



Mission Statement

“To provide reliable water and sewer service in a safe, cost effective environmentally sound manner in accordance with community needs.”

**REGULAR MEETING OF THE BOARD OF DIRECTORS
IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549**

February 19, 2025 – 6:00 P.M.

AGENDA

This meeting is being conducted in person at the address above and is open to the public. The video conference feature is being provided solely for the benefit of the public and is not required. If there is a disruption in the video conference during the meeting, the meeting will continue.

Topic: Board of Director Meeting

Time: Feb 19, 2025 11:00 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/82384484349?pwd=icyXb6FdPnEwFDHaPIpJc5U0Lx83N8.1>

Meeting ID: 823 8448 4349

Passcode: 586268

One tap mobile

+16694449171,,82384484349#,,,,*586268# US

+12532158782,,82384484349#,,,,*586268# US (Tacoma)

Meeting ID: 823 8448 4349

Passcode: 586268

Find your local number: <https://us06web.zoom.us/j/82384484349?pwd=icyXb6FdPnEwFDHaPIpJc5U0Lx83N8.1>

CALL TO ORDER

ROLL CALL

** Wendy Harsha will be sworn in.

PUBLIC COMMENTS

Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the district. Please note that for items not listed on the agenda, the Brown Act imposes limitations on what the Board may do at this time. The Board may not act on the item at this meeting. As to matters on the agenda, people will be given an opportunity to address the Board when the matter is considered. Each speaker will be given four (4) minutes to address the Board. Comments should be directed at the Board as a whole and not directed at individual Board members.



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1. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

A. MINUTES

Regular Board Meeting: January 15, 2025

B. FINANCIAL REPORTS

- a. Income statement for the seventh month ending January 2025
- b. District warrants for January 2025
 - Check #18733-18779 = \$248,837.87
 - Gross Payroll = \$79,250
 - Federal/State PR taxes = \$7,792
 - LAIF Transfers = \$0
 - Transfers/charges = \$347

C. OPERATIONS REPORT

INFORMATION

2. GENERAL MANAGER REPORT

The General Manager will update the Board on accomplishments, challenges that have occurred, and key performance metrics.

ACTION ITEMS

3. REQUEST FOR PROPOSAL (RFP) FOR AUDITING FIRM

The Board of Directors will consider approving an RFP that was submitted to the district.

4. RESOLUTION NO. 802 WATER STAND-BY ASSESSMENTS FOR FY 2025-2026

The Board of Directors will set a date of May 21, 2025, for a Public Hearing for water stand-by assessment fees for Fiscal Year 2025-2026 for undeveloped parcels within the Idyllwild Water District (water service area).

5. RESOLUTION NO. 803 SEWER STAND-BY ASSESSMENT FOR FY 2025-2026

The Board of Directors will set a date of May 21, 2025, Public Hearing for sewer stand-by assessment fees for Fiscal Year 2025-2026 for undeveloped parcels within the Idyllwild Water Improvement District No. 1 (sewer service area).



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6. RESOLUTION NO. 804 TRANSFERRING EMPLOYEE RETIREMENT

The Board of Directors will discuss transferring employee retirement plans from Voya to Charles Schwab retirement program.

DISCUSSION ITEMS

7. LEGAL COUNSEL EXPLAINING BOARD RULES

The Board of Directors will hear Legal Counsel explain the authorization and responsibilities of being a Board Member.

CLOSED SESSION

8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR- GOV'T CODE SECTION 54956.8

Property Description: Property in Idyllwild
-54700 Pine Crest Ave , Idyllwild , CA 92549
-53599 Westridge Rd, Idyllwild , CA 92549
Agency: Absence of a Specified Negotiator
District Negotiator: Bill Rojas, General Manager
Negotiating Parties :
- Robert Jordan Priefer Family
- Robert Michael Tranchida and Paul O' Kane
Under Negotiation: Price and Terms

DIRECTORS COMMENTS

ADJOURNMENT

The next Board meeting is a Regular Meeting scheduled for Wednesday, March 19, 2025, at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a District meeting or other services offered by this District, please contact the district office @ 951-659-2143 or email: twheeler@idyllwildwater.com. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with a disability. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the district staff in assuring those reasonable arrangements can be made to provide accessibility to the meeting.



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Bill Rojas, General Manager
Date: February 19, 2025
Subject: Item 1A – Board Minutes

Recommendation:

The Board of Directors approve the following:

- January 15, 2025, Regular Board meeting minutes
- February 7, 2025, Special Board meeting minutes

Attachments:

- January 15, 2025, Regular Board meeting minutes
- February 7, 2025, Special Board meeting minutes



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**MINUTES FOR REGULAR MEETING OF THE BOARD OF DIRECTORS
IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549**

January 15, 2025 – 6:00 P.M.

AGENDA

CALL TO ORDER

President Schelly called the meeting to order at 6:00 p.m.

ROLL CALL

President Schelly, Director Olson, Director Prierer and Director Davis were present along with General Manager Rojas and Chief Financial Officer Shouman

PUBLIC COMMENTS

Dave Hunt expressed concerns from a public relations standpoint that the closed session item appeared suspicious and hoped it wasn't related to the property being sold to Mr. Butterfield.

Jeffrey Smith expressed concerns about Strawberry Creek and the new path constructed. He emphasized that water quality and the construction's impact on the creek are significant issues. Mr. Smith questioned whether Santa Ana Regional Water Quality Control Board was aware of the ongoing work. He also expressed hope that the Water District would take steps to protect the water source, especially given the changes to human traffic patterns near the creek. In response, President Schelly asked Mr. Smith whether he believed the District had control over all the issues he raised. Mr. Smith noted that he thought where the guard rail and culvert had been cut and installed were located on District property. Mr. Smith also mentioned that the Johnson family had owned the creek before selling it to Mr. Butterfield. However, during the time the Johnsons owned it, they had no intention of developing any of the land surrounding the creek.

Peter Szabadi suggested that there might be a public easement along the creek or trail and that it might not be District property. Mr. Hunt noted that there are easements leading to the creek, but not along the trail.

Franz Huber stated that he sold the property to the District approximately 12 years ago. At the time, Terry Lyons assured him—through a verbal agreement with the board—that the property would never be sold. This assurance was a key factor in his decision to proceed with the sale. Mr. Huber also raised concerns about recent changes to the land, specifically noting that Shane Stewart had poured decomposed granite (DG) and was moving large boulders. He warned that these alterations could create new water pathways, potentially increasing the risk of flooding to his home. In response to these concerns, he reached out to the county for further action.



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Additionally, he expressed worries about the impact on the fish in the creek, emphasizing the need to preserve the area's natural ecosystem.

Mr. Huber urged the board to walk the property themselves to assess the situation firsthand. He also strongly advocated fencing off the area to restrict public access, as ongoing human activity has, in his words, turned the property into a "disaster." Despite no longer owning the land, he has taken it upon himself to clean it up multiple times. Furthermore, he mentioned that the District had installed a chain and lock at the entrance, but it had been cut off. Concerned about security, he took the initiative to reassemble and secure it once again.

President Schelly clarified that the District has no authority or jurisdiction over the location of the trail.

Mr. Hunt and Mr. Huber stated that, based on their understanding, the survey conducted by Lee Arson confirmed that the pathway was on the District's property.

1. CONSENT CALENDAR

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A. MINUTES

Regular Board Meeting: December 18, 2024

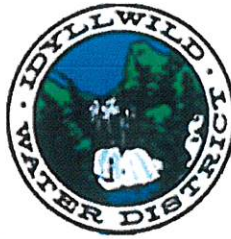
B. FINANCIAL REPORTS

- a. Income statement for the sixth month ending December 2024
- b. District warrants for December 2024
 - Check #18674-18732 = \$299,371.37
 - Gross Payroll = \$71,250.00
 - Federal/State PR taxes = \$6,890.00
 - LAIF Transfers = \$0
 - Transfers/charges = \$345.00

C. OPERATIONS REPORT

DIRECTOR COMMENTS

President Schelly noted that the operations reports looked excellent, with the numbers appearing more accurate than in previous reports. He expressed that, in the past, the numbers had been difficult to interpret and seemed static, often appearing to be carried over from the previous month. However, he now finds the current reports much clearer and more reliable.



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PUBLIC COMMENTS

Mr. Huber clarified the location of the property and the driveway, stating that the main entrance to the property is located behind the Brewpub.

President Schelly inquired about the split rail fence, specifically noting that it has an opening that allows people to pass through.

A motion was made by Director Olson to approve the Consent Calendar and Director Davis seconded.

AYES

**Director Davis
Director Olson
Director Priefer
President Schelly**

NAYS

ABSTAIN

ABSENT

Motion approved.

INFORMATION

2. GENERAL MANAGER REPORT

The General Manager will update the Board on accomplishments, challenges that have occurred, and key performance metrics.

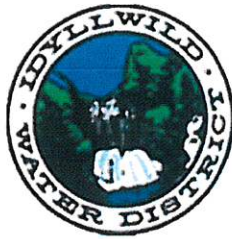
DIRECTOR COMMENTS

President Schelly asked for clarification on whether Mr. Rojas was providing an update on Strawberry Creek or the sewer plant. Mr. Rojas clarified that his update was about the sewer plant project.

Director Olson asked about the grants and if there was a dollar amount of what was has been requested. Mr. Rojas mentioned that we are in the “neighborhood” of \$10-12 million for the cost of the project and that is what we are “seeking” in our grants.

Mr. Shouman mentioned that it is not 100% guaranteed that we will receive the full amount of grant money. Mr. Rojas agreed, stating that the funding is not guaranteed and could be split in various ways, such as 50/50. However, he emphasized that they are doing their best to secure the maximum possible funding.

Director Davis inquired about the Southridge facilities and the booster pump, specifically asking if it was an inline pressure-sustaining system. Mr. Rojas confirmed that it is and added that there is also a fire booster station at the site. Mr. Rojas explained that the booster pump primarily serves as a backup for that system and is also designed to supply fire flow in the area, where pressure levels are typically very low.



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Director Priefer commended Mr. Rojas and his staff for their preparedness during the power outages. Mr. Rojas expressed his pride in his team, emphasizing that they didn't "miss a beat," consistently rising early and working late as needed to tackle the challenges. He highlighted that his staff is passionate about their work, and their dedication and commitment are evident in everything they do.

PUBLIC COMMENTS

Mr. Hunt commended General Manager Mr. Rojas for doing an excellent job since joining the district and noted that it was great to see him actively working in the field.

Mr. Hunt inquired whether the district had contacted the Idyllwild Fire District and the County regarding hydrant flushing to explore the possibility of capturing and reusing the water. Mr. Rojas confirmed that they had been in touch with both agencies regarding the flushing process.

Mr. Hunt also asked about the formula used to calculate water usage in gallons per minute during the drought stage. Mr. Rojas explained that with the current wells in operation, the district can produce 410 gallons per minute. He noted that water usage last month was low due to Idyllwild Arts students being away and a decrease in production. He assured Mr. Hunt that the district would continue to monitor drought stages. Hunt expressed concern about the ongoing drought, noting that there had been no measurable precipitation in the last eight months. In response, David Jerome mentioned that Pine Cove Water was still in Stage One drought restrictions, and Director Priefer added that Fern Valley remained in Stage One as well.

ACTION ITEMS

- 3. CONSIDER RESOLUTION NO. 801 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IDYLLWILD WATER DISTRICT AUTHORIZING SIGNERS FOR PNC, CHASE AND HCN ACCOUNTS**

The Board of Directors will consider approving Resolution No. 801.

DIRECTOR COMMENTS

None.

PUBLIC COMMENTS

Mr. Hunt raised concerns that the resolution referred to "President Schelly" instead of "Director Schelly," given the upcoming election. He felt it implied an assumption that President Schelly would automatically be nominated as Board President. President



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Schelly acknowledged the concern and said necessary changes would be made to the resolution if needed.

A motion was made by Director Olson to approve Resolution No. 801 and Director Davis seconded.

AYES

**Director Davis
Director Olson
Director Priefer
President Schelly**

NAYS

ABSTAIN

ABSENT

Motion approved.

4. CONSIDER RESOLUTION NO. 802

The Board will consider and approve moving the regular scheduled board meetings from Wednesdays at 6:00 pm to Mondays at 9:00 am.

DIRECTOR COMMENTS

Director Olson was not in favor of moving the meeting.
Director Davis was not in favor of moving the meeting either he said it may create conflict.
Director Priefer mentioned it would be a conflict with her job and wasn't in favor of moving the meeting time.

President Schelly requested a motion to approve Resolution No. 802, however no motion was made, and the resolution has been abandoned.

PUBLIC COMMENTS

Mr. Smith views later board meetings as a significant benefit of IWD, perhaps due to increased accessibility for attendees or other advantages.

Mr. Hunt expressed concerns about safety, particularly for individuals driving late in snowy conditions, and suggested that earlier meeting times might alleviate these risks.

Stephine Yost, a board member of the Idyllwild Fire Department Protection District, highlighted that their 3 p.m. meeting time rarely attracts community members due to conflicting work schedules, suggesting a challenge with earlier meetings.

Paul Hellerman proposed that if overtime for staff is a concern, the District could



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consider staggering work hours on meeting days to address this issue.

5. 2025 ELECTION OF OFFICERS OF THE BOARD OF DIRECTORS

The Board of Directors will consider electing a President and Vice President for the 2025 calendar year.

DIRECTOR COMMENTS

Board Secretary Mrs. Wheeler facilitated the nominations and elections of officers.

PUBLIC COMMENTS

Mr. Hunt nominated Director Priefer for Board President, and President Schelly seconded the motion. However, the nomination failed due to a lack of votes.

A motion was made by Director Olson to nominate Director Priefer as the Vice President for calendar year 2025. Director Davis seconded.

The vote was as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Director Davis			
Director Olson			
President Schelly		Director Priefer	

Motion approved.

A motion was made by Director Olson to nominate President Schelly as the Board President for calendar year 2025. Director Davis seconded.

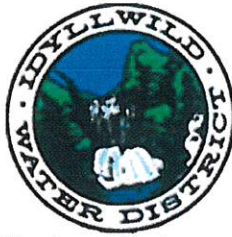
The vote was as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Director Davis			
Director Olson			
Director Priefer		President Schelly	

Motion approved.

The Board of Directors adjourned at 6:55 p.m.

The Board moved into Closed Session at 7:05 p.m.



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CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR- GOV'T CODE SECTION 54956.8

Property Description: Property in Idyllwild
Agency: Idyllwild Water District
District Negotiator: Bill Rojas, General Manager
Under Negotiation: Price and Terms

REPORT FROM CLOSED SESSION

None.

The Board moved out of closed session and moved back into the open session at 8:10 p.m.

