

SALTON COMMUNITY SERVICES DISTRICT

SPECIAL Board Meeting Agenda

June 1, 2022

Closed Session 6:00 p.m.

Open Session 7:00 p.m.

1209 Van Buren Ave.

Salton City, CA 92275

www.saltoncsd.ca.gov

BOARD OF DIRECTORS:

Mr. Rogelio Flores, President

Ms. Lidia A. Sierra, Vice President

Ms. Michelle Gilmore, Director

Mr. Dale Johnson, Director

Mr. Manuel H. Ramos, Director

STAFF:

David Dale, Interim General Manager

Sonia Thania Garcia, Interim Board Secretary

1. CALL TO ORDER: 6:00 p.m.

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE: Rogelio Flores, President

4. PUBLIC COMMENTS:

Pursuant to California Government Code Section 54954.3, the public has the right to address the board regarding any closed session items listed on the closed session agenda prior to the board adjourning into closed session. Anyone who wishes to address the Board, please come to the microphone. Public comments are limited to (3) minutes each person.

5. CLOSED SESSION ITEMS:

A. Public Employee Discipline/Dismissal/Release Pursuant to Government Code 54957

B. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (Specify number of potential cases)

6. OPEN SESSION: 7:00 p.m.

7. ANNOUNCEMENT OF CLOSED SESSION ACTIONS

8. PRESENTATIONS/ PUBLIC APPEARANCES

9. PUBLIC COMMENTS:

Pursuant to California Government Code Section 54954.3 members of the public may address the Board at this time on any items of public interest that are within the Board's subject matter jurisdiction. The Ralph M. Brown Act, however, prohibits the Board from taking action on any matter not appearing on the agenda. Those who wish to address the Board should come to the microphone. Members of the public will be given three (3) minutes to address the board on any items of public interest.

10. BOARD MEMBER COMMENTS

12. REPORTS:

- A. General Manager's report

14. OLD BUSINESS:

None

15. NEW BUSINESS:

- A. Discussion and Approval of a Professional Services Agreement with Koppel & Gruber Public Finance, a California Corporation in the amount of \$5,745.00 for annual administration services of special assessments, fees and charges, and to Authorize the Interim General Manager to Sign the Agreement.
- B. Ratify the Purchase and Installation of (2) Air Conditioning Units, and appurtenances in the Amount of \$12,500.00 for the Real Property Owned by the District Described as: 83 Desert Shores Drive, in Desert Shores (APN 001-072-014).
- C. Discussion and Approval of a Professional Services Agreement with Urban Futures, Inc. to Develop the Fiscal Year 2022-23 SCSD Budget on a Time and Material Basis, Not to Exceed \$19,500.00, and Authorize the Interim General Manager to Sign the Agreement.
- D. Discussion and Approval to Move all District Funds to Wells Fargo Bank and Cancel all other Bank Accounts.

- E. Discussion and Ratification of Invoice pursuant to previously approved Professional Services Agreement with Urban Futures, Inc. to Review and Develop Finances and Fiscal Practices on a Time and Material Basis and pay the invoice in the amount of \$22,595.51.
- F. Discussion and Approval of a Professional Services Agreement with The Pun Group, LLP on a Time and Material Basis for CPA Accounting Services and Authorize the Interim General Manager to Sign the Agreement.
- G. Approval to Declare Surplus Property per Assembly Bill (AB) 1486 (Statutes of 2019, Chapter 664) and AB 1255 (Statutes of 2019, Chapter 661) Government Code, Title 5, Division 2, Part 1, Chapter 5, Article 8. Surplus Land Property – APN 001-072-014.

16. ADJOURNMENT

Sonia Thania Garcia, Interim Board Secretary

Upon written request, this agenda will be made in appropriate alternative format to persons with disabilities as required by Section 202 of the American with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Secretary of the Board at least 72 hours before the meeting.

Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at 1209 Van Buren St, Suite 1, Salton City, California 92275.

