacramento. Richardson & Company, LLP is a certified Micro-Small Business Enterprise by the California Department of General Services and a certified Disadvantage Business Enterprise and Woman-owned Business Enterprise by CalTrans. We provide audit, accounting, tax and business advisory services to governmental entities (water districts, cities, regional transportation planning agencies, special districts and joint powers authorities), nonprofit organizations, financial institutions and bank holding companies, real estate partnerships, and others primarily located in northern California and Oregon, including the largest water district in the world located in Los Angeles. We perform Single Audit Act and grant compliance audits for both nonprofits and governmental entities. We provide tax services to our audit clients requiring those services.

Since leaving the international CPA firm of Ernst & Young LLP, Joe Richardson (deceased), the founder of Richardson & Company, Ingrid Sheipline, Brian Nash and their team have built a practice oriented toward providing services equal in caliber to those provided by firms operating on a national level. We believe we have the expertise in the governmental field to ensure high-quality service.

The following is a list of governmental and governmental-affiliated entities we are currently serving or have served:

Water Agencies

- Amador Water Agency
- Calaveras County Water District
- Tuolumne Utilities District
- Rancho Murieta Community Services District
- Byron Bethany Irrigation District
- Westlands Water District
- Nevada Irrigation District
- South Feather Water and Power Agency
- El Dorado Irrigation District
- Oakdale Irrigation District
- South San Joaquin Irrigation District
- Yuba County Water Agency
- Tri-Dam Project and Power Authority
- San Luis and Delta-Mendota Water Authority
- Merced Irrigation District
- San Joaquin Valley Drainage Authority
- Yolo County Flood Control and Water Conservation District
- Sacramento Suburban Water District
- Fair Oaks Water District
- Carmichael Water District
- American River Flood Control District
- San Juan Water District
- Glenn-Colusa Irrigation District
- Reclamation District 1000



- Reclamation District 2035
- Volcano Community Services District
- Orleans Community Services District
- Del Paso Manor Water District
- Citrus Heights Water District
- Elk Grove Water District
- Yolo Subbasin Groundwater Agency
- Rio Linda/Elverta Community Water District
- South Yuba Water District
- State Water Project Contractors Authority
- Solano County Water Agency
- South Sutter Water District
- Regional Water Authority
- Sacramento Groundwater Authority
- Cosumnes Groundwater Agency
- Delta Conveyance Finance Authority

Other Governmental Agencies

- Cities of West Sacramento, Elk Grove, Chico, Lincoln, Colfax, Citrus Heights, American Canyon, Sutter Creek, Sonoma, Rocklin, Marysville, Paradise, Loomis, Dixon, Folsom, Rancho Cordova, Ione, Isleton, Colusa and Biggs
- Mountain House Community Services District
- Cosumnes Community Services District
- Yolo County Transportation District
- Yolo County Local Agency Formation Commission
- Yolo-Solano Air Quality Management District
- Calaveras Public Power Agency
- Sacramento Metropolitan Fire District
- Sacramento Area Council of Governments
- Sacramento Transportation Authority
- Sacramento Public Library Authority
- Sacramento Regional Fire/EMS Communications Center
- Sacramento Metropolitan Cable Television Commission
- Amador County Transportation Commission
- Amador Transit
- Butte County Association of Governments
- El Dorado County Transportation Commission
- El Dorado County Transit Authority
- El Dorado County Emergency Services Authority
- El Dorado Hill Community Services District
- El Dorado Hills Fire Department
- California Exposition and State Fair
- Byron Sanitary District
- Auburn Area Recreation and Park District
- Cortina Community Services District
- Ranch House Community Services District
- Diablo Community Services District
- Yolo Emergency Communications Agency
- Paratransit, Inc.
- California Tahoe Emergency Services Authority



- Calaveras Council of Governments
- Yuba-Sutter Transit Authority
- Placer County Transportation Planning Agency
- Regional Waste Management Authority
- Sacramento Valley Basinwide Air Quality Control Council
- San Joaquin Council of Governments
- Lassen County Transportation Commission
- Lassen Transit Services Agency
- Cortina Community Services District
- Diablo Community Services District
- Dixon and Vacaville Public Library Districts
- California Educational Facilities Authority
- California Health Facilities Financing Authority
- California Fire and Rescue Training Authority
- California Pollution Control Financing Authority
- Sacramento County Waste Management and Recycling
- Wilton, Herald, Courtland, Rescue and Pacific-Fruitridge Fire Protection Districts
- Stanislaus Consolidated Fire Protection District
- Transport System of the University of California at Davis (Unitrans)
- Calaveras Transit Agency
- County of Calaveras Transit Fund
- Marin County Transit District
- City of Angels and County of Calaveras Transportation Development Act Funds
- Sacramento County State Transit Assistance Fund
- Counties of Sacramento, Sutter, Yolo and Yuba Transportation Development Act Funds
- Local Transportation Funds of the Counties of Sacramento, Sutter, Yolo and Yuba
- Cities of Folsom, Galt, Isleton, Sacramento, Davis, Live Oak, Rancho Cordova, Yuba City, Marysville, Wheatland, West Sacramento, Winters and Woodland Transportation Development Act Funds
- El Dorado County and City of Placerville Transportation Development Act Fund
- El Dorado County Local Transportation and State Transit Assistance Funds
- County of Butte and Cities of Oroville, Chico, Gridley, Biggs and Paradise Transportation Development Act Funds
- Cities of Escalon, Lodi, Manteca, Lathrop, Ripon and Tracy and County of San Joaquin Transportation Development Act Funds
- San Joaquin County Local Transportation Fund and State Transit Assistance Fund
- San Joaquin Regional Transit District
- Cities of Manteca, Lathrop, Tracy, Lodi and Ripon Transit Systems
- The Alpha Fund (a joint powers authority and workers compensation risk pool primarily for rural hospitals) an affiliate of the Association of California Healthcare Districts, Inc.
- Funds and accounts of the California Department of Water Resources on behalf of the Metropolitan Water District of Southern California, including special analyses and projects related to its contract with the State

The services we provide to the clients above and other clients prove that we have the ability to provide the services that the District requires. Examples of these services include the following:

- We conduct the audits of the general purpose financial statements of numerous special districts, including water districts, as well as several cities, some of which have water operations and other enterprise funds similar to those of the District. Our experience performing these audits of general and special purpose governmental financial statements



has made us thoroughly familiar with the application of generally accepted governmental accounting principles.