DIRECTOR COMMENTS

Directors established a committee for purchasing an investment property.

PUBLIC COMMENTS

None.

CLOSING DIRECTOR COMMENTS

None.

ADJOURNMENT

The Board adjourned at 8:15 p.m.

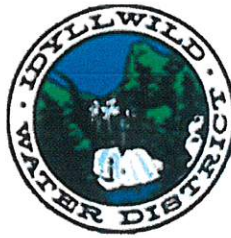
The next Board meeting is a Regular Meeting scheduled for Wednesday, February 19, 2025, at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.

Idyllwild Water District

BY: _____
Tyla Wheeler
Board Secretary

Idyllwild Water District

BY: _____
Dr. Charles Schelly
Board President



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**MINUTES FOR SPECIAL MEETING OF THE BOARD OF DIRECTORS
IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549**

February 7, 2025 – 6:00 P.M.

AGENDA

CALL TO ORDER

President Schelly called the meeting to order at 6:02 p.m.

ROLL CALL

President Schelly, Director Olson, Vice President Priefer and Director Davis were present along with General Manager Rojas and Chief Financial Officer Shouman

PUBLIC COMMENTS

None

ACTION ITEMS

1. APPOINTMENT TO THE BOARD OF DIRECTORS

The Board of Directors will consider appointing a qualified candidate to the Board of Directors to fill the vacant seat. If necessary, the Board will interview the applicants prior to the appointment.

DIRECTORS COMMENTS

President Schelly posed a series of five questions to the candidates, allowing them to provide brief statements after their responses if they wished:

1. What qualities do you bring to the Idyllwild Water District?
2. As an IWD director, you are not a volunteer but an elected official. What does this distinction mean to you?
3. Occasionally, the board may be divided on a certain issue. Would you attempt to change others' opinions? If so, how?
4. Have you ever held a supervisory position? If so, what was it?
5. In your opinion, why are some employees paid more than others?



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Additional questions were asked by board members:

- Vice President Prierer asked candidates to identify and explain the importance of three key areas from the following: ethics, safety, water quality, maintenance, cost control, consumer awareness, and staffing.
- Director Davis asked, “Why did you decide to apply now?” or “Short term or long term how long do you plan on being on the board?”
- Director Olson asked, “What do you think is the most important quality you would bring to the board?”

Each candidate was asked the same set of questions and provided their responses, along with a brief statement.

PUBLIC COMMENTS

None

A MOTION was made by Director Davis to appoint John Stamper to the Board of Directors to fill the vacancy.

Motion failed for a lack of a second.

A MOTION was made by Director Olson to appoint Wendy Harsha to the Board of Directors to fill the vacancy. Vice President Prierer seconded.

A MOTION was made by President Schelly to appoint Derrick Zimmerman to the Board of Directors to fill the vacancy.

Motion failed for a lack of a second.

A MOTION was made by Director Olson to appoint Wendy Harsha to the Board of Directors to fill the vacancy. Vice President Prierer seconded.

AYES

**Director Olson
Vice President Prierer
President Schelly**

NAYS

Director Davis

ABSTAIN

ABSENT

Motion passed.



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DIRECTORS COMMENTS

President Schelly announced that the selected candidate would be sworn in at the next board meeting.

Director Olson thanked the other three candidates for their participation and encouraged them to run for office in the next election.

ADJOURNMENT

Board adjourned at 6:38 p.m.

The next Board meeting is a Regular Meeting scheduled for Wednesday, February 19, 2025, at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.

Idyllwild Water District

BY: _____
Tyla Wheeler
Board Secretary

Idyllwild Water District

BY: _____
Dr. Charles Schelly
Board President



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Bill Rojas, General Manager
Date: February 19, 2025
Subject: Item 1B – Financial Reports

Recommendation:

Board of Directors accept January 2025 Financial Reports.

Attachments:

- Water Fund Condensed Income Statement
- Sewer Fund Condensed Income Statement
- District Warrants and Other Disbursements

IDYLLWILD WATER DISTRICT
Water Fund Condensed Income Statement
Operating Revenue - Water
Fiscal Year 2024 - 2025

Operating Revenue - Water Condensed By Category	January 2025			Year to Date: July 2024 - January 2025			
	Actual	Budget	Variance %	Actual	Budget	Variance %	
Base - Residential / Commercial	100,258	100,258	0.00%	701,896	701,942	(46)	-0.01%
Sales - Residential / Commercial	52,610	85,000	(32,390) -38.11%	536,968	595,000	(58,032)	-9.75%
Other Operating Revenue	-	-	0.00%	-	-	-	0.00%
Other Non - Operating Revenue	-	-	0.00%	-	-	-	0.00%
Total Operating Revenues	152,868	185,258	(32,390) -17.48%	1,238,864	1,296,942	(58,078)	-4.48%

Operating Revenue - Water By Category	January 2025			Year to Date: July 2024 - January 2025			
	Actual	Budget	Variance %	Actual	Budget	Variance %	
Base Rate - Residential	73,380	73,380	0.00%	513,612	513,658	(46)	-0.01%
Base Rate - Commercial	26,878	26,878	0.00%	188,284	188,284	-	0.00%
Sales - Residential	29,102	50,000	(20,898) -41.80%	299,636	350,000	(50,364)	-14.39%
Sales - Commercial	23,508	35,000	(11,492) -32.83%	237,332	245,000	(7,668)	-3.13%
Sales - Sewer	-	-	0.00%	-	-	-	0.00%
Sales - Construction / Other	-	-	0.00%	-	-	-	0.00%
Transfer Fees	-	-	0.00%	-	-	-	0.00%
Turn On / Off Fees	-	-	0.00%	-	-	-	0.00%
Lien & Lien Release Fees	-	-	0.00%	-	-	-	0.00%
Delinquency Fees	-	-	0.00%	-	-	-	0.00%
Will Serve Letter Fees	-	-	0.00%	-	-	-	0.00%
Other Miscellaneous	-	-	0.00%	-	-	-	0.00%
Installation Fees	-	-	0.00%	-	-	-	0.00%
Capacity Fees	-	-	0.00%	-	-	-	0.00%
Total Operating Revenues	152,868	185,258	(32,390) -17.48%	1,238,864	1,296,942	(58,078)	-4.48%

IDYLLWILD WATER DISTRICT
Water Fund Condensed Income Statement
Water Sales In Cubic Feet
Fiscal Year 2024 - 2025

Water Sales Meter Size	January 2025		Total CF
	Residential	Commercial	
R1 5/8	401,052	62,047	463,099
R2 3/4	8,834	11,344	20,178
R3 1"	11,084	81,795	92,879
R4 1.1/2"	-	21,963	21,963
R5 2"	-	3,279	3,279
R6 3"	-	2,340	2,340
IA 3"	-	86,169	86,169
NC-WWTP	-	2,639	2,639
Total Water Sales	420,970	271,576	692,546

Water Accounts Meter Size	January 2025		Total
	Residential	Commercial	
R1 5/8	1,428	101	1,529
R2 3/4	13	18	31
R3 1"	54	40	94
R4 1.1/2"	-	16	16
R5 2"	-	8	8
R6 3"	-	1	1
IA 3"	-	1	1
NC-WWTP	-	1	1
Total Accounts	1,495	186	1,681

Sewer Accounts Service Type	January 2025		Total
	Residential	Commercial	
Sewer Acct S	426	168	594
Fire Services F "2"	-	-	-
Fire Services F "3"	-	-	-
Fire Services F "4"	-	4	4
Total Sewer Accounts	426	172	598

Total Water And Sewer Accounts **1,921** **358** **2,279**

IDYLLWILD WATER DISTRICT
Water Fund Condensed Income Statement
Operating Expenses - Water
Fiscal Year 2024 - 2025

Operating Expenses - Water		January 2025				Year to Date: July 2024 - January 2025			
		Actual	Budget	Variance	%	Actual	Budget	Variance	%
No.	By Category								
1	Wages and Salaries Expenses	64,870	65,000	130	0.20%	438,831	447,000	8,169	1.83%
2	Retirement Plan and Life Insurance	3,524	5,250	1,726	32.88%	23,588	36,750	13,162	35.81%
3	Medical Insurance	1,065	13,750	12,685	92.25%	81,625	96,250	14,625	15.19%
4	Uniform Expenses	-	-	-	0.00%	2,931	2,408	(523)	-21.72%
5	Worker's Comp Insurance	-	-	-	0.00%	3,289	1,366	(1,923)	-140.78%
6	Retirement Medical Insurance	2,644	5,500	2,856	51.93%	19,646	22,468	2,822	12.56%
7	Board Reimbursement	-	-	-	0.00%	567	1,134	567	50.00%
8	Office Supplies	41	2,500	2,459	98.36%	9,647	12,112	2,465	20.35%
9	Office Cleaning Service	255	317	62	19.56%	2,005	2,219	214	9.64%
10	Postage and Mailing Fees	1,559	1,029	(530)	-51.51%	6,530	7,203	673	9.34%
11	Training and Education	-	-	-	0.00%	-	966	966	100.00%
12	Reimbursement, Travel, Meals, Etc.	-	500	500	100.00%	640	1,626	986	60.64%
13	Dues, Fees, Subscriptions	-	2,333	2,333	100.00%	17,752	16,331	(1,421)	-8.70%
14	Computer Services	1,789	2,000	211	10.55%	13,366	14,000	634	4.53%
15	Legal Services	-	-	-	0.00%	48,899	19,466	(29,433)	-151.20%
16	Engineering and Consulting	-	-	-	0.00%	-	1,150	1,150	100.00%
17	Utilities, Electricity	6,473	6,750	277	4.10%	60,057	47,250	(12,807)	-27.10%
18	Utilities, Gas & Fuel	-	-	-	0.00%	2,107	4,302	2,195	51.02%
19	Utilities, Propane	-	-	-	0.00%	-	1,150	1,150	100.00%
20	Utilities, Telephone and Internet	2,556	2,750	194	7.05%	20,690	15,666	(5,024)	-32.07%
21	Utilities, Waste Management Fees	245	233	(12)	-5.15%	2,091	1,631	(460)	-28.20%
22	Insurance, Liability, Auto, Property	-	22,500	22,500	100.00%	39,152	57,668	18,516	32.11%
23	Fees, State, County Water System	15,828	6,083	(9,745)	-160.20%	17,005	30,415	13,410	44.09%
24	General Plant & Treatment Services	60,722	35,000	(25,722)	-73.49%	251,913	215,000	(36,913)	-17.17%
25	Vehicles Repairs & Maintenance	-	-	-	0.00%	9,826	12,498	2,672	21.38%
26	Laboratory Services	-	-	-	0.00%	14,534	21,498	6,964	32.39%
27	Water Security System	-	-	-	0.00%	250	526	276	52.47%
28	Advertising and Publishing	-	-	-	0.00%	3,147	3,324	177	5.32%
29	Bank Fee Charge	347	350	3	0.86%	2,437	3,907	1,470	37.62%
30	Water Maintenance and Supplies	56,393	12,500	(43,893)	-351.14%	95,333	18,999	(76,334)	-401.78%
31	Accounting & Auditing Fees	-	-	-	0.00%	3,806	4,176	370	8.86%
32	IWD Leak	-	-	-	0.00%	9,898	1,500	(8,398)	-559.88%
Total Operating Expenses		218,311	184,345	(33,966)	-18.43%	1,201,562	1,121,959	(79,603)	-7.10%
Water Income (Loss)		(65,443)	913						

IDYLLWILD WATER DISTRICT
Sewer Fund Condensed Income Statement
Operating Revenue - Sewer
Fiscal Year 2024 - 2025

Operating Revenue - Sewer Condensed By Category	January 2025			Year to Date: July 2024 - January 2025		
	Actual	Budget	Variance %	Actual	Budget	Variance %
Base - Residential / Commercial	56,125	56,125	- 0.00%	393,240	393,127	113 0.03%
Other Operating Revenue	26,499	26,386	113 0.43%	184,473	184,360	113 0.06%
Total Operating Revenues	82,624	82,511	113 0.14%	577,713	577,487	226 0.04%

Operating Revenue - Sewer By Category	January 2025			Year to Date: July 2024 - January 2025		
	Actual	Budget	Variance %	Actual	Budget	Variance %
Base - Residential / Commercial	56,125	56,125	- 0.00%	393,240	393,127	113 0.03%
Sales - Residential / Commercial	26,499	26,386	113 0.43%	184,473	184,360	113 0.06%
Other Operating Revenue	-	-	- 0.00%	-	-	- 0.00%
Other Non - Operating Revenue	-	-	- 0.00%	-	-	- 0.00%
Total Operating Revenues	82,624	82,511	113 0.14%	577,713	577,487	226 0.04%

Sewer Fund Condensed Income Statement
Operating Expenses - Sewer
Fiscal Year 2024 - 2025

Operating Expenses - Sewer		January 2025				Year to Date: July 2024 - January 2025			
		Actual	Budget	Variance	%	Actual	Budget	Variance	%
No.	By Category								
1	Wages and Salaries Expenses	15,320	16,850	1,530	9.08%	104,252	117,168	12,916	11.02%
2	Retirement Plan and Life Insurance	1,850	1,406	(444)	-31.58%	12,600	9,842	(2,758)	-28.02%
3	Medical Insurance	3,550	3,750	200	5.33%	25,368	27,168	1,800	6.63%
4	Uniform Expenses	263	250	(13)	-5.20%	977	860	(117)	-13.60%
5	Worker's Comp Insurance	-	-	-	0.00%	1,096	650	(446)	-68.62%
6	Retirement Medical Insurance	881	1,994	1,113	55.82%	7,054	8,820	1,766	20.02%
7	Board Reimbursement	-	-	-	0.00%	-	600	600	100.00%
8	Office Supplies	25	1,194	1,169	97.91%	1,985	3,688	1,703	46.18%
9	Office Cleaning Service	85	100	15	15.00%	590	700	110	15.71%
10	Postage and Mailing Fees	547	350	(197)	-56.29%	2,275	2,450	175	7.14%
11	Training and Education	-	-	-	0.00%	-	-	-	0.00%
12	Reimbursement, Travel, Meals, Etc.	-	-	-	0.00%	226	250	24	9.60%
13	Dues, Fees, Subscriptions	550	446	(104)	-23.32%	6,295	3,122	(3,173)	-101.63%
14	Computer Services	596	1,350	754	55.85%	4,444	9,450	5,006	52.97%
15	Legal Services	-	1,292	1,292	100.00%	10,459	9,044	(1,415)	-15.65%
16	Utilities, Electricity	10,180	6,833	(3,347)	-48.98%	38,762	47,831	9,069	18.96%
17	Utilities, Gas and Fuel	240	300	60	20.00%	1,435	2,100	665	31.67%
18	Utilities, Propane	-	-	-	0.00%	-	-	-	0.00%
19	Utilities, Telephone and Internet	852	1,200	348	29.00%	5,553	8,400	2,847	33.89%
20	Utilities, Waste Management Fees	82	74	(8)	-10.81%	623	518	(105)	-20.27%
21	Vehicles Repairs and Maintenance	135	920	785	85.33%	8,955	3,128	(5,827)	-186.29%
22	Engineering and Consulting	1,661	1,500	(161)	-10.73%	1,661	3,876	2,215	57.15%
23	Maintenance and Supplies	-	-	-	0.00%	18,523	26,817	8,294	30.93%
24	General Plant and Treatment Services	7,221	15,000	7,779	51.86%	59,830	60,000	170	0.28%
25	State and County Sewer System Fees	-	-	-	0.00%	29,086	25,000	(4,086)	-16.34%
26	Minor Equipment and Supplies	-	-	-	0.00%	-	-	-	0.00%
27	Sewer Leases	-	-	-	0.00%	-	-	-	0.00%
28	Advertising and Publishing	-	-	-	0.00%	1,305	865	(440)	-50.87%
29	Laboratory Services	-	-	-	0.00%	5,948	6,040	92	1.52%
30	Sewer Security System	-	-	-	0.00%	-	-	-	0.00%
31	Accounting and Auditing Fees	-	-	-	0.00%	1,268	1,500	232	15.47%
32	Liability, Auto and Property Insurance	-	-	-	0.00%	8,231	8,000	(231)	-2.89%
33	Waste Disposal Fees	-	-	-	0.00%	5,308	6,000	692	11.53%
Total Operating Expenses		44,038	54,809	10,771	19.65%	364,109	393,887	29,778	7.56%
Sewer Total Income And (Loss)		38,586	27,702						