**SALTON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING
June 1, 2022
AGENDA ITEM 15.A**

June 1, 2022

TO: Board of Directors

FROM: David Dale, PE – Interim General Manager

SUBJECT: Discussion and Approval of a Professional Services Agreement with Koppel & Gruber Public Finance, for annual administration services of special assessments, fees and charges

RECOMMENDED ACTION:

Approve a Professional Services Agreement with Koppel & Gruber Public Finance, a California Corporation in the amount of \$5,745.00 for annual administration services of special assessments, fees and charges, and to Authorize the Interim General Manager to Sign the Agreement

ITEM EXPLANATION:

Every year, The District is required to calculate the annual levy charges for special assessments, fees and charges. The District does not have the resources to complete this work. Therefore, Staff is requesting that the work be completed by a consultant.

The Proposed Scope of Work is as follows:

1. On an annual basis, track parcel changes and development changes and calculate the annual Special Charge for each taxable parcel with specific parcel usage information provided by the District.
2. Update the database used in maintaining and calculating the annual levy requirements and parcel changes that occur (parcel subdivisions and development information).
3. Participate in conference calls throughout the process, as necessary. Develop effective channels of communication to facilitate the smooth administration of the Special Charges.
4. Place the appropriate charges on the County Tax Roll in the required format and provide the District with a verification of the total amount placed on the tax roll.
5. Research any exceptions and resubmit if possible. Prepare and mail direct billings for parcels not able to be placed on the County Tax Roll, as necessary.

6. Answer property owner questions regarding the Special Charge placed on the tax roll.
7. This helps to minimize District staff time spent on the Special Charges. At the District's request, we provide a toll-free phone number that is placed on the tax bill next to the special charge.
8. Prepare and provide electronically an Annual Report for the Special Charges including the list of valid assessor parcels, the calculated rates for each parcel, describe development changes (if any), and other pertinent information about the Special Charge. This provides the District a summary of the calculation of the Special Charge for easy access and reference.

NEXT STEPS

Upon approval, the agreement will be executed by the Interim General Manager

FISCAL IMPACT

\$5,745.00

ATTACHMENTS

1. Proposed Professional Services Agreement

**SALTON COMMUNITY SERVICES DISTRICT
PROFESSIONAL SERVICES AGREEMENT
FOR
ANNUAL ADMINISTRATION SERVICES**

THIS AGREEMENT is made and entered into this ___ day of _____, 2022, by and between the Salton Community Services District (“CSD”) and Koppel & Gruber Public Finance, a California Corporation (“Consultant”).

WHEREAS, the CSD desires to engage Consultant to furnish the annual administration of special assessments, fees and charges (“Project”) as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual premises, covenants and conditions herein contained, the parties agree as follows:

1. SERVICES

The Consultant shall perform annual administration services of special assessments, fees and charges Consulting Services. A scope of services (“Services”) is attached as Exhibit A and incorporated herein by this reference.

2. COMPENSATION

Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit “B” attached hereto and incorporated herein by reference. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

2.1 Payment of Compensation. Consultant shall submit to the CSD a quarterly itemized statement which indicates work completed and Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. The CSD shall, within 30 days of receiving such statement, review the statement and pay all approved charges thereon.

2.2 Reimbursement for Expenses. Consultant shall be reimbursed for any expenses as authorized in Exhibit “B”.

2.3 Extra Work. At any time during the term of this Agreement, the CSD may request that Consultant perform Extra Work. As used herein, “Extra Work” means any work which is determined by the CSD to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the CSD's Representative.

3. SUSPENSION OR TERMINATION

3.1 Suspension. The CSD may, at any time, by thirty (30) days written notice, suspend further performance by Consultant. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner and the Consultant shall be paid for all services performed and reimbursable expenses incurred prior to the suspension date.

3.2 Termination. Either party may terminate this Agreement at any time by giving thirty (30) days' written notice to the other party of such termination. If this Agreement is terminated as provided herein, Consultant will be paid an amount which bears the same ratio to the total compensation as the services actually performed bears to the total services of Consultant covered by this Agreement, less payments of compensation previously made.