- The past several years we have provided the Cities of West Sacramento, American Canyon, Rancho Cordova, Dixon, Chico, Citrus Heights, Elk Grove and Folsom and the Cosumnes Community Services District, Fair Oaks Water District, San Juan Water District, Oakdale Irrigation District, El Dorado Irrigation District, Marin County Transit District, Florin Resource Conservation District and San Joaquin Council of Governments with extensive assistance in the preparation of their Annual Comprehensive Financial Report (ACFR), including the first ACFR the City of Rancho Cordova, Cosumnes Community Services District, Sacramento Metropolitan Fire District, Florin Resource Conservation District and San Joaquin Council of Governments had ever prepared. The ACFRs for all of these agencies have received the Government Finance Officers Association's Certificate of Achievement for the years we have assisted them.
- We have provided federal compliance auditing services to numerous entities, including the South San Joaquin Irrigation District, El Dorado Irrigation District, Calaveras County Water District, Rio Linda/Elverta Community Water District, Yuba County Water Agency, Cities of Chico, Colfax, Lincoln, Elk Grove, West Sacramento, Citrus Heights, Marysville, Sutter Creek, Colusa, Amador Transit, Butte County Association of Governments, Yolo County Transportation District, El Dorado County Transit Authority, Courtland Fire Protection District, Yuba-Sutter Transit Authority, the Transport System of the University of Davis, Paratransit and to several nonprofit organizations receiving federal grants that must also comply with *Government Auditing Standards*, which are the same standards that apply to the District, and the Single Audit Act.

In addition, Ingrid Shepline has gained an extensive amount of governmental accounting and auditing experience in her previous position with Ernst & Young LLP, including the following:

- Provided auditing services to numerous state and local government units that face the same unique governmental accounting and auditing aspects as the District such as accounting for bonds and related refundings, extensive reporting requirements, basis of accounting, and budgetary and other legal compliance requirements. These entities include the California Department of Water Resources Enterprise Fund, Sacramento County, Solano County Private Industry Council, City of Woodland, City of Lodi and California Housing Finance Agency. The audits of Sacramento County and City of Woodland also involved the preparation of award winning ACFRs.
- Established an audit approach for testing for compliance with federal, state and local grant requirements, including application of the Single Audit Act, for Sacramento County, City of Lodi and California Housing Finance Agency.

In addition, our firm and its key members presently provide or have provided auditing and consulting services to the following water districts and agencies:

- **Various Water Agencies (listed on pages 5 and 6)**
We prepared the general purpose financial statements or ACFR and performed the annual audits of these Districts in accordance with generally accepted accounting standards and *Government Auditing Standards*. We also prepared the State Controller's Report for a number of these agencies. We have assisted Oakdale Irrigation District, Florin Resource Conservation District, Fair Oaks Water District, South San Joaquin Irrigation District, San Juan Water District and El Dorado Irrigation District with the preparation of their ACFR.



- **Large Southern California Water Agency**
We perform the ongoing audit of the cost accounting records of the State Water Project on behalf of one of the world's largest water agencies, including completion of numerous special projects, reviewing the Department of Water Resources budget and representing the agency at meetings with Department of Water Resources personnel.
- **Department of Water Resources - State Water Resources Development System**
Conducted the financial audit of the State Water Resources Development System enterprise fund and provided other services associated with bond offerings and refundings, including letters to underwriters.
- **Central Valley Project Water Association (CVPWA)**
CVPWA is an association of approximately 250 water users receiving water from the Central Valley Project. The Central Valley Project is maintained and operated by the U.S. Bureau of Reclamation. We have performed audits of the Bureau's cost accounting records of the Central Valley Project on behalf of CVPWA, including the completion of numerous special projects. The Bureau uses the FERC chart of accounts.
- **Department of Water Resources - Reid Gardner Power Plant and Pine Flat Power Sales Contract**
Examination of the costs associated with the Department's Participation Agreement with Nevada Power Company for the construction and operation of Reid Gardner Unit No. 4 and the costs associated with the Pine Flat Power Sales Contract between the Department and Kings River Conservation District.
- **Santa Clara Valley Water District, East Bay Municipal Utility District, Contra Costa Water Agency, Westlands Water District and Other Federal Water Users**
Performed several special auditing and consulting projects for these districts related to their contracts with the U.S. Bureau of Reclamation for delivery of water from the Central Valley Project.

Quality Control and Peer Review

We are a member of the Center for Audit Quality of the American Institute of Certified Public Accountants (AICPA) and participate in the California Society of CPA's Peer Review Program. We are registered with the Public Company Accounting Oversight Board (PCAOB) created by the Sarbanes-Oxley Act to inspect firms that audit SEC registrants. Membership in the Center for Audit Quality is voluntary and all firms that join agree to adhere to published quality control standards and submit to peer reviews and inspections of their practice every three years. We have passed all ten of our peer reviews with a "clean opinion" and all three PCAOB inspections. The ten peer reviews cover the entire thirty-two year period our firm has been in existence. Our latest peer review is attached to this proposal. All of our peer reviews have included government engagements.

The quality control policies for our auditing practice are described in detail in our firm's Quality Control Document. All employees and members of our firm are provided with a copy of our Quality Control Document and are responsible for understanding, implementing and adhering to these policies and procedures. Our policies and procedures cover each of the following six elements of quality control: 1) Leadership, 2) Relevant Ethical Requirements, 3) Acceptance and Continuance of Clients and Engagements, 4) Human Resources, 5) Engagement Performance and 6) Monitoring. The adequacy of our quality control system and our compliance with that system are independently evaluated every three years through a peer review.



We also demonstrate our commitment to providing quality service in many other ways, including:

- Organizing, staffing, and managing engagements to provide for appropriate levels of technical competence, experience, supervision and review.
- Undertaking quality control reviews of selected engagements to assure compliance with professional standards.
- Recognizing our obligation to the public as well as to our clients.
- Conducting engagements in accordance with clients whose concern for reputation and integrity is similar to our own.
- Promoting the growth of our firm primarily by referrals from existing clients satisfied with the quality of our services.

In addition to excellent peer review and inspection results, other examples of our commitment to quality include:

- Assisting numerous governmental entities with receiving the Certificate of Excellence in Financial Reporting awarded by the Government Finance Officers Association, including several that received the award on the first attempt.
- Engaging a nationally recognized accounting consultant who has authored several accounting and reporting manuals, including those dealing with SEC matters, as technical support for our firm in addition to the support customarily available through the American Institute and California Society of CPAs.
- Engaging a partner and Director of Audit and Banking Practices for a large midwestern firm to serve as the concurring reviewer for our SEC registrant bank as well as providing consultation with respect to audit and accounting issues for other clients. He has extensive experience auditing banks and public companies as result of more than twenty years with Ernst & Young, KPMG and his current firm.
- Auditing the California Department of Water Resources on behalf of a large Southern California water agency for the past thirty years, including twelve years while key personnel in our firm were with Ernst & Young. The agency is a consortium of twenty-six cities and water districts serving nearly nineteen million people in the Los Angeles and San Diego areas. It is the largest water district in the world. This large, complex audit of the multi-billion dollar State Water Project managed by the California Department of Water Resources is on a scale and nature as to rarely be performed by other than “Big Four” international CPA firms.
- Performing several special investigative audits for governmental special districts that have received extensive statewide news media attention. Being selected several times to conduct this special audit work demonstrates that our firm has the resources and expertise to successfully complete difficult, unusual auditing projects in a timely manner. Our investigations discovered several problems and our audit results were made public by the districts involved. The FBI, IRS and district attorney’s office subpoenaed our workpapers to assist them with their investigations. We have testified in federal court and given depositions related to this work which, in certain cases, resulted in managers and assistants serving federal prison sentences.
- Preparing audited financial statements and other information for inclusion in several public offering documents reviewed by the SEC and other CPA firms, including Big Four firms, with minimal insignificant changes.
- Preparing audited financial statements reviewed by the State Board of Accountancy without change.