**IDYLLWILD WATER DISTRICT
DISTRICT WARRANTS AND OTHER DISBURSEMENTS
FOR THE MONTH ENDED JANUARY 31, 2025**

DATE	CHECK NUMBER	PAYEE	DESCRIPTION	AMOUNT
01/02/2025	18733	ACWA/JPIA	Health Insurance For December 2024	14,200.66
01/02/2025	18734	All Purpose Construction Services , Inc	Purchase a New Generator at the Office	10,900.00
01/02/2025	18735	ALLSTATE BENEFITS	Monthly Charge for Case	239.91
01/02/2025	18738	California Computer Options , Inc	Monthlly IT Support	2,010.76
01/02/2025	18737	Capital one Trade Credit	Payment for Northern	612.30
01/02/2025	18738	Comtronix Communications	Buying A New Radio System	6,516.73
01/02/2025	18739	Danny Campbell	Class for Sewer Grade	550.00
01/02/2025	18740	Dudek	Payment for Consulting Fee WasteWater Plant	620.00
01/02/2025	18741	Ferguson WaterWorks #1083	Purchase meters supplies	3,838.92
01/02/2025	18742	Griswold Industries	Cal-Vai Maintenance	7,760.45
01/02/2025	18743	Harold K. Smith	Horizontal Pipeline Work	19,215.88
01/02/2025	18744	Home Depot Credit Services	Tools and Supplies	2,091.22
01/02/2025	18745	Idyllwild Garage	Fixing Tires	40.00
01/02/2025	18746	INFOSEND, INC	Printing and Processing Bills Fees	1,039.28
01/02/2025	18747	S.C.E.	Monthly Charge	413.91
01/02/2025	18748	Thomas Lovejoy	Retirement Medical Insurance	3,826.20
01/02/2025	18749	US Bank Corporate Payment System	General & Water Expenses	6,117.85
01/02/2025	18750	Varizon Wireless	Monthly Charge	281.66
01/02/2025	18751	Idyllwild Water District	To Be Deposit at Hemet Bank For Payroll	38,000.00
01/02/2025	18752	Kenyon Electric	Fixing and Repair Electric at IWD	4,862.00
01/08/2025	18753	Forest Lumber	Supplies for Water+Sewer	665.61
01/08/2025	18754	Frontier	Phone and Internet Charge	699.75
01/08/2025	18755	Genuine Auto Parts/ Napa Riverside	Auto Parts Monthly Charge	94.88
01/08/2025	18756	Harold K. Smith	Horizontal Pipeline Work	11,553.13
01/08/2025	18757	INFOSEND, INC	Printing and Processing Bills Fees	1,066.21
01/08/2025	18758	S.C.E.	Monthly Charge	15,045.00
01/08/2025	18759	Streamline	Monthly Charge For Idyllwild Website	375.00
01/08/2025	18760	SWRCB	Annual Permit Fee for State Water Resources	15,826.22
01/08/2025	18761	USA Bluebook	Supplies for Water & Sewer	655.32
01/08/2025	18762	Village Hardware	Supplies For Water and Sewer	2,469.78
01/08/2025	18763	Void check		0.00
01/08/2025	18764	Underground Service Alert/SC	New Tickets Charges	34.05
01/15/2025	18765	CR&R Incorporated	Monthly Services for Trash	327.25
01/15/2025	18766	Engineering Resources of Co., Inc.	Engineering Services for the Strawberry Division Pipeline	2,677.50
01/15/2025	18767	Evoqua Water Technologies LLC	Services for Fern Valley 1	33,770.40
01/15/2025	18768	Hemet Fence	Fence for Water & Sewer	4,631.00
01/15/2025	18769	R M Environmental, Inc.	Monitoring Ground Water Report for Sewage Disposal Ponds	1,661.00
01/15/2025	18770	S.C.E.	Monthly Charge	1,192.96
01/15/2025	18771	SC Fuels	Purchase Gas & Dsl	4,498.11
01/15/2025	18772	Staples	Office Supplies	41.47
01/15/2025	18773	Terra Nova Planning & Research Inc	Strawberry Creek CEQA Study	7,930.00
01/15/2025	18774	Vestis	Uniform for IWD Team	1,053.47
01/15/2025	18775	Wicker Water Well Pump Service	Fixing Booster	14,862.78
01/22/2025	18776	Four Seasons Cleaning Services	Monthly Fee for Cleaning Services to the office	340.00
01/22/2025	18777	Riverside County Treasurer	2 ST Property Tax Installment	350.31
01/22/2025	18778	Time Warner Cable	Phone &Internet Monthly Charges	2,424.97
01/22/2025	18779	US Bank Corporate Payment System	General & Water Expenses	4,680.97
TOTAL DISTRICT WARRANTS				\$248,837.87
OTHER DISBURSEMENTS:				
TOTAL PAYROLL				\$79,250.00
L.A.I.F. ELECTRONIC TRANSFERS				\$0.00
BANK SERVICE CHARGES AND FEES				\$347.00
TOTAL DISTRICT WARRANTS & OTHER DISBURSEMENTS				\$328,434.87



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Bill Rojas, General Manager
Date: February 19, 2025
Subject: Item 1C – Operations Report

Recommendation:

Board of Directors accepts January 2025 Operation Report.

Attachments:

- Monthly Operations Report
- Well Production Data

Idyllwild Water District Monthly Operations Report

Jan-25

Supplies to System	863,196	CF	19.82	AF	
Increase / Decrease		CF	85%	Billing Period	3% Daily Demand
Number of Wells Available	11		410	GPM Available	
Water Sales	692,546	CF	65,660	CF Non-Water Sales	
Total Water/Non-Water Sales	758,206	CF	12%	Loss	

Full-Time	FV1A	1
Part-Time	2, 4, 10, 13, 15, 23, 24, 28, FV2, Golden Rod	10

Strawberry Creek Diversion	56,600	CF	1.30	AF	12.70	AFY
Lilly Creek Flow	-	CF	-	AF	8.31	AFY
Foster Lake Level (Max. 18')	5	Feet	-	Inches		

Non-Water Sales	Gallons	CF
WTP Backwash	297,000	39,706
IWD Flushing	68,000	9,091
Main Line Leaks	-	
Distribution Line Leaks	54,000	7,219
Fire Dept. Usage, Per IFPD		
Hydrant Sales		
Wastewater Plant	27,220	3,639
Storage Tanks Variance	44,920	6,005
Total	491,140	65,660

Stage Criteria				
Month	Avg. GPM	Max	%	Stage
Jan	154.6	410	38%	1
Dec	167.0	410	41%	1
Nov	183.3	410	45%	1
Oct	195.4	388	50%	1
Sep	227.3	388	58%	2
Aug	221.3	388	57%	2
July	230.5	386	60%	2
June	212	386	55%	2

Well Statics - In Feet, Pumping Level (PL) / Static Level (SL)

Foster Lake Area	SL #3	8	SL #7	9	SL #14	18	FL Avg.	14
Creek Area	SL #23	119	SL #24	17				
Nature Center	SL #26	26	SL #27	24	SL #28	114		
Fern Valley	PL FV1A	400	PL FV2	324				

Storage Tanks

Location	CF/FT	Level	Volume CF
Foster Lake	11,698	20.7	242,149
Rock Dale Tank	2,718	21.8	59,252
Delano Tank	1,337	21.6	28,879
South Ridge Tank	3,509	19.6	68,776
Wild Wood Tank	919	12.0	11,028
Golden Rod Tank	891	21.2	18,889

Total	428,974	CF	Storage Supplies Max. 3.702 MGD	87%
Storage in MGD	3.21			
Production Days	29		Production Minutes	41,760
			Average GPM	154.6

Idyllwild Water District
Well Production Data
Jan-25

Well		Cubic Feet	Acre Feet	Full-Time / Part-Time	Status	GPM	Comment
No.	Name						
1	Horizontal		-				
2	Foster Lake	331,541	7.6	PT	On	100.0	
4	Foster Lake	-	-	PT	On	40.0	
10	Foster Lake	-	-	PT	On	16.0	
11	Foster Lake	-	-				
12	Foster Lake	100	0.0	PT	On		Shop Potable Supply
13	Foster Lake	65,660	1.5	PT	On	31.0	
15	Foster Lake	-	-	PT	On	22.0	
16	Foster Lake	-	-				
23	Stratton	114,980	2.6	PT	On	40.0	
24	Curtis	-	-	PT	On	50.0	
25	Donahoo	-	-	SB	Off	-	Standby
26	Nature Center	-	-		Off		
27	Nature Center	-	-		Off		
28	Rock Dale	-	-	PT	On	16.0	
FV1A	Fern Valley	220,870	5.1	FT	On	40.0	
FV2	Fern Valley	126,910	2.9	PT	On	35.0	
31	Golden Rod	18,270	0.4	PT	On	20.0	
	Oakwood	-	-	SB	Off	-	Standby
Total		878,331	20.16			410.0	

Cedar Glen Meter	<u>382,166</u> CF	<u>8.8</u> AF
District Production	<u>481,030</u> CF	<u>11.0</u> AF
Total Supplies to System	<u>863,196</u> CF	<u>19.8</u> AF

Days of Production	<u>29</u>	Minutes of Production	<u>41,760</u>
Average System GPM	<u>154.62</u>		

Idyllwild Water District
Well Statics
Jan-25

No.	Initial	Level in Feet	Pumping Level (PL) / Static Level (SL)	Comments
3	MA	8.0	SL	
MW6	MA	23.0	SL	
7	MA	9.0	SL	
14	MA	18.0	SL	Foster Lake Average = 14.0
23	MA	119.0	PL	
24	MA	17.0	SL	
25	MA	10.0	SL	
26	MA	26.0	SL	
27	MA	24.0	SL	
28	MA	114.0	SL	
OW	MA	40.0	SL	
FV1A	MA	400.0	PL	
FV2	MA	324.0	PL	
31 - GR	MA	152.0	SL	
FL2	MA	20.0	PL	
FL4	MA	12.0	SL	
FL10	MA	20.0	SL	
FL12	MA	41.0	SL	
FL13	MA	16.0	SL	
FL15	MA	15.0	SL	
MW19	MA	41.0	SL	



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Bill Rojas, General Manager
Date: February 19, 2025
Subject: Item 2 – General Manager Report

Recommendation:

General Manager Bill Rojas will present his report.

Attachments:

- General Manager Report
- Operations Report

GENERAL MANAGERS REPORT
BORD MEETING on February 19th

Here is a list of items I have been actively working on since the last board meeting on January 15th.

- The CEQA for the Strawberry Creek project is completed and I will be receiving the final documentation for completion, Ben and his team from ERSC have finalized the 100% design for the project and is sending the final design for my signature.

- We hit a snag with the grant funding for the sewer project, the grant funding team from Dudek found out we don't qualify as a disadvantage community. Therefore, we don't qualify for a grant principal forgiveness program at this time. The team is looking at all our options but currently we only qualify for a low interest loan. Currently, Trump has put a freeze on Federal Grants for the next six months.

- Keith Smith has continued to work on the road repair behind Foster Lake, he installed a the 48" ninety-degree elbow with a debris screen on the inlet side of the drainage culvert. They recently installed the collar and poured concrete to secure the elbow.

- I did a site walk with the owner of ELCO at the Strawberry Creek Diversion Project so that he could see the scope of work that is needed to start/complete the construction side of the project. He is in the process of writing a formal bid and stated he may not be able to start the project until July.

- I did a system wide tour with board members Jessica Preifer and Mitch Davis. They were both amazed with the complexity of our system.

February 10, 2025

Operations Report to GM

Since the Ops report dated 10 January '25 listed below are the **Completed**, **Active** and **Upcoming** projects/ops. We had 19 workdays at 8 hours per.

Completed:

Luis passed the D2 certification exam.

3 service line leaks repaired: Crestview, Saunders Meadow @ Marian View, Idyllbrook Dr.

Washout repair at north end of Foster Lake completed. (HK Smith)

Paused fire hydrant and valve exercising program throughout district due to power outages
Still at Approx. 45% completed (110/250 Hydrants, 107/225 Valves)

Roof replacement at Rockdale well house completed

Window replacement at South Ridge fire pump house completed

Completed the replacement / upgrade of inline booster pumps at South Ridge facility.
(Wicker Wells)

Replaced / upgraded well plumbing and meter at FV1A, FV 2, #13, #28/Rockdale

Repaired the gate track at Foster Lake facility

Active:

Annual reports (2024) to SWRCB (eAR, CCR)

Upcoming:

Continuing hydrant and valve exercise program.

SWRCB Sanitary Survey at end of March / beginning of April '25



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors

From: Bill Rojas, General Manager

Date: February 19, 2025

Subject: Item 3 – Resolution NO. 804 Request for Proposal (RFP) for Auditing Firm

Background:

The facilitate the long-term financial stability of the District's two enterprises (Water and Sewer) and to assure compliance with newer regulatory requirements related to rate structures for utilities in California, staff solicited proposals (Request for Proposals attached) from two qualified firms : Davis Farr Certified Public Accounts and Rogers, Anderson, Malody & Scott, LLP

Recommendation:

The Board of Directors is requested to review the attached proposals and consider engaging one of the proposers to assess the District's current rate structure. The review aims to ensure regulatory compliance, adequate revenue generation, and effective communication of conservation messages to District ratepayers.