4. RESPONSIBILITIES OF CONSULTANT

The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The CSD retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of the CSD and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

5. Insurance

As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder and without limiting the indemnity provisions of the Agreement, the Consultant in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance.

| Coverage | Minimum Limits |
|--|--|
| (a) General Liability 1) Products and completed operations 2) Contractual liability 3) Personal liability | \$1,000,000 Combined Single Limit, per occurrence and general aggregate |
| (b) Automobile Liability 1) Comprehensive automobile liability including owned, non-owned and hired autos | \$1,000,000 Combined Single Limit, each accident |
| (c) Workers' Compensation 1) Workers' Compensation Insurance 2) Employer's Liability | \$1,000,000 (Statutory) |
| (d) Professional Liability Insurance 1) Providing coverage on claims made basis for errors and omissions | \$1,000,000 per claim and annual aggregate |

6. DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY

The Consultant may rely upon the accuracy of any documents provided to Consultant by the CSD. The CSD may copy, use, modify, or reuse any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the CSD. The CSD shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at the CSD's sole risk.

7. GENERAL PROVISIONS

7.1 **Accounting Records.** Records of the Consultant's direct labor costs, payroll costs and reimbursable expenses pertaining to the Services covered by this agreement shall be maintained on a generally recognized accounting basis and made available during normal business hours upon reasonable notice. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

7.2 **Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of the CSD, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use the CSD's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the CSD.

7.3 **Cooperation; Further Acts.** The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

7.4 **Attorney's Fees.** If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

7.5 **Indemnification.** Consultant shall defend, indemnify and hold the CSD, its officials, officers, employees, volunteers and agents free and harmless from all claims, damages, losses and expenses arising out of the performance of the services described herein caused solely by the negligent acts, errors or omission of the Consultant, its officials, officers, employees, agents, subcontractors and subconsultants, except where caused in whole or in part by the active negligence or willful misconduct of the CSD or its officials, officers, employees, agents or volunteers.

7.6 **Entire Agreement.** This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

7.7 **Governing Law.** This Agreement shall be governed by the laws of the State of California.

7.8 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

7.9 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the CSD. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

7.10 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to CSD include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

7.11 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

7.12 Waiver. Consultant's waiver of any term, condition or covenant, or breach of any term, condition or covenant, shall not constitute the waiver of any subsequent breach of any other term, condition or covenant.

7.13 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

7.14 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

7.15 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the parties hereto have accepted, made and executed this Agreement upon the terms, conditions and provisions above stated, the day and the year first above written.


| Salton Community Services District | Koppel & Gruber Public Finance |
|--|--|
| By: | By:  |
| | Scott Koppel |
| Title: | Title: Principal |
| Address: 1209 Van Buren Avenue, Suite 1 Salton City, CA 92274 | Address: 334 Via Vera Cruz, Suite 256 San Marcos, CA 92078 |

EXHIBIT "A"
SCOPE OF SERVICES

K&G Public Finance will perform the following Scope of Services:

A. Administration Services

1. On an annual basis, track parcel changes and development changes and calculate the annual Special Charge for each taxable parcel with specific parcel usage information provided by the District.
2. Update the database used in maintaining and calculating the annual levy requirements and parcel changes that occur (parcel subdivisions and development information).
3. Participate in conference calls throughout the process, as necessary. Develop effective channels of communication to facilitate the smooth administration of the Special Charges.
4. Place the appropriate charges on the County Tax Roll in the required format and provide the District with a verification of the total amount placed on the tax roll.
5. Research any exceptions and resubmit if possible. Prepare and mail direct billings for parcels not able to be placed on the County Tax Roll, as necessary.
6. Answer property owner questions regarding the Special Charge placed on the tax roll. This helps to minimize District staff time spent on the Special Charges. At the District's request, we provide a toll-free phone number that is placed on the tax bill next to the special charge.
7. Prepare and provide electronically an Annual Report for the Special Charges including the list of valid assessor parcels, the calculated rates for each parcel, describe development changes (if any), and other pertinent information about the Special Charge. This provides the District a summary of the calculation of the Special Charge for easy access and reference.

EXHIBIT "B"
COMPENSATION

We will provide the Scope of Services described above for the fees outlined below. Additionally, K&G Public Finance will bill on a quarterly basis for administration services.