QUALIFICATIONS OF OUR KEY PERSONNEL

We have the personnel with the necessary professional qualifications and technical ability to provide you with the quality service you are looking for. As you can see from the resumes of our key personnel, we have developed the proficiency in the accounting principles and standards and governmental and grant compliance auditing to ensure you will receive quality work. Our firm philosophy centers around our commitment to the highest level of quality service--delivered by quality people. We have a history of providing technical excellence through teamwork responsive to clients' needs and expectations. Our commitment to quality results in satisfying the needs of our clients by providing value-added services and attracting and retaining clients of the highest caliber.

Our key audit executives will participate heavily in the audit of the District. This assures the District will receive a quality audit managed and executed on-site by seasoned professionals, knowledgeable of the government and specifically the water industry. We believe the quality of our services exceeds that of national and other firms because our audit team uses more experienced professionals to actually perform the work. National and other firms typically rely heavily on senior and staff accountants to perform audit fieldwork with minimal on-site direction from partners or managers.

The following resumes outline the qualifications and experience of our key team members.

Ingrid M. Sheipline, CPA (Managing Partner and Audit Partner)

Ingrid serves as our Managing Partner and would be the District's audit partner. She would have overall responsibility for planning, directing and coordinating our services for you. Since significant and timely partner involvement is a cornerstone of our quality control procedures, she will be involved in all phases of our audit work from initial planning through report preparation. Formerly an audit manager with Ernst & Young LLP, she is a Certified Public Accountant with over thirty-eight years of experience. Ingrid has supervised and conducted the fieldwork for a variety of clients including governmental entities, nonprofit organizations, utilities, banks, insurance agencies, manufacturers and distributors. While with Ernst & Young LLP, she specialized in governmental entities and grant compliance auditing, and has attended or taught numerous governmental education seminars. She is currently serving or has served almost all of the previously mentioned governmental entities, including most of the water districts, such as Glenn-Colusa Irrigation District, Tuolumne Utilities District, El Dorado Irrigation District, South Feather Water and Power Agency, Fair Oaks Water District, Sacramento Suburban Water District, Carmichael Water District, San Juan Water District, Citrus Heights Water District, Reclamation District 2035, Merced Irrigation District, Nevada Irrigation District, Rio Linda/Elverta Community Water District and South Yuba Water District. She has audited most of the government agencies listed on the previous pages, including cities and other special districts.

Ingrid has a Bachelor of Science degree in accounting with honors from California State University, Sacramento. She is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants, having served on the Board of Directors of the Society's Sacramento Chapter and as a member of the Government and Nonprofit Committee.

Brian Nash, CPA (Partner and Concurring Reviewer)

Brian is a partner with our firm and would serve as a second, additional or concurring reviewer, if needed. He has thirty years of professional accounting and auditing experience and has



provided services to a variety of clients, including most of the government entities, nonprofits, banks, water agencies and other entities described in the preceding sections of this proposal. He has served a number of the water districts, including El Dorado Irrigation District, Calaveras County Water District, Yuba County Water Agency, Florin Resource Conservation District/Elk Grove Water District, Westlands Water District, San Luis Delta Mendota Water Authority, Oakdale Irrigation District, San Juan Water District, South San Joaquin Irrigation District, Sacramento Suburban Water District, Tri-Dam Project and Power Authority, Yolo County Flood Control and Water Conservation District and South Yuba Water District and numerous other governmental agencies, including cities other special districts. Brian received a Bachelor of Science degree in accounting with honors from California State University, Sacramento. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

David Chiaravalloti, CPA (Audit Senior Manager)

David, a senior manager with our firm, will organize, conduct, review and evaluate field work and will be responsible for the planning and report preparation and review under the direction of Brian. He will work on-site for the duration of fieldwork. He has extensive experience auditing water districts, cities and other governmental entities with Richardson & Company, LLP and another CPA firm. He has twenty-five years of professional experience, including twenty years with our firm. The clients he has served with water and/or utility operations include Yolo County Flood Control and Water Conservation District, Calaveras County Water District, Fair Oaks Water District, Citrus Heights Water District, San Juan Water District, South Yuba Water District, Mountain House Community Services District, Cities of West Sacramento, Lincoln, Paradise and Colfax. He also has experience with other public agencies including auditing proprietary funds at cities. David received a Bachelor of Science degree in accounting from California State University, Sacramento. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

Other Staff

We would assign senior and staff accountants to the engagement with experience working on governmental audits since everyone in our firm is required to work on a portion of our previously mentioned audits. Eleven out of our twenty-six professional staff are CPAs.

Our Commitment to Staffing Continuity

Richardson & Company, LLP has proven its ability to attract and retain an excellent professional staff to serve our clients and meet our commitments. We currently have twenty-six professional staff, including eleven CPAs, and four administrative staff. In addition, while national and other firms have high staff turnover rates, which makes it difficult to provide staffing continuity from year to year, our firm has experienced a very low turnover rate. Accordingly, we commit to maintaining a staffing level sufficient in size and experience to successfully complete the audit each year. We consider staffing to be of the utmost importance because of its significant impact on our ability to provide you with outstanding service. We have consistently demonstrated our firm's ability to recruit, train and maintain a quality staff as evidenced by our excellent peer review results for the past thirty-two years and our ability to consistently attract and serve quality clients.

If selected as your auditors, Ingrid Shepline would have overall responsibility for our services for you. Ingrid would spend a substantial amount of time on site during the audit and will assist with the resolution of any issues. Ingrid would work closely with David to ensure they have all



the resources necessary to provide the District with excellent service. Ingrid Sheipline has been with the firm since its inception.

The engagement senior manager would be David, who has been with our firm for twenty years. He will be assisted by staff with extensive water industry audit experience. He would work on site as the in-charge accountant during the duration of the audit fieldwork. While we would have other auditors assigned to the engagement with less experience, they will always be supervised by David.