Management has evaluated both proposals based on reputation, experience, and pricing. Based on this review, we recommend that the Board of Directors select RAMS LLP for the audit.

Attachments:

- Request for Proposals
- Proposals
- Resolution No. 804



Idyllwild Water District

REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES

1. INTRODUCTION

The district operates under the authority of Section 30000, Division 12 of the California Water Code and engages in water and wastewater activities classified as "proprietary". These activities are accounted for much like those of a private business, and the full accrual method of accounting for financial transactions is used. The major activities include the production and treatment of groundwater; the sale and delivery of water to domestic and commercial accounts; and the collection, treatment, and disposal of wastewater.

Idyllwild Water District (IWD) provides water services to around 1700 customers and sewer services to 600 customers within a population of 3,300 for Idyllwild in the County of Riverside. In performing these services IWD operates and maintains a complex system of water distribution with seven water pressure zones. This includes five water treatment systems and eleven water storage tanks. We have a wastewater treatment facility that is permitted to handle 250,000 gallons a day for our sewer customers. IWD employs 12 people to operate both our water and sewer operations.

The Idyllwild County Water District was approved by the voters in 1956 as a legal entity to provide water services. The 130,000 feet of water lines and 63,000 feet of sewer lines are located within 9 square miles.

2. SCOPE OF SERVICES: ANNUAL AUDIT

1) Perform Audit of financial statements and prepare audit report :

(a) Conduct an audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the "Minimum Audit Requirements and Reporting Guidelines for California Special Districts", as required by the California State Controller's Office.

(b) Prepare an Auditor's Report that includes the following:

- Statement of Net Position
- Statement of Revenue, Expenses, and Changes in Position



3. ORGANIZATION OF PROPOSALS:

District requests that the Proposing Firm's proposals be organized consisting of two sections:

1. Technical Proposal and 2) 2. Cost Proposal:

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of Idyllwild Water District in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

Specific Audit Approach:

The proposal should set forth a work plan, including an explanation of the audit methodology to perform the services required in this RFP. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, organization chart, prior financial statements, etc. The proposal should include the following information about the firm's audit approach • Proposed phases of the audit and staff hours assigned to each phase of the engagements • Description of analytical procedures to be used in the engagement, including sampling • Approach to be taken to understand, review, and make recommendations regarding the District's internal controls • Description of any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be required of the District • Additional work tasks and products the Auditor recommends in addition to those specified in this RFP's Scope of Work

Description of Firm's Experience:

The Auditor shall provide a description of the audit firm's experience, including a brief history, types of services provided, and experience in providing similar services as those requested in this RFP. The description of the experience shall include experience with local governments and special districts and shall highlight experience with agencies that are similar in size and structure to the district. Firm Qualifications and Experience: To qualify the firm must have extensive experience in audits of local governments as well as experience with reviews of Annual Comprehensive Financial Reports. The proposer shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. If the proposer is a joint venture or consortium, the qualifications of each firm



comprising the joint venture or consortium shall be separately identified, and the firm that is to serve as the principal auditor shall be noted, if applicable.

Project Team:

Identify key personnel assigned to the project and describe their respective role(s) and responsibilities. Provide resumes for all key personnel assigned to the project.

License to Practice in California:

The proposal must include an affirmative statement verifying that the firm and all assigned key professional staff are properly licensed to practice in California.

Independence: The proposal must include an affirmative statement that the firm and all assigned key professional states are independent of the District as defined by auditing standards generally accepted in the United States and the General Accounting Office's Government Auditing Standards. The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the Lathrop Manteca Fire District for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit

References:

Please provide a list of not less than (5) client references (3) of which are current special district clients for whom services similar to those outlined in the RFP are currently being provided. For each reference listed provide the name of the organization, dates for which the services are being provided, the type of services being provided, and the name, address, telephone number, and email address of the responsible person within the reference's organization. The district reserves the right to contact any or all of the listed references regarding the audit services performed by the Proposer.

Peer Review:

Proposing Firm to submit a copy of a report on its most recent external quality control review (peer review), including a statement as to whether the external quality control review included a review of specific government engagements (required by Government Audit Standards).

Cost Proposal:

The cost of the proposal should contain all detailed pricing information relative to performing the audit engagement as described in this RFP. For each year, and in total, the total all-inclusive maximum price is to contain all direct and indirect costs, including all out-of-pocket expenses.



Signature:

The consultant's RFP response shall provide the following information: name, title, address, and telephone number of individuals with authority to bind the service provider and who may be contacted during the period of proposal evaluation. The consultant's RFP response shall be signed by an official authorized to bind the consultant.

Selection Procedure:

The General Manager and Chief Financial Officer will evaluate each proposal and give their recommendation to The Board of Directors. The Board of Directors will in turn make the final decision on the selection of The Firm of Audit.

The Board will Award the Audit Firm at the regular Board Meeting on February 19, 2025

Proposal Submittal:

Email submission of proposals must be received by the district no later than 5:00 pm on Friday, February 7, 2025. Proposals and all inquiries relating to this RFP should be emailed to: Brojas@idyllwildwater.com



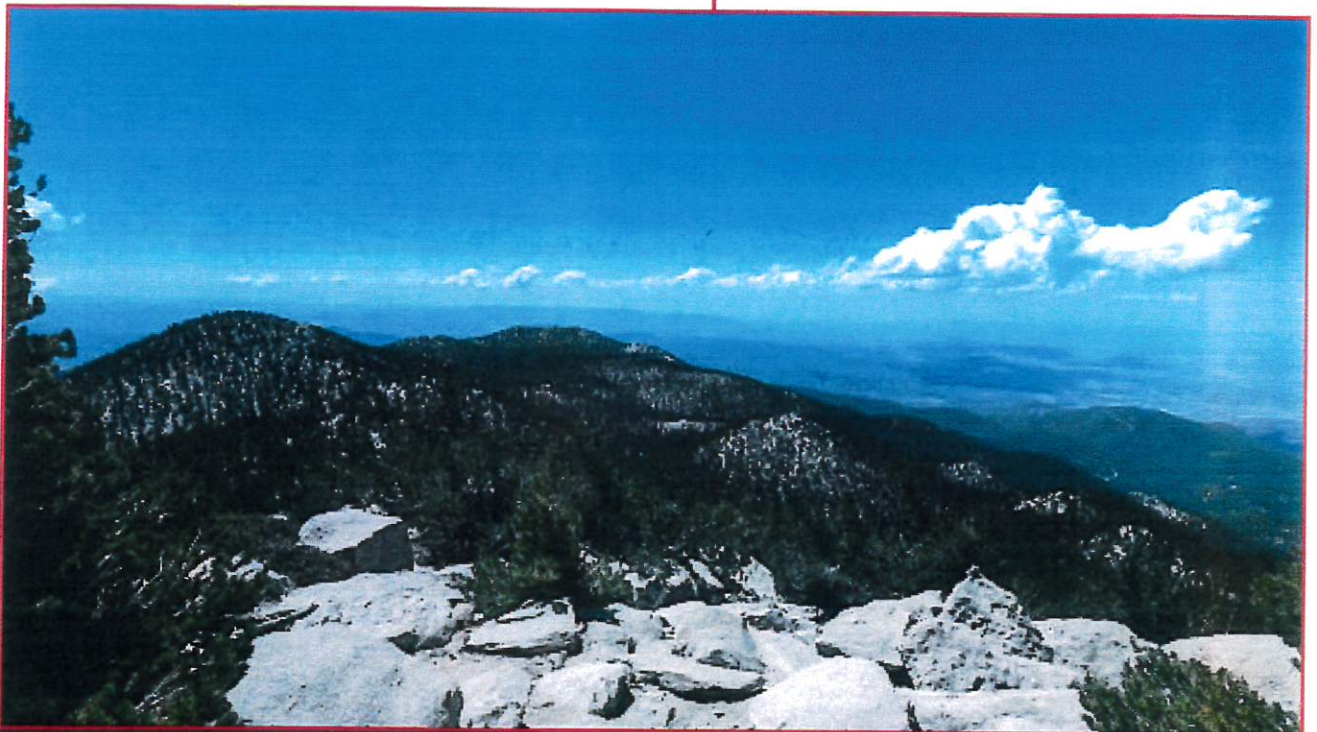
PROPOSAL FOR
PROFESSIONAL AUDITING
SERVICES

Prepared By:

Davis Farr LLP
18201 Von Karman Ave | Suite 1100
Irvine, CA 92612

Contact Person:

Jonathan Foster, CPA | Partner
Office: 949.474.2020 | Direct: 949.783.1744
Email: jfoster@davisfarr.com



IDYLLWILD WATER DISTRICT

PO Box 397
Idyllwild, CA 92549

February 7, 2025

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APPENDIX

Peer Review Documentation



February 7, 2025

Idyllwild Water District
PO Box 397
Idyllwild, CA 92549

Re: **Proposal for Professional Auditing Services**

We are pleased to provide our proposal to perform auditing services to the Idyllwild Water District (the "District") for the year ending June 30, 2025 through 2029.

Our service philosophy is one of open and constant communication, a proactive approach and responsive, value-added services. We will listen to your ideas and concerns and will bring creative solutions to you in both financial and other operational areas. We are aware that while the District has solicited numerous proposals, Davis Farr LLP would be your best selection for the following reasons which are set forth in greater detail in our proposal:

- We take a proactive leadership role in local government accounting and auditing issues. We serve on the Government Accounting and Audit Committee of the Cal CPA Society, the CSMFO Professional Standards Committee and are frequent speakers on technical topics at conferences and training events throughout California.
- We currently provide audit services to Special Districts throughout California including Cucamonga Valley Water District and Big Bear City Community Services District. Our deep understanding of the issues facing California governments enables us to provide high quality audit services to the Idyllwild Water District.
- We extensively utilize data mining software to evaluate anomalies in your accounting data. This helps focus our auditors' attention on potential errors in the accounting records and transactions that could be more susceptible to fraud.

We appreciate the opportunity to share our credentials and look forward to developing our professional relationship. Our proposal remains a firm and irrevocable offer for 90 days. I look forward to you contacting me so that I may answer further any questions which you may have. You may contact me at (949) 783-1744.

Very truly yours,



Jonathan Foster, CPA
Partner

Section A – About Davis Farr LLP

Background Information – Davis Farr LLP is a full-service regional accounting firm that specializes in providing attest and advisory services to federal, state, and local governments as well as non-profit entities out of our Irvine and Carlsbad offices. This engagement would be serviced by our Irvine office. Our personnel have served governmental and non-profit entities for over 40 years. A breakdown of our government audit personnel by classification is as follows:

License to Practice in California – Davis Farr LLP and all key personnel are licensed with the California State Board of Accountancy to practice as independent certified public accountants.

Independence – Davis Farr LLP is independent with respect to the Idyllwild Water District or any of its component unites as defined by U.S. General Accounting Office’s *Government Auditing Standards* and Generally Accepted Auditing Standards. Neither Davis Farr LLP nor the key personnel have any potential or real conflicts of interest.

Insurance – Davis Farr LLP has sufficient insurance coverage to meet or exceed the District’s requirements and will provide insurance certificates to the District prior to entering into a contract.

Quality Control – Davis Farr LLP and its Partners are members of the American Institute of Certified Public Accountants (AICPA) and is a member of the AICPA’s Government Audit Quality Center. Our firm is a voluntary participant in the AICPA Peer Review Program. Included in the appendix is our most recent Peer Review report where our firm received a *Pass*. A *Pass* demonstrates the highest level of quality control in a Peer Review. The Peer Review included a review of government engagements.

Training – Every professional of the firm must enroll in continuing professional education courses. Each person is required to take at least 80 hours of training over a two-year period including 24 hours a year specific to government accounting and audit topics. Courses cover a wide spectrum of professional and technical subjects, and include Fraud Auditing, Professional Ethics and Governmental Accounting and Auditing topics to help the practitioner maintain his/her professional expertise.



Classification	Number of Employees
Partners	8
Managers	9
Supervisors	4
Seniors	17
Staff	15
Administrative	4
Total personnel	57



Professional Affiliations

Government Audit Quality Center – Davis Farr LLP is a member of the Government Audit Quality Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

National Registry of CPE Sponsors – Davis Farr LLP is registered to provide continuing professional education through the National Association of State Board of Accountancy (NASBA). NASBA recognizes CPE program sponsors who provide continuing professional education programs in accordance with nationally recognized standards.

Cal CPA – Many of the CPAs employed by Davis Farr LLP are members of Cal CPA and regularly participate in chapter meetings, education, and events. Jonathan Foster, Partner, is chair of the **Governmental Accounting and Auditing Committee** of the CalCPA.

American Institute of CPAs – Davis Farr LLP and the firm’s Partners are members of the American Institute of CPAs (AICPA). The AICPA develops standards for audits, provides educational guidance materials to its members, and monitors and enforces compliance with the profession’s technical and ethical standards.

CSMFO – The Partners of Davis Farr LLP are members of the California Society of Municipal Finance Officers (CSMFO), the statewide organization serving all California municipal finance professionals. Firm personnel regularly attend CSMFO Chapter Meetings and Conferences. The Partners of Davis Farr LLP are frequent presenters on accounting and auditing technical topics at Chapter Meetings and Conferences and have presented at the 2019, 2020 and 2021 Annual Conferences.

GFOA – The Government Finance Officers Association (GFOA) enhances and promotes the professional management of governmental financial resources by identifying, developing, and advancing fiscal strategies, policies, and practices for the public benefit. The Partners of Davis Farr LLP are members of the Certificate of Achievement Program’s Special Review Committee. The Committee reviews Comprehensive Annual Financial Reports submitted to GFOA for the ACFR Award Program.