Administration Services

| TASK | ANNUAL FEE FOR APRIL 1, 2022 THRU MARCH 31, 2023 |
|----------------------------------|--|
| Standby Charge & Sewer Charge | \$3,240.00 |
| Maintenance Standby Charge | 2,505.00 |
| Channel Maintenance ¹ | 375.00 |

1. Channel Maintenance was not levied and therefore not charged since FY2019/20 and will only be charged if we levy for Channel Maintenance in 2022/23.

Billing

K&G Public Finance will invoice on a quarterly basis for Administration Services. The quoted fees will be subject to an annual Consumer Price Index increase for Riverside-San Bernardino-Ontario, CA Area All Urban Consumer Price Index (All Items) beginning July 2023.

Expenses

K&G Public Finance shall be reimbursed for other expenses including travel, photocopying, county data sources, postage, courier services, and overnight delivery at our cost with no additional mark up.

Additional Work

If authorized by the District, K&G Public Finance will provide additional services not included in the above scope of services at the hourly rates set forth in the table below unless otherwise agreed upon between the District and K&G Public Finance.

| TITLE | RATE |
|---------------------------|-------|
| Engineer | \$320 |
| Principal | 260 |
| Senior Associate | 200 |
| Associate | 150 |
| Production/Administration | 95 |

**SALTON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING
June 1, 2022
AGENDA ITEM 15.B**

June 1, 2022

TO: Board of Directors

FROM: David Dale, PE – Interim General Manager

SUBJECT: Ratify the Purchase and Installation of (2) Air Conditioning Units, and appurtenances in the Amount of \$12,500.00 for the Real Property Owned by the District Described as: 83 Desert Shores Drive, in Desert Shores (APN 001-072-014).

RECOMMENDED ACTION:

Ratify the Purchase and Installation of (2) Air Conditioning Units, and appurtenances in the Amount of \$12,500.00 for the Real Property Owned by the District Described as: 83 Desert Shores Drive, in Desert Shores (APN 001-072-014).

ITEM EXPLANATION:

Prior Management authorized the replacement of (2) air conditioning units on a property owned by the District (the property formally used as to house the Ambulance Staff). These air conditioners were already replaced. A payment has already been made in the amount of \$6,250.00. Staff is requesting formal approval of this work in order to make the final payment of \$6,250.00.

NEXT STEPS

Upon approval, final payment of \$6,250.00 will be made.

FISCAL IMPACT

\$5,745.00

ATTACHMENTS

1. Proposed Professional Services Agreement

J/G Air Conditioning

65 La Jolla Ave. Thermal, Ca. 92274
Licence #1078296

BILL TO

Salton Community Services District
1209 Van Buren Ave. Suite 1
P.O. Box 5268
Salton City, Ca. 92275

ESTIMATE #

105

ESTIMATE DATE

04/07/2022

Job Site- 83 Desert Shores Drive, Thermal Ca. 92274

Estimate Total

\$12,500.00

DESCRIPTION

AMOUNT

*4 ton Goodman Heat pump package unit 14 seer
*3 ton Goodman Heat pump package unit 14 seer
*(9) 24"x24" T-bar diffusers
*High Voltage & Low Voltage connections
*Sheet Metal connections
*Drain connections
*Seal all ductwork connections to package unit
*Install and connect (9) supply vent diffusers

12,500.00

**SALTON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING
June 1, 2022
AGENDA ITEM 15.C**

June 1, 2022

TO: Board of Directors

FROM: David Dale, PE – Interim General Manager

SUBJECT: Discussion and Approval of a Professional Services Agreement with Urban Futures, Inc. to Develop the Fiscal Year 2022-23 SCSD Budget

RECOMMENDED ACTION:

Discussion and Approval of a Professional Services Agreement with Urban Futures, Inc. to Develop the Fiscal Year 2022-23 SCSD Budget on a Time and Material Basis, Not to Exceed \$19,500.00 and Authorize the Interim General Manager to Sign the Agreement.