Education

Our firm regularly attends courses on government accounting and auditing issues and grant compliance auditing and is represented at the California Society of CPA's Sacramento Chapter of the Government Committee to stay abreast of current issues affecting the government industry. Consistent with *Government Auditing Standards*, each of our auditors that are responsible for planning, directing, conducting or reporting on any of our government-related audits completes 80 hours of continuing education and training every two years, including subjects directly related to the government environment and to grant compliance auditing. All personnel that will be assigned to your engagement team have attended governmental training programs. Our governmental training program consists of governmental courses offered by professional societies as well as subscription to a video training service that includes significant issues relating to governmental accounting standards and grant compliance presented by top government experts from throughout the country. We also provide internally developed classes addressing current accounting and auditing issues pertinent to our clients.



REFERENCES

The following is a list of the most significant engagements in the last five years that are similar to the engagement described in the District's Request for Proposal.

Name of referenced entity: Sacramento Suburban Water District
Name of client contact and title: Jeff Ott, Director of Finance
Address and phone number: 3701 Marconi Avenue
Sacramento, California 95821
(916) 972-7171
Email address: jott@sswd.org
Services performed: Audit of the financial statements in accordance with generally accepted auditing standards, and *Governmental Auditing Standards*, a Single Audit under OMB Circular A-133 and review of the ACFR. Also completed extensive special project work on behalf of the Board of Directors. Audits have been completed for the fiscal years ended January 31, 2003 through December 31, 2006 and 2014 through 2019.

* * * * *

Name of referenced entity: Tuolumne Utilities District
Name of client contact and title: Steve Sheffield, CPA, Finance Director
Address and phone number: 18885 Nugget Blvd.
Sonora, California 95370
(209) 532-5536 ext. 482
Email address: s.sheffield@tudwater.org
Services performed: Audit of the financials in accordance with generally accepted auditing standards, and *Governmental Auditing Standards* and preparation of the State Controller's Report for the years ended June 30, 2013 through 2022.

* * * * *

Name of referenced entity: Fair Oaks Water District
Name of client contact and title: Tom Gray, General Manager
Chi Ha-Ly, Finance Manager
Address and phone number: 10317 Fair Oaks Blvd.
Fair Oaks, California 95628
(916) 967-5723
Email address: tgray@fowd.com
cha-ly@fowd.com
Services performed: Audit of the financials in accordance with generally accepted auditing standards, and *Governmental Auditing Standards*,



assistance with pension entries under GASB 68 and review of the ACFR for the years ended December 31, 2004 through 2008 and 2014 through 2018.

* * * * *

Name of referenced entity: San Juan Water District
Name of client contact and title: Donna Silva, Director of Finance
Address and phone number: 9935 Auburn-Folsom Road
Granite Bay, California 95746
(916) 791-0115
Email address: dsilva@sjwd.org
Services performed: Audit of the basic financial statements in accordance with generally accepted auditing standards and Government Auditing Standards and preparation of the ACFR for the years ended June 30, 1999 to 2009 and 2017 through 2021.

* * * * *

Name of referenced entity: Calaveras County Water District
Name and client contact and title: Jeff Meyer, Senior Vice President
Address and phone number: 120 Toma Court
San Andreas, CA 95249
(323) 925-3106
Email address: jeffreym@ccwd.org
Services performed: Audit of the financial statements in accordance with generally accepted auditing standards, preparation of ACFR *Government Auditing Standards*, and A-133, and preparation of the State Controller's Report. Audits have been completed for the years ended June 30, 2016 through 2022.



SCOPE OF WORK

Scope of Services

We understand that the District requires an audit of its basic financial statements for the fiscal year ended December 31, 2023, with an option to extend the services to years ended December 31, 2024 through 2026, including all procedures necessary for the issuance of an opinion regarding the fairness of the presentation of the financial statements in conformity with U.S. generally accepted accounting principles. The audits will be conducted in accordance with U.S. generally accepted auditing standards, the standards set forth for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States as revised, and the Minimum Audit Requirements and Reporting Guide for California Special Districts as required by the State Controller's Office. These services will include the following:

1. Perform an audit of the District's financial statements in accordance with generally accepted auditing standards, *Government Auditing Standards* and the State Controller's Minimum Audit Requirements for California Special Districts.
2. Express an opinion on the financial statements as to whether they present fairly, in all material aspects, the financial position of the District and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditor's report stating this opinion.
3. We will prepare and print the basic financial statements in accordance with GASB 34.
4. Test internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with *Government Auditing Standards*, and issue an independent auditors' report on their consideration. Any reportable conditions found during the audit will be addressed in these reports.
5. Apply limited audit procedures to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A) and any supplementary information that is contained in the financial statements.
6. Prepare a management letter and SAS 114 letter to the Board of Directors and Management which identifies significant audit findings, difficulties encountered in performing the audit, identify any correct and uncorrected misstatements, disagreements with management, management representations, control deficiencies, significant deficiencies and material weaknesses, if any, and our recommendations for improvements in accounting and administrative controls.
7. Prepare and forward to the State Controller's Office the Annual Report of Financial Transactions of Special Districts pursuant to Government Code Section 53891.

Audit Approach

Our extensive experience in auditing ensures that we will concentrate on those areas of highest risk and plan and coordinate our work with management. We will not waste your time and resources by auditing areas that have no material risk to the financial statements. We will perform an assessment of the internal controls for the purpose of determining the procedures necessary to perform our audit, and any recommended enhancements to internal controls that we note during our audit will be communicated to management and the Board of Directors.



Our audit approach to this engagement is divided into three stages as follows:

Initial Planning: We believe that a smoothly-run audit is based upon the early identification and resolution of reporting and auditing issues. Due to the extensive knowledge gained through auditing governmental organizations similar to the District, we will identify such issues in a timely manner and obtain a better understanding of your organization and the external and internal environments in which the District operates. We will examine significant contracts and agreements to determine the effect on the nature and extent of the auditing procedures and to determine laws and regulations subject to test work. Our familiarity with laws and regulations affecting water districts will also be used as a resource for determining the extent of testing needed. We will meet with your personnel to obtain an understanding of your internal control structure policies and procedures and to document the flow of information through the accounting system, including how the accounting system is used to process data, and prepare internal control questionnaires and walkthrough memos with the assistance of your staff.

In order to familiarize ourselves with the District's accounting processes, including internal controls that are in place, we will provide the District with a list of questions, and will meet with District personnel to discuss them. We will also determine the provisions of any and all federal, state and county orders; statutes; ordinances; charters; bond covenants; administrative code or other rules and regulations that have a significant financial impact on the District. We will review organization charts and any accounting procedures manuals to obtain an understanding of the District.