Section B – Our Prior Experience Auditing Government Agencies

Davis Farr LLP is a leader in the local government sector throughout California. Currently, we service approximately 60 local, state, and federal government entities. Davis Farr LLP services routinely provided to our clients include, but are not limited to:



Our government expertise includes Cities, Special Districts, and other Governmental entities. Among the government agencies that the professionals of Davis Farr LLP have served recently are the following:

- City of Avalon
- City of Carlsbad
- City of Commerce
- City of Coronado
- City of Costa Mesa
- City of Dana Point
- City of Delano
- City of Encinitas
- City of Fontana
- City of Fountain Valley
- City of Garden Grove
- City of Huntington Beach
- City of Laguna Niguel
- City of Mission Viejo
- City of Poway
- City of Rancho Santa Margarita
- City of Santee
- City of Victorville
- County of Woodland
- County of Fresno Housing Authority
- County of San Diego
- Cucamonga Valley Water District
- Eastern Municipal Water District
- Hass Avocado Board
- Irvine Ranch Water District
- Leucadia Wastewater District
- Metropolitan Water District of Southern CA
- Municipal Water District of Southern CA
- Orange County LAFCO
- Oxnard Housing Authority
- Placer County Water Agency
- Salton Sea Authority
- San Diego County Water Authority
- San Diego Association of Governments
- San Diego LAFCO
- San Dieguito Riverpark Authority
- Sweetwater Authority
- Tahoe Regional Planning Agency
- Tahoe Transportation District
- Vallecitos Water District
- Walnut Valley Water District
- West Basin Municipal Water District

Section C – Client References

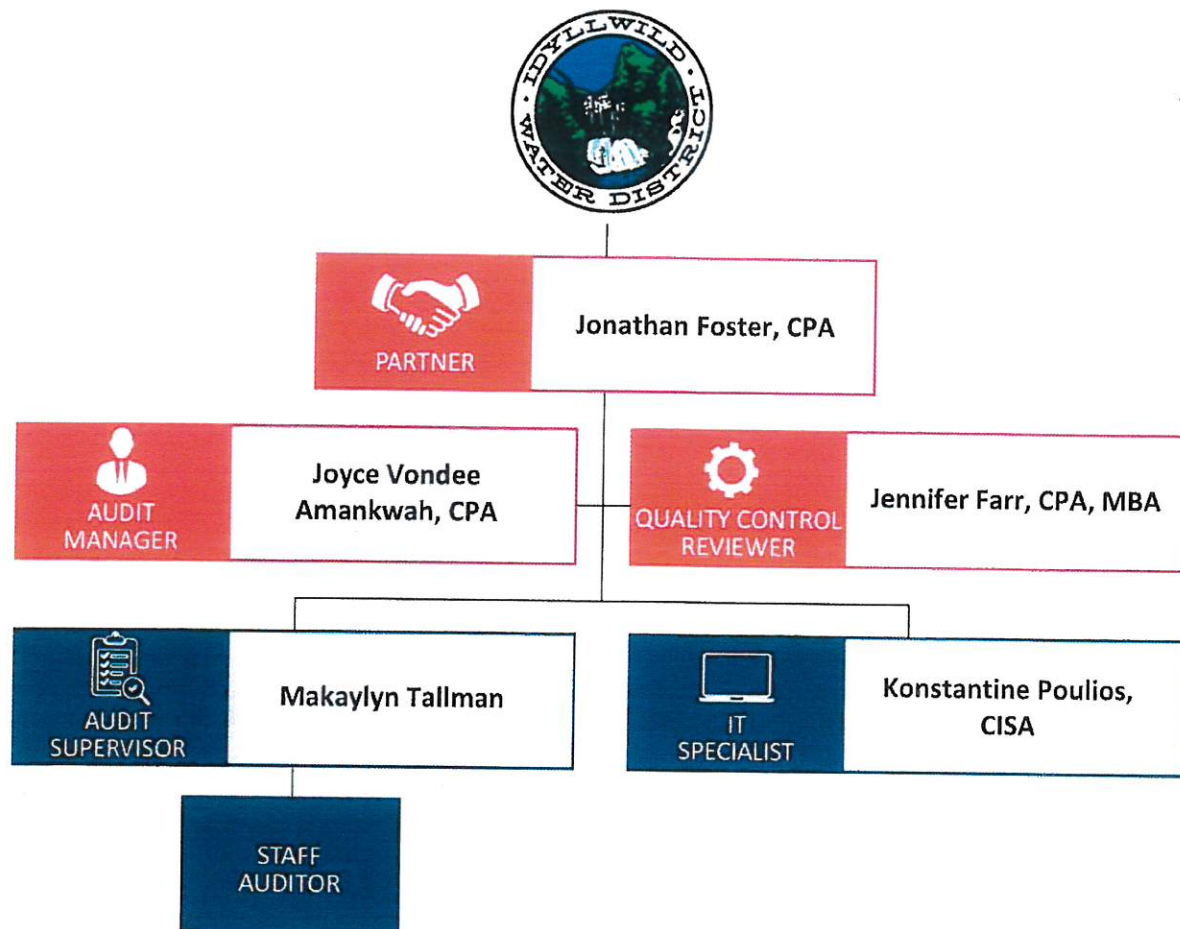
For your convenience, we have listed below references for audit work currently being performed by Davis Farr LLP personnel for several agencies throughout Southern California. For each of the references, we currently serve as independent auditors and have served these clients for a number of years.

CLIENT 1	Placer County Water Agency 144 Ferguson Road Auburn, CA Carrie Parks, Deputy Director of Financial Services 530.823.4840 cparks@pcwa.net	<i>Financial Statement Audit of Special District</i>
CLIENT 2	Tahoe Transportation District 128 Market Street, Suite 3F Stateline, NV Joanie Schmitt, District Accountant 775.589.5227 jschmitt@tahoetransportation.org	<i>Financial Statement Audit of Special District</i>
CLIENT 3	Tahoe Regional Planning Agency 128 Market Street Stateline, NV Chris Keillor, Finance Director 775.589.5222 ckeillor@trpa.org	<i>Financial Statement Audit of Special District.</i>
CLIENT 4	Irvine Ranch Water District 15600 Sand Canyon Ave. Irvine, CA Eileen Lin, Controller 949.453.5300 lin@irwd.com	<i>Financial Statement Audit of Special District.</i>
CLIENT 5	Cucamonga Valley Water District 10440 Ashford Street Rancho Cucamonga, CA Jennifer Fillinger, Accounting Supervisor 909.483.7453 jenniferf@cvwdwater.com	<i>Financial Statement Audit of Special District.</i>

Section D – Partner, Supervisory and Staff Qualifications and Experience

The successful outcome of any audit requires personnel with managerial and technical skills to perform the work required. The engagement team who will serve the Idyllwild Water District have served together as a team of professionals on numerous financial audit examinations of local government entities. While not anticipated, any personnel substitutions will be of equally qualified personnel.

We believe that efficient administrative management and supervision of the audits is an extremely critical factor in achieving the desired results for Idyllwild Water District. In that regard, our proposal organizational structure for providing independent auditing services is as follows:





Jonathan Foster, CPA

Partner

Mr. Foster will serve as the *Engagement Partner* to the District. He has 17 years of audit experience with government agencies. The types of audits Mr. Foster are involved in include financial audits of cities and special districts and Single Audits in accordance with the Uniform Guidance. Mr. Foster is also a Budget reviewer for the CSMFO award and is a regular presenter at firm wide training and external training events as requested. Mr. Foster has presented at various CSMFO conferences and teaches an annual Capital Assets course on behalf of CSMFO.

Employment History

- Davis Farr LLP – Since 2015
- National CPA Firm – 9 years

Education

- Bachelor of Accountancy (University of San Diego)

Licenses / Registrations

- California CPA Certificate No. 117853

Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- Cal CPA Government Audit & Accounting Committee
- California Society of Municipal Finance Officers

AUDITS OF SPECIAL DISTRICTS AND AGENCIES

- | | |
|--|--|
| ✓ Big Bear Area Regional Wastewater | ✓ San Diego Association of Governments |
| ✓ Big Bear Community Facilities District | ✓ Santiago Aqueduct Commission |
| ✓ Cucamonga Valley Water District | ✓ Saticoy Sanitary District |
| ✓ East Orange County Water Agency | ✓ Soquel Creek Water District |
| ✓ Irvine Ranch Water District | ✓ Tahoe Truckee Sanitation Agency |
| ✓ Orange County Sanitary District | ✓ Trabuco Canyon Water District |
| ✓ Placer County Water Agency | ✓ Valley Sanitation District |
| ✓ Rancho California Water District | ✓ Ventura Regional Sanitation District |
| ✓ San Bernardino Municipal Water
Department | ✓ West Basin Municipal Water District
Municipal Water District of Orange County |

ADDITIONAL RELEVANT EXPERIENCE

Irvine Ranch Water District – Proposition 218 Agreed-Upon Procedures

Irvine Ranch Water District/Orange County Sanitation District – Fund Specific Audit

Metropolitan Water District of Southern California - Local Resource Program Audits

Municipal Water District of Orange County - Consulting

Jonathan Foster, CPA

(continued)

Partner

Mr. Foster has significant experience working with federal grant programs typically awarded to local governments. These federal awarding agencies include Department of Housing and Urban Development, Department of Homeland Security, Department of Energy, Department of Justice, Department of the Interior, Environmental Protection Agency, and the Executive Office of the President

Mr. Foster has also worked on various financial statement, compliance and in SOC1 Type II audits (formerly SAS 70) audits for various commercial companies and Federal agencies.

AUDITS OF CITIES

- ✓ City of Avalon
- ✓ City of Carlsbad
- ✓ City of Commerce
- ✓ City of Costa Mesa
- ✓ City of Dana Point
- ✓ City of Delano
- ✓ City of Fontana
- ✓ City of Huntington Beach
- ✓ City of Indian Wells
- ✓ City of Laguna Niguel
- ✓ City of Rancho Santa Margarita
- ✓ City of Santee

AUDITS OF FEDERAL GOVERNMENT

- ✓ Centers for Medicare and Medicaid Services
- ✓ Special Inspector General for Afghanistan Reconstruction

AUDITS OF COMMERCIAL ENTITIES

- ✓ Cal Domestic Water Company
- ✓ Cahaba GBA
- ✓ CGS Administrators LLC
- ✓ Delta Dental of Arizona
- ✓ DHS Consulting
- ✓ Montebello Land and Water Company
- ✓ Mutual Insurance Company of Arizona
- ✓ Sunnyslope Water Company



Joyce Vondee Amankwah, CPA

Manager

Ms. Amankwah will serve as the manager of this engagement. She has been conducting financial statement audits, reviews, agreed-upon procedures, and compilations for over six years. Her engagements include nonprofits, and governmental entities such as cities, counties, special districts, and state agencies. She has performed financial and compliance audits of federal awards in accordance with Uniform Guidance, and her single audit experience includes programs from the Department of Health and Human Services, Department of Children and Family Services, Department of Housing and Urban Development, and a variety of other agencies.

Employment History

- Davis Farr LLP – Since December 2024
- Citrin Cooperman LLP, Maryland – 2022 - 2024
- Eide Bailly LLP – 2019 -2022
- Green Hasson Janks– 2017 -2018

Education

- Bachelor of Science in Accountancy & Finance (California State University, Northridge)

Licenses / Registrations

- California Certified Public Accountant (CPA) (License Number: 148989)

Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

AUDITS OF GOVERNMENTAL AGENCIES

- ✓ City of Rancho Mirage, CA
- ✓ City of Withier, CA
- ✓ City of Walnut, CA
- ✓ City of Jurupa Valley, CA
- ✓ City of Paramount, CA
- ✓ County of San Bernardino, CA
- ✓ County of Ventura, CA
- ✓ County of San Bernardino, CA
- ✓ First 5 California, Los Angeles, CA
- ✓ First 5 California, Riverside, CA
- ✓ Riverside County, CA
- ✓ Temple City, CA
- ✓ Omnitrans, CA
- ✓ Ventura Council of Governments, CA
- ✓ North County Transit District, CA
- ✓ County of San Bernardino, CA

AUDITS OF NON-PROFITS

- ✓ Therapeutic Living Centers for the Blind, CA
- ✓ Norton Simon Museum, CA
- ✓ Community Action Partnership of SB County, CA
- ✓ Baker Institute of Children with Hearing Loss, CA
- ✓ Boys and Girls Club of Laguna Beach, CA
- ✓ Visit Huntington Beach, CA
- ✓ Irvine Adult Day Health Services Inc., CA
- ✓ Ayn Rand Institute



Jennifer Farr, CPA, MBA

Quality Control Reviewer

Ms. Farr will serve as the Quality Control Reviewer on this audit. She will provide technical assistance to the audit teams, review audit reports and workpapers. Ms. Farr is a Certified Public Accountant with over 25 years of experience in local government auditing. Ms. Farr is a frequent speaker and author on matters pertaining to technical accounting and audit issues including new GASB pronouncements.

Employment History

- Davis Farr LLP – Founding Partner
- Shareholder – National CPA Firm

Education

- Bachelor of Arts in Business Administration & Accounting (California State University, Fullerton)
- Bachelor of Arts in English (California State University, Fullerton)
- Master of Business Administration (California State University, Fullerton)

Licenses / Registrations

- California CPA Certificate No. 76292

Professional Affiliations & Awards

- California Society of Certified Public Accountants
- Government Accounting & Auditing Committee
 - Current Chair of Committee
- California Society of Municipal Finance Officers
- American Institute of Certified Public Accountants
- Government Finance Officers Association
 - Financial Review Committee

AUDITS OF SPECIAL DISTRICTS AND SPECIAL PURPOSE GOVERNMENTS

- ✓ Coachella Valley Assoc of Governments
- ✓ Cucamonga Valley Water District
- ✓ Eastern Municipal Water District
- ✓ Inland Empire Utilities Agency
- ✓ Irvine Ranch Water District
- ✓ Leucadia Wastewater District
- ✓ Los Angeles Homeless Services Authority
- ✓ Mesa Water District
- ✓ Middle Fork Financing Authority
- ✓ Moulton Niguel Water District
- ✓ Orange County Sanitation District
- ✓ Orange County Water District
- ✓ Placer County Water Agency
- ✓ Rancho California Water District
- ✓ Salton Sea Authority
- ✓ San Diego Association of Governments
- ✓ San Diego County Water Authority
- ✓ Santa Rosa Regional Resources Auth
- ✓ South Coast Water District
- ✓ Southern CA Association of Governments
- ✓ Sweetwater Authority
- ✓ Vallecitos Water District
- ✓ Vista Irrigation District
- ✓ Walnut Valley Water District
- ✓ West Basin Municipal Water District
- ✓ Yucaipa Valley Water District



Makaylyn Tallman

Audit Supervisor

Ms. Tallman will service as the in-charge on this engagement. She will be the main point of contact for the staff. She will be responsible for performing the work and supervising staff. Ms. Tallman has seven years of audit experience, spending the majority of that time on audits for local and federal government engagements. The types of audits Ms. Tallman has been involved in include: financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with Uniform Guidance; and Federal compliance audits.