ITEM EXPLANATION:

The need for the FY 2022-23 Budget is rapidly approaching. It should be brought to the Public for review and the Board for approval prior to July 1, 2022. Due to internal changes, staff turnover, staff resources, and the current state of the record keeping and finances - staff is requesting that a professional firm prepare the budget. Urban Futures Inc. has been assisting the District with review of financial matters and is qualified to do this work. Due to the unknown amount of work that will be required, the work is being proposed to be done on a time and material basis on a not-to-exceed basis. Due to Staff turnover, and starting late to develop, it is unlikely that the budget will be ready prior to the July 1, 2022 deadline. If approved, Staff will work with UFI to do everything it its power to get the draft budget for review as soon as possible.

The Proposed Scope of Work is:

1. Establish budget development and approval calendar.
2. Assess current, and assist with the development of future, District strategic priorities.
3. Meet with members of the board, management, and administrative staff on an as needed basis.
4. Evaluate current operating environment and assess operational needs.
5. Develop budget request template and associated budget request forms.
6. Project current and next fiscal year revenue receipts and expenditures.
7. Assist with the planning, coordination, and evaluation of the proposed budget submissions.

8. Assist with preparing a proposed FY 2022-23 budget document for governing board consideration.
9. Develop and deliver a PowerPoint presentation to the City's management team and/or governing board summarizing the FY 2022-23 Proposed Budget, highlighting the key changes, additions and any related recommendations or actions.
10. Provide professional and technical advice and assistance to the General Manager and/or other administrative staff on matters related to ongoing budget administration.
11. Optional: Coordination or presentation of new developments/progress to LAFCO.

NEXT STEPS

Upon approval, work will begin on the budget.

FISCAL IMPACT

Up to \$19,500.00

ATTACHMENTS

1. Proposal dated April 26, 2022



UFI

Financial Solutions

April 26, 2022

Mr. Robert L. Patterson, Esq.
Slovak Baron Empey Murphy & Pinkney LLP
1800 Tahquitz Canyon Way
Palm Springs, CA 92262

Pursuant to our recent discussion, this proposal is offered for providing additional professional services. These services, in addition to those specified in the originally approved "Letter Agreement for Municipal Advisory Services" memorandum dated January 24, 2022, would form the basis for the professional services agreement with Urban Futures, Inc.

PROPOSED WORK

These additional professional services shall include guidance and assistance for the development of the FY 2022-23 District Budget. Our Senior Consultant, Steve Montano, will serve to lead a finance team and be prepared to step in to provide guidance and analysis.

Specific responsibilities and include:

1. Establish budget development and approval calendar.
2. Assess current, and assist with the development of future, District strategic priorities.
3. Meet with members of the board, management, and administrative staff on an as needed basis.
4. Evaluate current operating environment and assess operational needs.
5. Develop budget request template and associated budget request forms.
6. Project current and next fiscal year revenue receipts and expenditures.
7. Assist with the planning, coordination, and evaluation of the proposed budget submissions.
8. Assist with preparing a proposed FY 2022-23 budget document for governing board consideration.
9. Develop and deliver a PowerPoint presentation to the City's management team and/or governing board summarizing the FY 2022-23 Proposed Budget, highlighting the key changes, additions and any related recommendations or actions.
10. Provide professional and technical advice and assistance to the General Manager and/or other administrative staff on matters related to ongoing budget administration.
11. Optional: Coordination or presentation of new developments/progress to LAFCO.

SCHEDULE/TIME REQUIREMENTS

We understand the District's goal is to complete this work within this current fiscal year as part of the upcoming budget preparation, presentation and adoption process. We will endeavor to complete our work within this general timeline and we initially estimate that it will take approximately forty (40) hours to complete the scope of work. However, given the late start and the time needed to assess the District's operational environment and priorities, the work may extend to July. Should this occur, it is recommended that the governing board adopt a continuing appropriations resolution until which time the proposed budget is prepared for adoption. Once we conclude steps 1-4 above, we will have a better understanding of the full scope of the work and be able to refine the timeline.