Program Development: Our risk assessment and evaluation of internal controls will provide the basis for determining the nature, timing and extent of audit procedures for specific transactions and accounts. Our approach to gaining an understanding of internal control will be in accordance with Statement of Audit Standard (SAS) Nos. 104 through 111, as updated by Nos. 122 through 125. Accordingly, we will focus on obtaining an understanding of the control environment, risk assessment, information and communication, and monitoring components. We will use our experience with other water district audits to document the District's control environment and will perform a walkthrough of significant areas to assess control risk for the purpose of planning our substantive tests. We will perform additional testing of internal controls as needed based on our risk assessment. An overall audit program is the end product of our initial planning. The primary purpose of this phase of our audit approach is to assess the likelihood of material error in the accounts and transactions and to determine the most cost effective and cost efficient mix of audit procedures. In developing the audit program, our aim will be to:

- Provide a complete audit program for all important financial statement amounts.
- Eliminate redundant audit procedures.
- Use audit procedures which accomplish more than one purpose.

Our audit approach is based on an analysis and understanding of the external and internal risk currently facing the organization we are auditing. Risk analysis enables us to design the most effective and efficient audit program, which evaluates and includes audit tests in relation to the size and probability of these risks. This approach provides us with a uniform method for developing and documenting the basis for our audit program. We provide our clients with a detailed list of items needed during the audit well in advance to allow for sufficient time to gather the information. This approach minimizes disruption to District staff during the course of the audit.



Program Execution: During this stage of our audit, we will perform the tests of transactions processed through the accounting system, direct tests of account balances and tests of compliance with laws, regulations and contracts. We plan to use either random or systematic sample selection methods to perform such tests. We will utilize analytical procedures in all areas of the audit, especially for revenues and expenses. We will perform all requested tasks as one integrated engagement and will schedule the timing of our field work so that there will be minimal disruption of the day-to-day operations. We will perform testing of internal controls in the areas of water billings/cash receipts, cash disbursements and payroll, with sample sizes ranging from 5 to 40 items, which will depend on the size of the population. We will select our samples randomly from number sequences or other documents provided by the District. We will use the District’s budget to determine the need for restrictions or designations as well as to perform analytical procedures for comparison to actual revenues and expenses.

We will perform analytical procedures to assist us in identifying areas of risk for which substantive procedures will be performed. However, we believe analytical procedures alone will not identify all potential significant misstatements and will detail test certain balance sheet and income statement accounts that our experience has shown are frequently misstated, such as certain receivables and subsequent payments that may need to be accrued as liabilities. We will utilize electronic audit software during the engagement, including during the on-site interim and year-end fieldwork, for all workpaper preparation and for developing the lead schedules and trend analysis reports used in the audit process. We utilize an electronic portal to accumulate documents needed for the audit.

The following work plan was developed with your deadlines in mind. The timing identified in the work plan is approximate. **Upon selection as your independent accountants, we will meet with you, and together we will determine a specific timetable which ensures minimal disruption of your employees and that the District’s desired deadlines are met.** As can be seen from the following work plan, the service team is composed in such a way that each member has adequate supervision and technical support.

Work Plan

Task	Timing	Estimated Hours				Total
		Partner	Senior Manager	Senior	Staff	
Audit Planning:	January	3	8	5	5	21
Begin audit planning process						
Risk assessment						
Develop audit programs						
Prepare audit assistance package and confirmation letters						
Provide audit assistance package						
Compliance Testing:	March		4	6	8	18
Tests of transactions for cash receipts, disbursements and payroll						
Tests of compliance with laws and regulations						



Task	Timing	Estimated Hours				Total
		Partner	Senior Manager	Senior	Staff	
Substantive Testing:	March/April	16	33	26	45	120
Cash and investments						
Revenue and receivables						
Payroll and related liabilities						
Expenses for goods and services and related liabilities						
Capital assets						
Long-term liabilities						
Equity and other credits						
Reporting and Wrap-up:	April/May	6	10	8	12	36
Prepare financials						
Prepare management letter/other reports						
Delivery of audit reports	April/May					
Prepare State Controller's Report	June					
Total Annual Audit Hours		25	55	45	70	195

Our audit will be planned so that delivery of all required reports will be accomplished in a timely manner. We believe that the staffing of the audit is sufficient to ensure the timely completion of the audit and to ensure that the work is properly supervised. We would work closely with management to ensure that we provide timely services consistent with your requirements. We will prepare the financial statements consistent with professional standards and will review the drafts of all our reports and letters with the District prior to finalization to ensure the reports meet your requirements. Upon completion of the audit, we will provide the District with copies of our reports, as needed, for distribution to management, the Board of Directors, and other interested parties.

Our firm philosophy centers around our commitment to the highest level of quality service--delivered by quality people. Our tradition of providing technical excellence through teamwork responsive to clients' needs and expectations--and doing so to the very best of our ability--requires that our single focus be on quality. Our commitment to quality results in:

- Satisfying the District's needs by providing value-added services.
- Attracting and retaining clients of the highest caliber.
- Providing personal satisfaction and opportunity for professional growth for every member of our organization.

Some of the specific benefits the District will realize from our audit approach include:

A Smooth, Quick Transition--Our audit approach, familiarity with water districts and our experience in succeeding other accountants prepares us to effect a smooth transition. Our transition plan will ensure that:

- We understand the auditing procedures and accounting treatment currently in place.
- Disruption to your normal operations and time lost due to "educating" the new firm will be minimal.
- We will coordinate and plan our work closely with your staff.



A Fresh Look--We will ensure that the District benefits from a “fresh look” by its new auditors--Richardson & Company, LLP. Our approach to transition engagements, with which we are very experienced, will result in:

- A thorough review and evaluation of your systems of internal accounting and compliance controls.
- A review and evaluation of your significant data processing systems and controls.
- A fresh review of operating practices.

Ongoing Communications with Management--We will work closely with you to resolve issues and serve as the District’s advisor on a timely basis. We do not take dogmatic, unyielding positions, and will keep the lines of communications open. We understand the concepts of materiality and will work with District personnel on all issues with materiality in mind. Members of our engagement team will be readily available to answer the District’s questions and to respond to the District’s needs.

Relevant and insightful suggestions--Our plan and approach requires us to obtain a complete knowledge of the District’s operating environment and accounting systems. This will position us well as an “advisor” to District management.

Less disruption to the District--Our audit plan will result in the most effective and efficient combination of internal control and account balance testing. This will eliminate duplicate procedures and unnecessary tasks, minimizing the necessary number of auditors and, consequently, result in less disruption of District personnel. As a result of our past experience auditing water districts, we have a familiarity with transactions and operations typical of water districts, which will ensure the most efficient and effective audit and a smooth transition.