Employment History

- Davis Farr LLP: July 2018-current

Education

- Bachelor of Science in Accounting
University of Nevada, Reno

AUDITS OF SPECIAL DISTRICTS

- | | |
|------------------------------------|---|
| ✓ Eastern Municipal Water District | ✓ San Diego County Water Authority |
| ✓ Imperial County LAFCO | ✓ San Diego Geographic Information Source |
| ✓ Placer County Water Agency | ✓ San Dieguito River Park Valley JPA |
| ✓ Rancho California Water District | ✓ Santa Rosa Regional Resources Authority |
| | ✓ Tahoe Truckee Sanitation Agency |

AUDITS OF LOCAL & FEDERAL GOVERNMENTS

- | | |
|---------------------|--|
| ✓ City of Carlsbad | ✓ City of Santee |
| ✓ City of Delano | ✓ Centers for Medicare and Medicaid Services |
| ✓ City of Encinitas | ✓ County of San Diego |
| ✓ City of Poway | |

AUDITS OF NON-PROFITS & OTHER

- | | |
|---|------------------|
| ✓ Family YMCA of the Desert | ✓ Palmetto - SOC |
| ✓ San Diego Children's Discovery Museum | |

Konstantine Poullos, CISA

Senior Manager



Konstantine Poullos, a Senior Manager with the firm, has over 20 years of experience in information technology audit, compliance, and consulting for the financial services, healthcare, and cloud services industries. Mr. Poullos has vast experience in the performance of System and Organization Controls (SOC) examinations for many commercial Information Technology companies nationwide. Mr. Poullos has also conducted information security reviews on financial systems based on ISO/IEC 27001, as well as assisted companies with the compliance of the Sarbanes-Oxley Act. Mr. Poullos will serve as the IT Auditor and Information Technology Specialists for the financial statements audit.

Employment History

- Davis Farr LLP: February 2018 – Present
- TrueCar: 2015 – 2017
- Cornerstone OnDemand: 2014 - 2015
- Top 10 National CPA Firm: 2008 – 2014
- First Data Corporation: 2001 – 2007
- US OPM / OIG: 1998 – 2001

Education

- Bachelor of Science in Accounting, University of Scranton

Licenses / Registrations

- Certified Information Systems Auditor, Certificate No. 0126702, November 2001

Professional Affiliations & Awards

- Information Systems Audit and Control Association (ISACA)

IT RISK ASSESSMENTS:

Local Government IT Assessments - Mr. Poullos assists the firm's financial statement auditors by reviewing information systems of our municipal clients and identifying and communicating IT risks to the auditors to assist the planning and risk assessment of the audit and communicated deficiencies and recommendations to the client.

Los Angeles County Metropolitan Transportation Authority (METRO) -Mr. Poullos served as the IT Manager on the Information Technology Risk Assessments. The Risk Assessment included a review of METRO Operations and the IT Organization to determine if Information Technology Services (ITS) is meeting the needs of the organization.

IT Internal Audit / Compliance: - Mr. Poullos served as an IT Internal Auditor/Consultant for nearly 10 years with First Data Corporation and the U.S. Office of Personnel Management. In addition, Mr. Poullos served as the Security Compliance Manager for over 3 years with Cornerstone OnDemand and TrueCar. Mr. Poullos performed information technology reviews based on ISO 27001 and the Federal Information System Controls Audit Manual (FISCAM), coordinated with internal/external audit and technology personnel in the performance of internal control projects (including SOC engagements), documented policies/procedures, reviewed third party security controls, performed user access reviews of SOX significant systems, and monitored internal vulnerabilities using third party tools (e.g., Nessus).

Section E – Audit Approach

Davis Farr plans and conducts our engagements in the most efficient manner possible, and our audit approach is unique with regard to the following:

- Our firm is sensitive to the priorities and work requirements of our clients. We work around the schedules of our clients when scheduling segments of the audit or requesting documentation in order to minimize disruption of District staff and to complete the audit in a timely manner.
- Whenever possible, we use accounting support already prepared by the District staff to avoid duplication or unnecessary requests for audit supporting schedules. Typically, we request support for balance sheet items, the year ending trial balance and cash and long-term debt confirmations.
- Our firm's expertise is in governmental auditing. Our auditors are GASB experts and skilled at addressing audit issues that are specific to local governments. You will not spend time training our personnel.
- When formulating internal control recommendations, we obtain a thorough understanding of the specific circumstances at your District to provide a tailored, practical recommendation.
- Throughout the year we are a resource to our clients in providing accounting advice, researching technical questions, dealing with tax problems, and helping with other problems as they arise.

Audit Software - We utilize CaseWare audit software for the electronic workpapers. We have the ability to accept audit documentation in either hard copy or electronic format. CaseWare allows us the ability to import trial balances that can be provided in either excel or a text document. Some of the benefits of using CaseWare trial balance software are as follows:

- We create our own lead sheets (i.e., analytical review comparison schedules). This limits the amount of time finance staff spends creating audit schedules. Our software automatically generates analytical review reports by account number for ease of analyzing significant fluctuations between fiscal years.
- We can link the financial statement schedules directly to the CaseWare trial balances. Additionally, journal entries are easy to post to the financial statement schedules and the risk of data entry error is minimized.
- We can provide the District with reports showing the coding of the financial statement schedules for ease of review by District staff. These reports show each account coded to a specific financial statement line item as well as journal entries that are posted during the audit.

Data Mining Software - We have a dedicated team of personnel trained to use special data mining software, IDEA. Our software uses source data from your accounting system to search for anomalies, such as duplicate or voided checks, cross-referencing vendor addresses with employee addresses, detecting accounting transactions recorded on the weekend, reviewing journal entry postings for unauthorized individuals. The IDEA software identifies specific transactions for the auditors to review for potential fraud or error.

Internal Control Evaluation - Our approach to evaluating internal controls involves observation and inquiry. We spend time with the personnel responsible for the accounting cycles to gain an understanding of the processes. We also carefully evaluate your policies and procedures. After our initial evaluation, we identify key controls in your processes and design test to evaluate the effectiveness of those processes. In the initial year of the audit, we will focus on the following accounting cycles:

- Billing and cash receipting
- Capital assets
- Purchase and disbursements
- Payroll
- Investment and cash controls
- Information systems

In future years, we will review the accounting cycles noted above but also look at other processes such as credit card transactions, petty cash, inventory controls, offsite cash receipting, employee reimbursements, contract compliance, and other areas. Our goal is to modify our audit approach every year to further evaluate your internal controls.

Audit Stage	Procedures Performed
Planning and Inquiry	<p>During the planning phase of the audit, we plan to perform the following procedures:</p> <ul style="list-style-type: none"> ✓ Meet with finance personnel to obtain an understanding of significant transactions during the year. ✓ Communicate with the Board of Directors regarding fraud, compliance with laws, and any concerns they have regarding the finances of the District. ✓ Perform internal control evaluations as noted on the previous page. ✓ Determine materiality levels that will be used in selecting audit transactions. ✓ Perform a risk assessment to develop the audit plan for the year. ✓ Review minutes of Board of Directors meetings. ✓ Review important new contracts, bond documents, and agreements. ✓ Evaluate compliance with investments. ✓ Test purchase orders and contract management. ✓ Test a sample of cash disbursements to determine adherence to policies and internal controls. ✓ Perform a review of the organization's information systems and controls. ✓ Perform compliance testing of federal grants, as necessary. ✓ Review the prior audited financial statements and provide feedback to District staff regarding best practices for financial reporting. ✓ Provide a GASB Update and templates for implementing new accounting standards as needed.
Year-End Testing	<p>After the books are closed and ready for audit, we will perform our year-end procedures which include the following:</p> <ul style="list-style-type: none"> ✓ Confirm 100% of all cash and investment balances and test market values provided by your investment custodians. ✓ Test for proper cutoffs of accounts receivable and other receivables. ✓ Test additions and deletions to capital assets. We will review depreciation expense for reasonableness. ✓ Test current liabilities and perform a search for unrecorded liabilities. ✓ Test the balances of accrued payroll and employee related liabilities. ✓ Confirm long-term debt with independent parties. ✓ In years of new debt issuances, we will review the journal entry to record the debt to ensure the accuracy of the accounting. ✓ Testing of actuarial valuations and calculations related to OPEB obligations and disclosures under GASB 75. ✓ Testing of leases and SBITA's under GASB 87 and 96 ✓ Evaluation of claims and judgments payable. ✓ Testing of restrictions and classifications of net position. ✓ Analytically and substantively test revenues and expense reported in the financial statements. ✓ Analyze grant revenues and expenses, if any, to ensure proper matching within the fiscal year. ✓ Test the reasonableness of interest income, realized, and unrealized gains/losses on investments. ✓ Analytically and substantively test revenues and expenses reported in the financial statements. ✓ We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as petty cash, credit card purchases, new vendors, travel expenses, etc. <p>The aforementioned tests are only a few of the tests performed during the examination and by no means is it meant to be all inclusive. During the final stage of the audit, we will meet with Finance staff to review our audit findings and any adjusting journal entries.</p>

Audit Stage	Procedures Performed
Single Audit Approach	<p>As part of our Single Audit for the years in which the District expends greater than \$750,000, we will perform the following procedures in accordance with the Uniform Guidance:</p> <ul style="list-style-type: none"> ✓ Perform an evaluation of the major programs required to be tested. ✓ Review OMB guidance and the OMB Compliance Supplement for the grant program audited. ✓ Review internal controls for each of the applicable 14 compliance areas for each program audited. ✓ Using AICPA sampling guidance, we will select a sample for each of the applicable 14 compliance areas for each program audited. We will test the sample for compliance with those 14 areas. ✓ Test the indirect cost rate, if applicable. ✓ Review monitoring reports for noncompliance and follow up on the resolution of past noncompliance, if applicable. ✓ Issue a single audit report of federal expenditures. ✓ File the data collection form within the specified deadline.
Completion of the Audit and Preparation of Financial Statements	<p>The nature and extent of the work required is dependent on our assessment of the likelihood of misstatements in the financial statements together with our conclusions from the planning and testing stages of the audit. All of the audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> ✓ We will review significant events after year end. ✓ We will review attorney letters for significant legal matters. ✓ We will prepare and ensure accurate and complete disclosures in the notes to the financial statements. ✓ We will meet with the Board of Directors to present the results of the audit.

Section F – Implementation of New GASB Pronouncements

The District will be required to implement the following accounting standards during the upcoming fiscal years. Part of our service to you includes consulting on these new auditing standards. A sampling of significant new GASB pronouncements planned or proposed for local governments that may impact the Idyllwild Water District are listed below:

GASB 101: Compensated Absences

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB 102: Certain Risk Disclosures

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

GASB 103: Financial Reporting Model Improvements

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

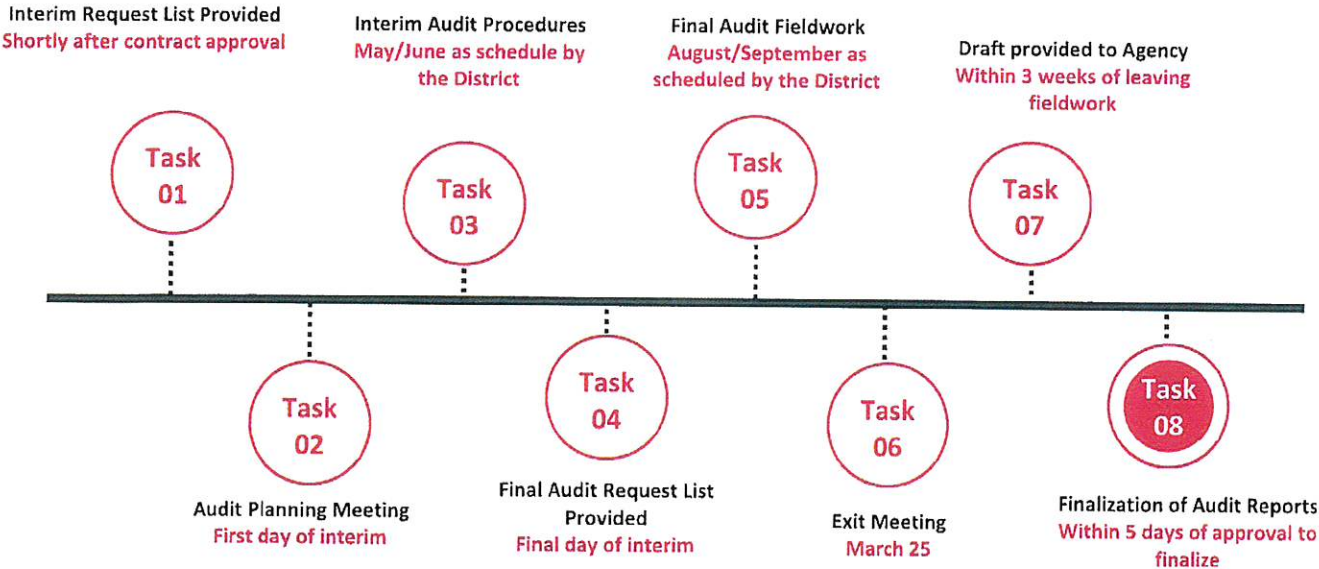
Section G – Scope of Work

Our understanding of the objectives and scope of the work to be performed is as follows:

- We will perform an audit examination of the financial statements of the Idyllwild Water District for the fiscal years ending December 31, 2025 through 2026. Our examination will be conducted in accordance with generally accepted auditing standards, the AICPA Audit and Accounting Guide, Audits of State and Local Government Units, and the Government Auditing Standards issued by the Comptroller General of the United States. We will prepare the Annual Comprehensive Financial Report (ACFR). We will ensure that the report is prepared in conformity with the most recent edition of the GAAFR, the GAAFR Update, and subsequent GASB pronouncements.
- We will prepare a letter to the Board of Directors summarizing the audit results in accordance with the Codification of Auditing Standards Section 260.
- We will prepare a letter to the Board of Directors reporting matters dealing with internal control that meet the threshold of being a significant deficiency or material weakness, as defined by the Codification of Auditing Standards Section 265. We will immediately report any irregularities or illegal acts that come to our attention to management and/or those charged with governance.
- We will meet with the Board of Directors to discuss the results of the audit.
- Finally, we perceive the scope of our work as being advisors to the District regarding generally accepted accounting principles. Throughout the year, the management and other finance personnel of the District will have access to us to seek advice in the application of generally accepted accounting principles, advice regarding debt issuance, financial statement preparation and content, and any other matters relating to the District. Each year, we will go over upcoming accounting standards in a meeting with District staff.

Section H – Proposed Timing of the Audit

The following proposed timing is subject to the District’s revision and approval:



Section I – Proposed Costs and Audit Segmentation

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>Total</u>
Financial Statement Audit	\$ 33,400	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 94,300

** First year of audit requires additional hours, see segmentation below*

Subsequent years after year two include a 3% price increase

Hotel stays will be invoiced seperately at cost.