COST ESTIMATE

Due to variables in every engagement and to ensure the District maintains flexibility to tailor the work and control its costs, UFI performs its work on a time and materials basis. Our time and materials work utilizes the following professional services hourly rate schedule:

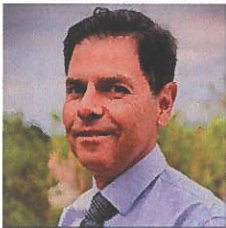
| UFI Professional Staff | Hourly Rates* |
|-------------------------------|----------------------|
| Chief Executive Officer | \$325 |
| Managing Director | \$300 |
| Senior Consultant | \$250 |
| Analyst | \$150 |

*These rates will remain constant through June 30, 2023, and are subject to change thereafter.

EXPERIENCE AND QUALIFICATIONS

UFI is staffed with former municipal finance directors and managers, and public finance professionals with both executive government and corporate/investment banking experience. Our expertise is in a wide range of areas related to the finances and operations of cities and local governments in California. Our diversity of people, experience and expertise enables us to conduct detailed quantitative and qualitative analysis of municipal finances and translate that analysis into practical, actionable, and clearly delivered recommendations. Senior Consultant, Steve Montano has been selected to service this engagement.

Steve Montano, Senior Consultant




Steve is a public finance professional with over twenty-five years of experience and has held a wide range of roles in local government including budget development and administration, long-term strategic business and financial planning, and the analysis of operational areas to improve organizational effectiveness. After serving in the United States Marine Corps, Steve worked for the U.S. Office of Management and Budget, the City of Palo Alto, the City of San Juan Capistrano, and served most recently as the Deputy Finance Director for the City Newport Beach. In that role, he had the responsibility of coordinating the development and preparation of the City's annual long-range

fiscal forecast, performing financial planning and analysis associated with capital replacement plans, and developing strategies to achieve City goals in a fiscally responsible manner.

Steve holds a Bachelor of Arts in Political Science and a Master of Public Policy from the University of California at Berkeley.

We appreciate the opportunity to provide the District with strategic financial advising and consulting services. If you have any questions or would like to discuss any aspects of the proposal, please contact Michael Busch at 714-923-3541 (direct) or via email at michaelb@urbanfuturesinc.com.

| | |
|--|---|
| <p>Slovak Baron Empey Murphy & Pinkney LLP</p> <p>By: _____ Client</p> | <p>Respectfully,</p> <p></p> <p>Michael Busch, President & CEO Urban Futures, Inc.</p> <p>cc: James Morris, Managing Director Valerie Elliott, Accounting Manager</p> |
|--|---|

**SALTON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING
June 1, 2022
AGENDA ITEM 15.D**

June 1, 2022

TO: Board of Directors

FROM: David Dale, PE – Interim General Manager

SUBJECT: Discussion and Approval to Move all District Funds to Wells Fargo Bank and Cancel all other Bank Accounts.

RECOMMENDED ACTION:

Approve Staff to Move all District Funds to Wells Fargo Bank and Cancel all other Bank Accounts.

ITEM EXPLANATION:

District Staff is requesting to move all District funds from current accounts to one bank to better access monthly finance reports, spending reports and online account access. The District already has a Wells Fargo bank account.

NEXT STEPS

Upon approval, all funds will be moved to the Wells Fargo Bank account.

FISCAL IMPACT

None

ATTACHMENTS

None

**SALTON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING
June 1, 2022
AGENDA ITEM 15.E**

June 1, 2022

TO: Board of Directors

FROM: David Dale, PE – Interim General Manager

SUBJECT: Discussion and Ratification of a Professional Services Agreement with Urban Futures, Inc. to Review and Develop Finances and Fiscal Practices on a Time and Material Basis and pay the invoice in the amount of \$22,595.51

RECOMMENDED ACTION:

Ratify a Professional Services Agreement with Urban Futures, Inc. to Review and Develop Finances and Fiscal Practices on a Time and Material Basis and pay the invoice in the amount of \$22,595.51

ITEM EXPLANATION:

In February 2022, Urban Futures was contacted to review and develop Finances and Fiscal Practices for the District. This work was completed on a time and material basis because it was unknown at the time how much work it would take. The policies have now been prepared. The District has received the invoice for this work, so it is being brought to the Board for review and approval.

NEXT STEPS

Upon approval, the invoice 5/09/22 will be paid.