PROFESSIONAL FEES

Our goal is to provide quality service using the highest professional standards at a reasonable cost. We plan each assignment carefully and set a time budget for each phase of the engagement. All of our staff are well indoctrinated in the need to use their time to the fullest efficiency.

During the first year, we will spend a significant amount of time becoming familiar with your organization and operations, developing permanent files, and performing our risk assessment. We will absorb the cost of this nonrecurring time and view it as an excellent investment in establishing a long-term relationship and in becoming more knowledgeable about your operating environment, which will enhance our ability to provide you with responsive service.

Since Richardson & Company, LLP consists primarily of experienced auditors, you can be sure that you will receive the experience level and quality of service you expect. Our firm will bring to the audits strong technical backgrounds, government and utility accounting expertise, outstanding engagement management skills, which will provide a “fresh look” at your programs.

Should you have any questions about the details of our fees, or should our fees not appear competitive with those of the other firms, we would appreciate an opportunity to discuss them with you before you make your final decision.

Based upon our current understanding of the situation and our understanding of the District’s control processes in place, our professional fees for the annual audit contract to perform the previously described **Scope of Services** are listed below.

A summary of our fees by task are as follows:

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Financial statement preparation and audit	\$ 15,300	\$ 15,700	\$ 16,200	\$ 16,700
State Controller's Report	<u>600</u>	<u>620</u>	<u>640</u>	<u>660</u>
Total	<u>\$ 15,900</u>	<u>\$ 16,320</u>	<u>\$ 16,840</u>	<u>\$ 17,360</u>

The break-down of our fee by classification is as follows:

<u>Classification</u>	<u>Hours Per Year</u>	<u>Hourly Rates</u>	<u>Fee</u>
Partner	25	\$ 200	\$ 5,000
Senior Manager	55	180	9,900
Senior	45	120	5,400
Staff	<u>70</u>	90	<u>6,300</u>
	<u>195</u>		<u>26,600</u>
Discount			<u>(10,700)</u>
Total Fees for Audit of Financial Statements, December 31, 2023			<u>\$ 15,900</u>

The discount of the rates above gives recognition to the fact the timing of your audit fits extremely well in our schedule and also reflects our commitment to serving water districts and agencies.



Our estimate assumes that the District will prepare all closing entries, including any accrual adjustments needed in accordance with generally accepted accounting principles, and that the beginning net fund balances agree to the prior year audit. Assistance with implementation of GASB statements will be provided upon request and will be billed by the hour at a rate of \$120 per hour.

These estimates do not take into consideration changes in the scope of the audit that increase audit hours by more than a few hours due to changes in accounting or auditing pronouncements and standards, laws or regulations, the loss of key accounting personnel, material weaknesses in the internal control environment, a large number of audit adjustments or significant changes in the scope of the District's operations. We will discuss a new fee estimate with the District if such events occur.

Standard Billing Rates for Additional Services:

Our rates for additional services approved by the District that are not part of the scope of audit services are as follows:

<u>Classification</u>	<u>Rate Per Hour</u>
Partner	\$ 200
Tax Director	220
Senior Manager	180
Managers	160
Supervisors	140
Seniors	120
Semi-seniors	100
Staff	90
Administrative or clerical	60



ATTACHMENT A - PEER REVIEW



Jones, Nale & Mattingly P.C.

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners
Richardson & Company, LLP
and the Peer Review Committee of the California Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Richardson & Company, LLP (the firm) in effect for the year ended March 31, 2021. 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.

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 Richardson & Company, LLP in effect for the year ended March 31, 2021, 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. Richardson & Company, LLP has received a peer review rating of pass.

Jones, Nale & Mattingly P.C.

Louisville, Kentucky
August 13, 2021

Certified Public Accountants and Advisors

401 West Main Street, Suite 1100 Louisville, Kentucky 40202 tel: 502.583.0248 fax: 502.589.1680 www.jnmcpa.com





Dan Woolery,
President, Division 3

James Rickert,
Vice President, Division 5

Ronnean Lund,
Director, Division 1

Audie Butcher,
Director, Division 2

Steve McCarley,
Director, Division 4

Justin Dahl ,
General Manager

09-14-2023 Agenda Item No. 5b

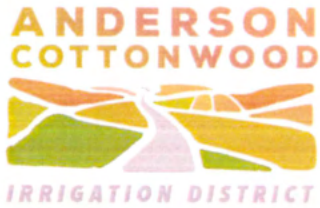
Agenda Title: Discuss & Appoint two Board of Directors to new Budget Committee
(Action may be Taken)

Discussion: Board should discuss the need and responsibilities of a Budget Committee

Fiscal Impact: None

Recommendation: District staff recommends the Board appoint two Board members to a new Budget Committee, comprised of two Board Members, District General Manager and District Finance Manager.

Attachments: None



Dan Woolery,
President, Division 3

James Rickert,
Vice President, Division 5

Ronnean Lund,
Director, Division 1

Audie Butcher,
Director, Division 2

Steve McCarley,
Director, Division 4

Justin Dahl
General Manager

Date: 09/14/2023 Agenda Item No. 5c

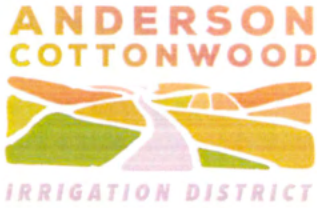
Agenda Title: Discuss & Appoint two Board of Directors to new Infrastructure Committee
(Action may be taken)

Discussion: Board should discuss the need and responsibilities of an Infrastructure Committee

Fiscal Impact: None

Recommendation: District staff recommends the Board appoint two Board members to a new Infrastructure Committee, comprised of two Board Members, and the District General Manager.

Attachments: None



Dan Woolery,
President, Division 3

James Rickert,
Vice President, Division 5

Ronnean Lund,
Director, Division 1

Audie Butcher,
Director, Division 2

Steve McCarley,
Director, Division 4

Justin Dahl
General Manager

Date: 09/14/2023 Agenda Item No. 5d

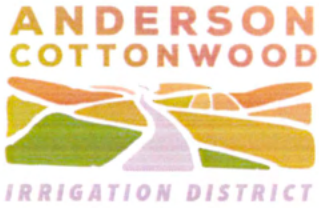
Agenda Title: Discuss & Appoint two Board of Directors to new Strategic Plan Committee
(Action may be taken)

Discussion: Board should discuss the need and responsibilities of an Infrastructure Committee

Fiscal Impact: None

Recommendation: District staff recommends the Board appoint two Board members to a new Strategic Plan Committee, comprised of two Board Members, District General Manager, and two members of the public.