Estimated Hour Segmentation for Financial Statement Audit

	Rate	Hours	Cost
Partner	\$ 175	24	\$ 4,200
Manager	150	32	4,800
Supervisor	130	120	15,600
Staff	110	80	8,800
		256	\$ 33,400



A close-up photograph of a person's hand holding a gold-colored pen, writing on a white document. The document has some faint lines and a small table-like structure. A pair of black-rimmed glasses is resting on the table to the left. The background is blurred, showing a blue sleeve. The word "APPENDIX" is overlaid in large, bold, red capital letters across the center of the image.

APPENDIX



Report on the Firm's System of Quality Control

Davis Farr LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2022. 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 on 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of applicable 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 and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and examination of a service organization (SOC 1 engagement).

As 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.

CPAs = Advisors

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Member  **Crowe Global**

Peer Review Report
Page 2 of 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2022, 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*. Davis Farr LLP has received a peer review rating of *pass*.

GYL LLP

Ontario, California
August 8, 2022



DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS



FEBRUARY 7, 2025

IDYLLWILD WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
FOR THE FISCAL YEARS ENDING JUNE 30, 2025 THROUGH 2029

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

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

909.889.0871

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

LICENSE #2596
FEIN 95-2662063

Idyllwild Water District Proposal for Professional Auditing Services

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February 7, 2025

Idyllwild Water District
550 E. 6th Street
Beaumont, CA 92223

We are pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP (RAMS), to your request for a proposal regarding professional auditing services. As a recognized industry leader and innovator for over 77 years, our goal has been to provide honest, high-quality, and objective results to all our clients, including governmental organizations such as yours. This dedication has fueled our firm's tremendous organic growth while ensuring personalized, client-focused services, with some clients being with us for over 25 years.

At RAMS, we are committed to achieving the highest quality audit in the most effective manner possible. We understand the complexities of performing governmental audits, which is why we have a dedicated team of auditors with specialized knowledge and experience to ensure our audits are planned and executed efficiently and effectively, providing you with the highest quality services.

We understand that the Idyllwild Water District (the District) will review other proposals during this process, but we believe that RAMS is the exceptional choice for your audit for the following reasons:

Reputation: We have an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high-quality reporting.

Advanced Tools: We utilize Teammate Analytics, a suite of over 200 Computer Aided Audit Tools (CAATs), empowering our audit teams to perform powerful data analysis that enhances our substantive audit procedures and helps identify transactions or amounts indicative of potential fraud.

Risk-Based Approach: Our intelligent, risk-based audit allows us to focus on key audit areas, increasing efficiency and resulting in a higher quality audit at a reasonable fee.

Experience: We currently provide auditing services to over 70 governmental agencies and not-for-profit organizations, including over 30 cities with enterprise activities and over 35 special districts.

Remote Capabilities: We have developed a comprehensive remote working environment for our audits. All our staff are equipped to work remotely effectively and efficiently, ensuring a quality audit.

Commitment to Deadlines: We are committed to meeting all reporting/auditing deadlines, resolving any issues encountered during your audit, and providing you with quality audit services.

Minimizing Stress: We understand the audit process can be stressful for you and your staff. We strive to make the audit process as trouble-free as possible by comprehensively planning and utilizing our staff and audit technologies efficiently and effectively while minimizing disruptions and miscommunications.

Personable Team: Our audit team members are personable and easy to work with, yet focused on the audit. Through open and responsive communication, we aim to minimize operational distractions for your staff while maximizing quality service.

Quality Control: We have an extensive internal quality control review process to ensure your financial reports meet the highest standards. Each report prepared by the engagement team is reviewed by the engagement manager, and thoroughly examined by two partners and at least one professional proofreader.

Award-Winning Assistance: We have assisted many clients with the preparation of their Annual Comprehensive Financial Reports. All our clients who submitted reports for GFOA award have received them. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.

Value for Investment: Our fee estimate provides a fair and reasonable investment, commensurate with the level of service provided and the experience of the audit team members. While we may not be the lowest bidder, our focus is on delivering the best value and high-quality services, pricing our engagements accordingly.

Local Presence: As a Southern California firm, our employees live, work, and shop in the region, allowing local cities to benefit from our sales and property taxes.

Our proposal is prepared clearly, concisely, and in accordance with the request for proposal. We believe our firm, staff, and reputation as a leader in governmental auditing exceed the need for the typical excessive information found in other proposals.

Rogers, Anderson, Malody & Scott, LLP is properly licensed to practice in California, including all the professional staff assigned to this engagement. Mr. Manno, Partner and Mr. Welebir, Partner, are authorized to represent the firm, submit the bid, and sign a contract with the District. We understand the work to be done as listed in the section of this proposal titled "Services to be Provided," and we are committed to meeting any agreed-upon time frames. This proposal is a firm and irrevocable offer for ninety (90) days.

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

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Scott Manno, CPA, CGMA
Partner

Idyllwild Water District Proposal for Professional Auditing Services

License to practice in California

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

Independence

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

We have not had a professional relationship with Lathrop Manteca Fire District for the past five years.

Firm qualifications and experience

About our firm

We are a local firm, established in 1948, located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. As a comprehensive accounting firm, we offer a full spectrum of services. With over 75 years of public practice experience, we are one of the oldest, most trusted, and respected CPA firms in Southern California, specializing in auditing, accounting, and management advisory services for governmental agencies and not-for-profit organizations. Annually, we dedicate over eighteen thousand hours to our audit practice, encompassing cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. Our focus on government accounting and auditing is a primary commitment, ensuring we deliver top-quality services to local governments.

We recognize the importance of engaging auditors with a deep understanding of the complex and ever-evolving accounting and compliance issues that governments face today. Our firm boasts a rich history in governmental accounting and auditing, equipping us with invaluable experience, in-depth knowledge, and the technical expertise necessary to conduct high-quality governmental audits. This expertise enables us to provide exceptional service and effective solutions at competitive fees, reflecting our value to clients. Furthermore, our active participation in various industry associations ensures we stay updated on the latest issues in governmental accounting, auditing, and operations. We promptly share any valuable insights with our clients to enhance their benefit.

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

Idyllwild Water District Proposal for Professional Auditing Services

Firm qualifications and experience (continued)

Range of services

In addition to auditing services for governmental entities, our firm offers a wide range of other services, including:

- SB 341 compliance (Successor Agencies)
- Internal control agreed-upon procedures
- Finance director and accounting support services
- Studies and evaluations of financial condition and fiscal policies
- Transient Occupancy Tax agreed-upon procedures
- Franchise (refuse, cable) agreed-upon procedures
- Development and review of accounting policies and procedures
- Cash management studies
- Assistance with financing and public bond offerings
- Support with franchise agreements (ambulance, cable, television, refuse, etc.)

Additionally, we provide accounting, auditing, attest, and consulting services to both for-profit and not-for-profit entities. Our services also include tax preparation and consulting for individuals, corporations, and partnerships. We offer complimentary tax consultation services to our municipal audit clients.

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center* (GAQC), we at RAMS are dedicated to maintaining the highest quality standards. Our commitment to the GAQC membership requirements includes designating a partner responsible for the quality of our governmental audit practice, establishing rigorous quality control programs, conducting annual internal inspections, and publicly sharing our peer review report findings. Our goal is to continually enhance our quality initiatives to provide the highest quality audit services possible.

Being a part of the GAQC also grants us access to comprehensive resources that further improve the quality of your audit. Our membership ensures we receive timely information on technical, legislative, and regulatory matters, which we apply to your audit to ensure compliance with current standards and regulatory changes, benefiting our clients.

Housing Authority and Successor Agency experience

Over the past five fiscal years, the firm has audited the Housing Authorities and Successor Agencies for the following entities:

City of South Pasadena
City of Thousand Oaks
City of San Marcos
City of Moorpark
City of Fillmore
City of Sierra Madre
City of El Cajon
Town of Yucca Valley
City of Poway

City of San Bernardino
City of La Verne
City of San Jacinto
City of Twentynine Palms
City of La Mesa
City of Rosemead
City of Hawthorne
City of West Covina
City of Claremont

Idyllwild Water District Proposal for Professional Auditing Services

Firm qualifications and experience (continued)

Single audit experience

Many of our municipal clients, as well as other governmental and not-for-profit clients, require audits in accordance with Uniform Guidance. Recently, we have conducted single audits for numerous entities.

Our specialized Single Audits Team is led by Partners and Managers who hold Intermediate and Advanced Single Audit Certifications from the AICPA, ensuring a successful and thorough engagement.

ACFR preparation

We have extensive experience in preparing Annual Comprehensive Financial Reports (ACFR). For the past several years, our team prepared over between 20-30 ACFRs per year, with each entity receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. Additionally, we have assisted many cities and special districts in developing their first-year reports for submission. Four of our audit partners and five of our managers/supervisory staff serve as technical reviewers for the GFOA award program. We ensure all ACFRs comply with the GFOA certificate program checklist and address any prior year comments to guarantee thorough and compliant reports.

Engagement quality control

Our internal quality control review process ensures your audit meets the highest standards. Financial reports prepared by a senior member of the engagement team undergo multiple levels of review: first by the engagement manager/supervisor, followed by the engagement partner, and finally a technical review by the engagement Quality Control partner. Additionally, all reports are proofread by at least one professional staff member. All audit workpapers are reviewed by the in-charge auditor and the partner in charge of the engagement.

Equal opportunity employer

Our firm is an equal opportunity employer committed to providing employment opportunities to all qualified individuals, regardless of race, color, sex, religion, national origin, or disability. Our diverse staff represents a wide range of cultures and ethnic backgrounds. We offer advancement opportunities based on ability, skill, and desire to progress within the firm.

Disciplinary action

Our firm has a spotless record with no disciplinary actions taken or pending against it by state regulatory bodies or professional organizations. Additionally, there has never been any pending or settled litigation, nor any civil or criminal investigations. We are also not aware of any federal or state desk reviews or field reviews of our audits in the last three years.

Our firm has no record of substandard work.

In addition to external quality control reviews, our firm conducts annual in-house monitoring procedures that mirror the external peer review processes, ensuring ongoing compliance and quality in our audit and attest engagements.

Idyllwild Water District Proposal for Professional Auditing Services

Firm qualifications and experience (continued)

External quality control review

As a member of the AICPA Private Companies Practice Section, our firm has actively participated in the "Peer Review" program since 1993. Every three years, an independent firm of certified public accountants conducts an external review of our firm. This participation ensures that our engagements, firm policies, and audit procedures consistently meet the standards set by the AICPA, the Yellow Book, and the California State Board of Accountancy. Notably, throughout our participation in this program, our firm has consistently received pass ratings from the peer reviewers.

During each peer review, an independent firm assesses our policies and procedures and inspects a representative sample of engagement workpapers and reports, including those related to governmental entities and engagements subject to the Uniform Guidance. For the year ended November 30, 2020, our firm received a pass rating. This rating

indicates that our auditing practices are suitably designed and complied with, providing reasonable assurance of performing and reporting in accordance with applicable standards. The results affirm that our custom audit approach and procedures are technically sound and compliant with all relevant standards.

Grant Bennett Associates

A PROFESSIONAL CORPORATION



Report on the Firm's System of Quality Control

August 26, 2024

To Rogers, Anderson, Malody & Scott, LLP and the Peer Review Committee of the California Society of CPAs.

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2023. 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of 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 and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included: engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP, in effect for the year ended November 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Rogers, Anderson, Malody & Scott, LLP, has received a peer review rating of pass.

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



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Together as One, Grant Bennett Associates is a Member of the AlltGlobalAlliance of independent professional firms.



Idyllwild Water District Proposal for Professional Auditing Services

Partner, supervisory, and staff qualifications and experience

Quality of service and engagement team

The quality of service you receive hinges on the capabilities of the individuals assigned to your engagement and how effectively these personnel resources are organized. Our professionals are highly trained, knowledgeable, and have a deep understanding of the environment in which governmental and not-for-profit entities operate. This expertise is crucial for providing the District with an effective and efficient audit.

Our engagement team brings significant experience and a practical understanding of governmental accounting and auditing, combined with a broad business perspective. Each member has access to a wide range of technical resources and knowledge bases, enabling them to offer practical observations and effective solutions to the District.

Partner and supervisory staff involvement

Our partners and supervisory staff are actively and continuously involved in all aspects of their engagements. We believe that their involvement is a key aspect of the overall audit process. This includes being on-site for interim and year-end fieldwork, ensuring a proper, efficient, and effective audit with minimal disruption to your staff. The time spent on-site by partners and supervisory staff allows them to understand the District's accounting processes and procedures thoroughly. This understanding helps in evaluating and developing opportunities for efficiency and offering practical advice to improve your accounting processes and procedures.

All professionals on this engagement have extensive experience with audits similar to the District's, eliminating the need for the District to train our team.

Staff continuity

Maintaining continuity of audit staff is a principal concern for our firm. To retain our staff, we offer competitive wages, advancement opportunities, generous medical packages, a retirement plan, bonus opportunities, and educational benefits. While we strive for continuity, we acknowledge that staff changes may occur. We plan to provide consistent staff year to year, which is in the best interest of both the District and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. In case of staff changes, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be replaced if they leave the firm or are promoted. However, the District reserves the right to accept or reject replacements.

Due to the significant involvement of our partners in all engagements, any staff transition would have a minimal impact on audit efficiency and effectiveness in subsequent years.

Continuing professional education

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

Idyllwild Water District Proposal for Professional Auditing Services

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

According to our firm's Quality Control document and Government Auditing Standards (GAS), all staff working on audits subject to GAS must complete CPE in line with GAS standards, requiring 24 hours directly related to governmental accounting and auditing.

To further increase our technical knowledge, we utilize resources such as the Governmental Audit Quality Center Annual Webcast Update, other relevant seminars, and monthly publications from the AICPA, the GFOA, and other sources. We also attend conferences and seminars sponsored by the GFOA, California Society of Municipal Finance Officers, California State Society of Certified Public Accountants, and the California Special Districts Association.

Assigned personnel

Our goal is to provide you with capable, competent, and personable individuals who possess an extensive background in governmental accounting and auditing and general business practices. This allows us to offer practical solutions and technical support, keeping you at the forefront of governmental accounting and helping you navigate complex issues.

Our engagement team has the managerial and supervisory experience to provide the District with a comprehensive audit of the highest quality while focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. These individuals will be assigned to the engagement for the entire contract period.

Scott W. Manno, CPA, CGMA – Partner, Engagement Partner

Scott will serve as the Engagement Partner for your municipal audit. He is licensed to practice as a certified public accountant in the State of California and brings over 29 years of public accounting experience, specializing in serving local governments. As the engagement partner, Scott will be responsible for the overall quality of the engagement, ensuring it is performed efficiently and effectively. He will directly oversee all engagement staff, assist in planning and performing the engagement, and review all workpapers and required reports prepared during the engagement.

Scott, like all our partners, is a working partner and will be actively involved in all aspects of the engagement, ensuring a high standard of service and attention to detail throughout the process.