FISCAL IMPACT

Up to \$22,595.51

ATTACHMENTS

1. UFI invoice dated 5/9/22



From **Urban Futures, Inc.**
Public Management Group
PO Box 627
Tustin, CA 92781

Invoice For **Salton Sea Community
Services District (c/o SBEMP
Attorneys LLP)**
Robert Patterson, Esq.
Slovak Baron Empey Murphy &
Pinkney LLP
1800 Tehquitz Canyon Way
Palm Springs, CA 92262

Invoice ID **0422-008**
Issue Date **05/09/2022**
Due Date **05/09/2022 (upon receipt)**

Subject **Professional Services for the Period of February 1, 2022 to April 30, 2022**

| Item Type | Description | Quantity | Unit Price | Amount |
|-------------------|--|----------|------------|--------------------|
| Service | Review and Evaluation of District's Finances and Fiscal Practices: Michael Busch (02/01/2022 - 04/30/2022) | 3.00 | \$275.00 | \$825.00 |
| Service | Review and Evaluation of District's Finances and Fiscal Practices: Steve Montano (02/01/2022 - 04/30/2022) | 95.75 | \$225.00 | \$21,543.75 |
| Product | Review and Evaluation of District's Finances and Fiscal Practices: Travel | 1.00 | \$226.76 | \$226.76 |
| Amount Due | | | | \$22,595.51 |

Notes

For questions regarding this invoice, please contact Valerie Elliott, Accounting Manager, at (714) 923-3551 or via email at valerie@urbanfuturesinc.com.

Please note our new remittance address:

PO Box 627
Tustin, CA 92781

Detailed time report: 02/01/2022 – 04/30/2022

Total hours

98.75

0.00 Uninvoiced billable hours

1 Client

**Salton Sea Community Services District
(c/o SBEMP Attorneys LLP)**

Projects

All projects

Tasks

All tasks

Team

Everyone

| Client | Project | Task | Roles | Person | Hours | |
|--|---|--|-------------------|---------------|-------------|---|
| 02/11/2022 | | | | | 3.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | CEO | Michael Busch | <u>3.00</u> | 🔒 |
| 02/21/2022 | | | | | 2.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>2.00</u> | 🔒 |
| | | Assessed financial documentation and started to develop review strategy | | | | |
| 02/22/2022 | | | | | 4.75 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>4.75</u> | 🔒 |
| | | Cataloged all the documents we have requested for the Salton CSD review. Set up a directory structure to organize files according to 1. Resource Inflows, 2. Resource Management, 3. Resource Outflows, and 4. Miscellaneous. Labeled and placed files in the appropriate folder according to this nomenclature. | | | | |
| 02/23/2022 | | | | | 4.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>4.00</u> | 🔒 |
| | | Had phone call with attorney Bob Patterson and Michael Busch to discuss next steps re Salton CSD finance audit discovery phase. Began analyzing bank statements | | | | |
| 02/24/2022 | | | | | 2.00 | |

Total 98.75

5/9/22, 9:09 PM

Detailed Reports – Urban Futures, Inc. – Harvest

| Client | Project | Task | Roles | Person | Hours | |
|--|---|---|-------------------|---------------|-------------|---|
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>2.00</u> |  |
| | | Reviewed/organized sent files and worked on financial bank statement summary. | | | | |
| 03/08/2022 | | | | | 1.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>1.00</u> |  |
| | | Participated in Salton CSD conference call. | | | | |
| 03/11/2022 | | | | | 3.50 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>3.50</u> |  |
| | | Cataloged and reviewed thumb drive files | | | | |
| 03/15/2022 | | | | | 4.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>4.00</u> |  |
| | | Started developing budget to actual summary for district financing user CAFR documents. | | | | |
| 03/16/2022 | | | | | 4.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>4.00</u> |  |
| | | Completed financial summary of FY17 to FY20 CAFR budget to actual statements. | | | | |
| 03/17/2022 | | | | | 1.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>1.00</u> |  |
| | | Reviewed 4 year budget to actual history and developed inquiries in preparation for Thursday meeting. | | | | |
| Total | | | | | 98.75 | |