Attachments: None



Dan Woolery,
President, Division 3

James Rickert,
Vice President, Division 5

Ronnean Lund,
Director, Division 1

Audie Butcher,
Director, Division 2

Steve McCarley,
Director, Division 4

Justin Dahl
General Manager

Date: 09/14/2023 Agenda Item No. 5e

Agenda Title: Discuss & Approve Proposal for Labor & Equipment at Holstein Rd. & Churn Creek Rd.
(Action may be taken)

Discussion: Discuss possible approval of the labor and equipment cost for the Holstein and Churn Creek Rd.

Fiscal Impact: District cost would be \$6,320

Recommendation: District General Manager recommends that the Board approve the costs of the labor and equipment. District staff feels that if there was a screen installed on the pipeline that the line wouldn't have been plugged. The District General Manager also feels that if the situation isn't addressed then ACID will lose valued customers in the Churn Creek area. District Staff are planning on designing and installing a screen on the head gate in the main canal in order to alleviate any future issues.

Attachments: See Attachment from Hoy & Son Construction, Inc.

HOY AND SON CONSTRUCTION, INC.

4707 Austin Hoy Road, Anderson, CA 96007

Bus. (530) 365-3735 ---- Fax (530) 365-7419

License Number 462269

PROPOSAL & CONTRACT

PROPOSAL SUBMITTED TO Susan Goodwin	PHONE NUMBER	DATE 08/15/2023
STREET ADDRESS	PROJECT NAME Holstein and Churn Creek	
CITY, STATE AND ZIP CODE	PROJECT LOCATION	
ARCHITECT / FIRM	DATE OF PLANS	DATE OF SPECS
SCOPE OF WORK		

1. Labor and equipment	\$ 5,520.00
2. Materials Includes:	\$ 7,436.00
160' 18" X 63	
1- 24" X 18" Reducer	
2- 12" PIP Caps 100#	
2- 12" PIP Couplings 80#	
1- 24" PIP Cap 100#	
1- 18" PIP Cap Coupler 80#	
2- 12" Alfalfa Valves CIP PIP 80#	
1- 18" X 4" Saddle PIP X IPS	
2- 12" X 18" Saddle Tees	
3. Trash Rack	\$800.00

NOT INCLUDED IN THIS CONTRACT:

1. Traffic Control
2. Soils Testing.
3. Removal of excess material offsite.
4. Excavation of material a D8 cannot rip with reasonable effort.
5. Clearing and Grubbing.
6. Erosion Control.
7. Bonding, Permits and Fees.
8. Subdrains.
9. Clean up spoils.
10. Connection for construction water onsite.
11. Any over ex unless noted above
12. Not all equipment will be tier 3 compliant.
13. Any import to balance site

TOTAL THIS CONTRACT

Full amount of contract to be paid within 30 days after completion of Hoy and Son Construction, Inc.'s obligation, if Hoy and Son Construction, Inc.'s completion takes more than 30 days, monthly progress payments will be billed unless otherwise stated in this contract. Any alteration or deviation from the above specifications involving extra cost of material or labor will be executed upon written order for additional work. This written order will become an extra change order over the sum mentioned in this contract. All agreements must be made in writing.

Contractor's State License Board
3132 Bradshaw Road
Sacramento, CA 95826

Authorized
Signature

Note: This proposal may be withdrawn by Hoy and Son Construction, Inc. if not accepted within 30 days.

ACCEPTANCE of PROPOSAL -

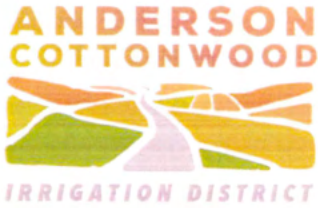
The above price(s), specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature

Date of Acceptance

Signature

Date of Acceptance



Dan Woolery,
President, Division 3

James Rickert,
Vice President, Division 5

Ronnean Lund,
Director, Division 1

Audie Butcher,
Director, Division 2

Steve McCarley,
Director, Division 4

Justin Dahl
General Manager

Date: 09/14/2023 Agenda Item No. 5f

Agenda Title: Discuss & Approve Reagan Dahle's Independent Contractor Agreement
(Action may be taken)

Discussion: Discuss the approval for Reagan's contract to continue as the Communications Specialist for ACID.

Fiscal Impact: None

Recommendation: The General Manager and District Staff recommend the Board approve Reagan's proposal as Communication Specialist. If approved ACID can continue to serve its customers and water users with the communication support the District has been lacking for years.

- Communication Support
- Data Management
- Media/Marketing Training
- Information Systems/ArcGIS Mapping training

Attachments: See Attachment of Reagan Dahle's Independent Contractor Proposal

AGREEMENT

THIS AGREEMENT is made and entered into this 16th day of September, 2023, by and between Anderson-Cottonwood Irrigation District, an irrigation district formed and existing under Division 11 of the California Water Code (“District”), and If Systems (“Consultant” or “Contractor”). District and Consultant are collectively referred to as “parties” or either individually as “party”.

WITNESSETH

- A. District desires to retain the professional services of a consultant to provide data management medial marketing and information systems consulting services.
- B. The duration of service for this contract is for one (1) year from the date the Agreement is entered into, unless terminated earlier.
- C. Consultant represents and warrants that Consultant is an independently established business entity formed as a sole proprietorship, that customarily provides services of the same nature as the services provided for District under this Agreement.
- D. Consultant represents and warrants that Consultant advertises these services to and contracts with entities other than District.
- E. Consultant represents and warrants that Consultant maintains a separate business location and has all required business licenses and tax registration, if any, in order to perform services under this Agreement.
- F. Consultant desires to undertake the Project pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby stipulated, the parties agree as follows:

I. SCOPE OF WORK

The Consultant shall be responsible for timely and satisfactorily completing consulting work which is summarized as follows:

Data Management:

- Regroup Account Support
- Microsoft Access Database Set Up
- Internal Data Support

Media/Marketing:

- Social Media Management
- Website Development

Information Systems:

- ArcGIS Pro Mapping Support
- Internal Communications Support

II. SCHEDULE

Services will be completed upon a mutually agreed schedule after execution of this Agreement. The parties agree to establish this schedule within five (5) days of receipt of execution of this Agreement.

III. RESPONSIBILITIES

A. Consultant. Consultant's duties and rights in connection with this Agreement are as follows:

- 1) Consultants shall be solely responsible for satisfactorily completing the Services, including those tasks described in Section 1. Consultant shall supervise and direct the work and give all attention for such proper supervision and direction;
- 2) Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.
- 3) All work performed by Consultant for District pursuant to this Agreement shall be performed by qualified persons, and shall be performed in accordance with standards of performance generally applicable to experts and licensed professionals in the field for which Consultants services are retained. The standard of care and performance shall be equal to or greater than the standard of care and performance of other consultants engaging in the same or similar work.