Brad Welebir, CPA - Partner, Concurring Partner

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

Gardenya Duran, CPA, CGMA – Partner, Quality Control Reviewer

Gardenya will be the Quality Control Reviewer. She is licensed to practice as a certified public accountant in the State of California and has over 15 years of practical, governmental accounting and auditing experience. Gardenya will be responsible for the final quality control review of all released opinions and related reports.

Idyllwild Water District Proposal for Professional Auditing Services

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

Evelyn Morentin-Barcena, CPA – Audit Manager

Evelyn is an Audit Manager with the firm. She is licensed to practice as a certified public accountant in the State of California. Evelyn has over 9 years' experience in providing accounting and auditing services for municipalities, special districts and various not-for-profit organizations. As an audit manager, she will work directly with the audit in-charge and partner, while supervising the engagement team during all phases of the engagement. In conjunction with the audit in-charge, she will also oversee the preparation of any required reports.

Isela Briseno – Audit Senior

Isela is an Audit Senior with our firm, bringing three years of experience in providing accounting and auditing services to municipalities, special districts, and various not-for-profit organizations.

As an Audit Senior, Isela will work closely with the engagement partner and manager. She will be responsible for planning the audit, supervising the staff assigned to the engagement, and reviewing all workpapers prepared for the engagement. Additionally, she will oversee the preparation of any required reports, ensuring thoroughness and compliance with all standards.

Terry Shea, CPA – Consultant

Terry is a retired municipal audit partner with the firm providing consulting services. He is licensed to practice as a certified public accountant in the State of California. Terry has over 40 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. Terry will assist on an as needed basis with the engagement. In addition, he will provide technical consultation for the engagement team.

Staff level accountants

All our staff accountants working on governmental audits are highly qualified to perform these audits. Prior to the audit season, our staff undergoes rigorous training that covers all aspects of our audit process and programs, ensuring they have a solid foundation before starting fieldwork. Each staff member is encouraged to take on increased responsibilities in engagements they have previously worked on, enabling them to grow and continually enhance their skills and knowledge.

In summary, we emphasize the credentials of the professionals who will be directly responsible for the quality of service you will receive. Additionally, our audit team possesses an important, albeit intangible, attribute: the professionals assigned to your audits have previously worked together as a multi-disciplined team. This ensures a smooth, efficient, and effective audit process. We are committed to allocating the necessary resources to ensure continuity of personnel throughout our relationship with the District.

Idyllwild Water District Proposal for Professional Auditing Services

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

Engagement team resumes



Scott W. Manno, CPA, CGMA
Engagement Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1996 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program and he is also on the GFOA Special Review Executive Committee. In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting which meets periodically to discuss current events, pronouncements, etc.

Education/licenses

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

Related professional experience

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

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

Mr. Manno has completed over 232 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ Government Risk Assessment
- ◆ Audits of State and Local Governments
- ◆ Government Accounting and Auditing Update
- ◆ State and Local Government Audit Planning Considerations

Professional affiliations

Mr. Manno is a member of the following organizations:

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

Idyllwild Water District Proposal for Professional Auditing Services

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

Brad Welebir, CPA, CGMA, MBA
Concurring Partner



Professional experience

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

Education

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

Related professional experience

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

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

Continuing professional education

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

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

Professional Affiliations

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

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



Idyllwild Water District Proposal for Professional Auditing Services

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



Gardenya Duran, CPA, CGMA
Quality Control Partner

Professional experience

Mrs. Duran joined Rogers, Anderson, Malody & Scott, LLP in June 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Currently, Mrs. Duran serves as a technical reviewer for the GFOA ACFR Award program. Prior to joining our firm, she was an Information Systems Technician in the U.S. Navy for nine years.

Education/licenses

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

Related professional experience

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

Mission Springs Water District	March Joint Powers Authority	City of Aliso Viejo	City of Capitola
Upper San Gabriel Muni. Water District	Ventura Regional Sanitary District	City of San Bernardino	City of S. Pasadena
San Bernardino Valley Municipal Water District	Saticoy Sanitary District	City of Redondo Beach*	City of West Covina*

Continuing professional education

Mrs. Duran has completed over 110 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ◆ GASB Update
- ◆ Insights from Lease Implementation
- ◆ Intermediate Governmental Accounting
- ◆ Audits of State and Local Governments

Professional affiliations

Mrs. Duran is a member of the following professional organizations:

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

Idyllwild Water District Proposal for Professional Auditing Services

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



Evelyn Morentin-Barcena, CPA
Audit Manager

Professional experience

Evelyn is an Audit Manager with the firm. She has over 9 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit manager, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports. Currently, Evelyn serves as a technical reviewer for the GFOA ACFR Award program.

Education

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

Related professional experience

Partial listing of relevant governmental agencies served:

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

Continuing professional education

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

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

Professional affiliations

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

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

Idyllwild Water District Proposal for Professional Auditing Services

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



Isela Briseno
Audit Senior

Professional experience

Ms. Briseno joined Rogers, Anderson, Malody & Scott, LLP in 2021, primarily providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As an audit senior, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

Education

Bachelor of Arts in Business Administration - California State University, San Bernardino

Related professional experience

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

Las Virgenes Municipal Water District	Leucadia Wastewater District	West Basin Municipal Water District	San Bernardino Valley Water Conservation District
Elsinore Valley Municipal Water District	Crestline-Lake Arrowhead Water Agency	San Bernardino Valley Muni. Water District	City of San Bernardino
Idyllwild Water District	Mojave Water Agency	Rosamond Community Services District	City of Perris

Continuing professional education

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

- ◆ GAAP, GAAS, SSARS, & Other Accounting Issues
- ◆ Overview of the 2024 Yellow Book
- ◆ Overview of the 2024 Uniform Guidance

Professional affiliations

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

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



Idyllwild Water District Proposal for Professional Auditing Services

Similar engagements with other government agencies

Entity: *Beaumont Cherry Valley Water District*
Scope of work: Financial Audit/ACFR*
Date: Years ending December 31, 2018 - present
Engagement partner: Mr. Scott Manno
Total hours: 250
Contact person: Mr. William Clayton, Senior Finance and Administrative Analyst,
 (951) 845-9581, william.clayton@bcwd.gov
Address: 560 Magnolia Avenue, Beaumont, CA 92223

Entity: *Big Bear Area Regional Wastewater Agency*
Scope of work: Financial Audit/ACFR*
Date: Years ending June 30, 2012 - present
Engagement partner: Mr. Scott Manno/Mr. Brad Welebir
Total hours: 200
Contact person: Ms. Christine Bennett, Finance Manager, (909) 584-4522,
 cbennett@bbarwa.org

Entity: *Crestline-Lake Arrowhead Water Agency*
Scope of work: Financial Audit
Date: Years ending June 30, 1996 - present
Engagement partner: Mr. Brad Welebir
Total hours: 250
Contact person: Ms. Jennifer A. Spindler, General Manager, (909) 338-1779,
 clawa@verizon.net
Address: 24116 Crest Forest Drive, Crestline, CA 92325

Entity: *Rosamond Community Services District*
Scope of work: Financial Audit
Date: Years ending June 30, 2015 - present
Engagement partner: Mr. Scott Manno/Mr. Terry Shea
Total hours: 240
Contact person: Mr. Brad Rockabrand, Finance Director (661) 256-5812,
 brockabrand@rosamondcsd.com
Address: 3179 35th Street West, Rosamond, CA 93560

Entity: *San Bernardino Valley Municipal Water District*
Scope of work: Financial Audit
Date: Years ending June 30, 2004 - present
Engagement partner: Mr. Brad Welebir
Total hours: 225
Contact person: Mrs. Cindy Saks, Finance Manager, (909) 387-9224,
 cindys@sbrmwd.com

Idyllwild Water District Proposal for Professional Auditing Services

Specific audit approach

Services to be provided

The District desires the auditor to express opinions on the fair presentation of the financial statements for the following: the Idyllwild Water District accordance with generally accepted accounting principles.

In addition, we shall:

- Prepare the financial statements with management's direct oversight and approval.
- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the related information.
- Assist in the preparation of the Annual Audit Report of Financial Transactions of Special Districts and submission to the State Controller's Office.
- Assist in the preparation of the Annual Compensation Report and submission to the State Controller's Office.
- As needed services.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- *Minimum Audit Requirements and Reporting Guidelines for California Special Districts*, as required by the California State Controller's Office.
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Reports to be issued:

- A report on the fair presentation of the financial statements in conformity with GAAP.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* (material weaknesses or significant deficiencies).
- Prepare Management Letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: District Manager and District Attorney.
- Attend the Board of Director's Meeting to present the report and results of the audit, via electronic teleconference (i.e. Zoom, Teams, etc.)

Specific audit approach (continued)

Engagement approach

Our engagement approach for your audit is meticulously designed to ensure measurable progress and successful outcomes. This involves setting clear goals and maintaining frequent communication between the engagement partner, lead auditor, and the team. Our approach leverages our extensive knowledge and expertise in governmental accounting and auditing to identify and address key audit and accounting risks specific to the government sector. Each year's audit includes a complete reassessment of the control environment, enabling us to respond to any changes in risk assessment effectively.

Key components of our Engagement Approach are as follows:

Knowledge and Experience: With over 77 years of auditing governmental entities of all sizes, we possess in-depth knowledge of the governmental environment. This enables us to perform efficient and effective audits, conduct detailed risk assessments, and identify significant audit risk areas within the District's control environment.

Intelligent Design: Utilizing advanced audit software and data analytic tools (*Engagement and Teammate Analytics*), we can analyze large volumes of data quickly, enhancing both the efficiency and effectiveness of our audits.

Professional Oversight: Our partners, managers, and supervisors have extensive experience in governmental audits, allowing us to design and execute audit strategies that are both effective and efficient.

Timeliness: Meeting deadlines is a professional commitment for us. We ensure that all required and agreed-upon deadlines are met.

Open Communication: Maintaining open lines of communication with all parties involved, including City management and staff, helps eliminate surprises and ensures a smooth audit process.

Availability: Our engagement team members are available year-round for any questions or additional consultation. City staff will have direct access to the partner, manager, and supervisory staff during and after the engagement.

Cost-Effectiveness: Our customized audit approach and experienced auditors help reduce overall audit costs while delivering effective audits and high-quality reports.

Risk-Based Approach: We perform detailed risk assessment procedures to understand the District and its environment, including internal controls. This forms the basis for our assessment of risks of material misstatement at the financial statement and relevant assertion levels. We may perform further audit procedures concurrently with risk assessment, as necessary.

Idyllwild Water District Proposal for Professional Auditing Services

Specific audit approach (continued)

As stated elsewhere in our proposal, our primary objective is to conduct an audit of the financial statements in accordance with required auditing standards and to express an opinion on those statements. Our engagement approach also offers several value-added benefits at no additional cost:

Efficiency and Minimal Disruption: Our audits are designed to be efficient and effective, minimizing disruption to office operations.

Practical Observations and Recommendations: We provide practical observations and recommendations on internal control issues, accounting standards implementation, and related policies and procedures.

Operating Efficiency Opportunities: We identify opportunities for operating efficiencies that can help reduce the District's operating costs.

By employing this comprehensive engagement approach, we ensure that the District's audit is conducted with the highest standards of quality and professionalism.

Audit approach and proposed audit segmentation

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

Segment 1 - Interim Testing: Planning, Pre-Audit Administration, and Internal Control Testing

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

Approach:

- **Initial Meetings:**
 - Meet with the District's staff to determine convenient dates to begin our audit and to discuss the assistance to be provided by the District's staff.
- **Engagement Team Brainstorming:**
 - Hold brainstorming sessions with engagement team members to discuss the susceptibility of the District's financial statements to material misstatement and fraud.
- **Review and Evaluation:**
 - Review and evaluate the District's accounting and reporting processes by examining the prior year's audit workpapers, District-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, and minutes of governance meetings.
 - Perform analytical procedures to enhance our understanding of the District and identify areas that may need further assessment and additional testing.
- **Regulatory Review:**
 - Review and retain copies of any pertinent local, state, and federal statutes, regulations, or charters that apply to the District.

Specific audit approach (continued)

- **Internal Control Evaluation:**
 - Obtain a thorough understanding of the District's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiries, and observation.
 - Evaluate the design of controls relevant to the audit and test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions and reviewing supporting documentation.
- **Management Communication:**
 - Document and review any findings noted during the testing of internal controls with management.
 - Provide a preliminary management letter with recommendations for improving any weaknesses in operations and suggestions for enhancing the efficiency of the District's operations.
- **Audit Data Analytics:**
 - Utilize powerful audit data analytic software to analyze large amounts of data quickly and focus on areas/transactions that are red-flagged.

IT General Controls:

- **Security Access Controls:**
 - Evaluate general system security settings, password parameters, processes for adding, deleting, and changing security access, access capabilities of various user types, access controls to networks and financial applications, data file access controls, and physical access to networks and servers.
- **Computer Operations:**
 - Evaluate backup and recovery processes and review procedures for identifying and handling operational problems.
- **System Development and Changes:**
 - Evaluate processes related to system development and system changes, if applicable.
- **Application Testing:**
 - Determine the necessity of testing application controls based on professional judgment during the planning stages of the engagement.

Audit Team: This phase will be performed by the audit manager, audit senior, and two to three staff accountants, under the direct supervision of the audit partner.

This comprehensive approach ensures a thorough understanding of the District's financial environment and internal controls, setting a solid foundation for the audit.

Specific audit approach (continued)

Segment 2 - Year-End Testing: Substantive Testing

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

Approach:

- **Risk Assessment and Audit Plan Development:**
 - Identify significant risks and develop a detailed audit plan using the results from Segment 1.
- **Design and Perform Substantive Tests:**
 - Design substantive tests of account balances tailored to the District's operations and assessed level of risk. Substantive procedures will include testing material balance sheet accounts, material revenue and expenditure/expense accounts, along with various analytical procedures, as necessary.
 - Confirm various accounts with outside parties (e.g., cash, investments).
- **Risk Evaluation:**
 - Determine whether our testing supports the initially assessed level of risk at both the financial statement level and the assertion level.
- **Audit Adjustments:**
 - If any proposed audit adjustments are noted, we will discuss and explain them in detail with the appropriate level of management before posting.

Audit Team: This phase will be performed by the audit manager, audit senior, and two to three staff accountants, under the direct supervision of the audit partner.

Segment 3 - Reporting: Report Preparation and Audit Conclusion (Workpaper Review)

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

Approach:

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

Audit Team: This phase will be performed by the audit manager, audit senior, and one staff accountant, under the direct supervision of the audit partner. Additionally, the engagement's quality control partner will perform a detailed quality control review of the financial statements.