IV. WORK PRODUCT

The District, or its designee, shall at all times have access to the work product of the Consultant while Project is under preparation or in progress. Upon completion or termination of the Project, all drawings, documents, files and notes both in written and electronic format shall become property of the District, including without limitation all renderings, slides, sketches, plans, specifications, drafts, records, documents and other correspondence generated for or relied upon in connection with the Project. Any reuse of Consultant prepared documents,

except for the specific purpose intended hereunder, will be at District's sole risk and without liability or legal exposure to Consultant or its subconsultants.

V. COMPENSATION

- A. Payment: Consultant will be an amount not to exceed \$4,500 per month.
- B. Time of Payment: District shall make payment to Consultant within thirty (30) days from the date of receipt of Consultant's invoice for undisputed amounts.

VI. INDEMNIFICATION

Consultant agrees to indemnify, defend, and hold harmless the District, its officers, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therein) (collectively "Claims") to the extent arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the Consultant, excepting such injury or harm caused by District's sole or active negligence or willful misconduct, to the extent caused thereby. Consultant's indemnity obligation shall extend to Claims occurring after completion of the Agreement, as well as while the services are being provided.

Consultant specifically agrees that this indemnification agreement provides indemnity to District for any claims, damages or liability for injuries (including death) incurred or sustained by Consultant's own employees and those of Consultant's subconsultants.

Neither the termination of this Agreement, nor the completion or ending of the services shall release Consultant from its obligations to indemnify as set forth above. Consultant's obligation to indemnify and its obligation to maintain liability and other insurance are separate and distinct. Consultant's obligation to indemnify is not restricted to insurance proceeds, if any, received by District or its directors, officers, employees, or authorized representatives.

VII. INSURANCE

- A. Consultant agrees to provide insurance coverage as set forth in Exhibit "A".

VIII. TERMINATION

- A. Either party may terminate this Agreement at any time and for any or no reason upon delivering written notice of termination. Termination shall be effective upon delivery of the notice as set forth in Section XII.

///

VIV. ENTIRE AGREEMENT

This writing constitutes the entire Agreement between the parties relative to the services specified herein, and no modifications hereof shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Agreement.

There are no understandings, agreements, conditions, representations, warranties or promises with respect to the subject matter of this Agreement except those contained in or referred to in this writing.

VIV. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by the parties that Consultant's relationship to District is that of an independent contractor. All persons hired by Consultant and performing the work shall be Consultant's employees or agents. District shall not be obligated in any way to pay any wages or other claims by any such employees or agents or any other person by reason of this Agreement. Consultant shall be solely liable to such employees and agents for losses, costs, damage or injuries by said employees or agents during the course of the work. Nothing in this Agreement shall be deemed or construed to create the relationship of principal and agent, or of partnership or joint venture, and neither party shall hold itself out as an agent, legal representative, partner, subsidiary, joint venture, servant or employee of the other.

Consultant shall have the right to set his own hours and location of work, consistent with the nature of the services provided under this Agreement. Consultant shall determine the method, means and manner of performance of, but not limited to, such matters as outlined in Section 1. District is interested only in the results to be achieved from Consultant performance of the services Consultant shall provide his own resources and equipment and direct their operation in all respects when necessary to perform these services. Notwithstanding this Agreement, Consultant shall have the right to provide the same or similar services to entities other than without restriction. District shall have no authority, control, or liability regarding Consultant's performance or activities before or after each instance, wherein, Contractor may perform under this Agreement.

X. SUCCESSORS AND ASSIGNMENT

This Agreement shall be binding on the heirs, successors, executors, administrator and assigns of the parties; however, Consultant agrees that it will not assign, transfer, convey or otherwise dispose of this Agreement or any part thereof, or its rights, title or interest therein, or its power to execute the same without the prior written consent of District which may be withheld for any reason, in District's sole discretion.

XI. REMEDIES NOT EXCLUSIVE

The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of any other remedy provided by law.

XII. NOTICES

All notices, statements, reports, approvals or requests or other communications that are required either expressly or by implication to be given by either party to the other under this Agreement shall be in writing and signed for each party by such officers as each may, from time to time, authorize in writing to so act. All such notices shall be deemed to have been received on the date of delivery if delivery personally or three (3) days after mailing if enclosed in a properly addressed and stamped envelope and deposited in the U.S. post office for delivery. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses shown below:

Anderson-Cottonwood Irrigation District
Attention: Justin Dahl
2810 Silver Street
Anderson, CA 96007

If Systems
Attention: Reagan Dahle
271 Chelsea Court
Arroyo Grande, CA 93420

IXX. INTERPRETATION

Unless the context otherwise clearly requires, the terms in the body of this Agreement shall prevail over any inconsistent terms that may be found in the Exhibits hereto. The parties have had a full and fair opportunity to negotiate and review the terms of this agreement with their respective legal counsel and, as a result, the normal rule of interpreting ambiguities against the drafting party shall not apply.

XX. DISPUTE RESOLUTION; JURISDICTION AND VENUE

In the event of dispute regarding interpretation or implementation of this Agreement, including without limitation disputes concerning payment, a District representative and Consultant representative shall endeavor to resolve the dispute by meeting in person within 30 days after the request of either party. If the dispute remains unresolved and unless the parties otherwise agree, the dispute may be resolved by litigation and any party may at its option pursue any available legal remedy. This Agreement shall be governed by and construed under the laws of the State of California. Jurisdiction and venue for any action brought to enforce or interpret the terms of this Agreement shall be in the Superior Court of the State of California in and for the County of Shasta.

IN WITNESS WHEREOF the parties execute this Agreement on the day and year first herein above written.

IF SYSTEMS

By: _____
REAGAN DAHLE

ANDERSON-COTTONWOOD IRRIGATION
DISTRICT

By: _____
JUSTIN DAHL, Manager

EXHIBIT "A"
Insurance Requirements

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

I. MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Contractor's profession, with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the Entity requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

II. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials,

employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not

contribute with it.

1 Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Entity.

2 Waiver of Subrogation

Contractor hereby grants to Entity a waiver of any right to subrogation which any insurer of said Contractor may acquire against the Entity by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

3 Self-Insured Retentions

Self-insured retentions must be declared to and approved by the Entity. The Entity may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Entity.

4 Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Entity.

5 Claims Made Policies (note - should be applicable only to professional liability, see below)

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not replaced ***with another claims-made policy form with a Retroactive Date prior to*** the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of ***five (5) years*** after completion of work.

6 Verification of Coverage

Contractor shall furnish the Entity with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Entity before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

7 Special Risks or Circumstances

Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

If any of the required coverages expire during the term of this agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to the Anderson Cottonwood Irrigation District at least ten (10) days prior to the expiration date.