5/9/22, 9:09 PM

Detailed Reports – Urban Futures, Inc. – Harvest

| Client | Project | Task | Roles | Person | Hours | |
|--|---|---|-------------------|---------------|-------------|---|
| 03/18/2022 | | | | | 1.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>1.00</u> | 🔒 |
| | | Analyzed FY21 Budget Detail | | | | |
| 03/24/2022 | | | | | 8.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>8.00</u> | 🔒 |
| | | Traveled to Salton CSD, met with staff, gathered information. | | | | |
| 03/25/2022 | | | | | 5.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>5.00</u> | 🔒 |
| | | Analyzed Salton CSD bank statements and began profiling inflows and outflows. | | | | |
| 03/28/2022 | | | | | 5.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>5.00</u> | 🔒 |
| | | Analyzed bank statements | | | | |
| 03/29/2022 | | | | | 5.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>5.00</u> | 🔒 |
| | | Continued analysis of Salton CSD bank statements | | | | |
| 03/30/2022 | | | | | 4.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>4.00</u> | 🔒 |

Total 98.75

5/9/22, 9:09 PM



Detailed Reports – Urban Futures, Inc. – Harvest

| Client | Project | Task | Roles | Person | Hours | |
|--|---|---|-------------------|---------------|-------------|---|
| | | Analyzed Salton CSD Bank Statements | | | | |
| 03/31/2022 | | | | | 1.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>1.00</u> | 🔒 |
| | | Reviewed revenue receipts detail 2015-2019 | | | | |
| 04/12/2022 | | | | | 1.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>1.00</u> | 🔒 |
| | | Met with Salton CSD staff to provide update on analysis of district finances. | | | | |
| 04/14/2022 | | | | | 3.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>3.00</u> | 🔒 |
| | | Salton fiscal practices assessment report (3hrs) | | | | |
| 04/15/2022 | | | | | 2.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>2.00</u> | 🔒 |
| | | Fiscal policy development | | | | |
| 04/20/2022 | | | | | 1.50 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>1.50</u> | 🔒 |
| | | Salton consolidated fiscal policy development | | | | |
| 04/21/2022 | | | | | 3.00 | |

Total 98.75

5/9/22, 9:09 PM

Detailed Reports – Urban Futures, Inc. – Harvest

| Client | Project | Task | Roles | Person | Hours | |
|--|---|---|-------------------|---------------|-------|---|
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | 3.00 |  |
| | | Policy development | | | | |
| 04/22/2022 | | | | | 6.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | 6.00 |  |
| | | Fiscal policy development | | | | |
| 04/25/2022 | | | | | 4.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | 4.00 |  |
| | | Fiscal policy development | | | | |
| 04/26/2022 | | | | | 3.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | 3.00 |  |
| | | Policy development | | | | |
| 04/27/2022 | | | | | 6.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | 6.00 |  |
| | | Consolidated fiscal policy development | | | | |
| 04/28/2022 | | | | | 6.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | 6.00 |  |
| | | Completed and submitted consolidated fiscal policy work to client and began summarizing results of fiscal environment assessment. | | | | |

Total 98.75

5/9/22, 9:09 PM

Detailed Reports – Urban Futures, Inc. – Harvest

| Client | Project | Task | Roles | Person | Hours | |
|--|---|-----------------------|-------------------|---------------|-------------|---|
| 04/29/2022 | | | | | 5.00 | |
| Salton Sea Community Services District (c/o SBEMP Attorneys LLP) | Review and Evaluation of District's Finances and Fiscal Practices | Professional Services | Senior Consultant | Steve Montano | <u>5.00</u> | 🔒 |

Assessment of district financial and internal control environment. Began writing final report.

Total 98.75

**SALTON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING
June 1, 2022
AGENDA ITEM 15.F**

June 1, 2022

TO: Board of Directors

FROM: David Dale, PE – Interim General Manager

SUBJECT: Discussion and Approval of a Professional Services Agreement with The Pun Group, LLP on a Time and Material Basis for CPA Accounting Services and Authorize the Interim General Manager to Sign the Agreement.

RECOMMENDED ACTION:

Approve a Professional Services Agreement with The Pun Group, LLP on a Time and Material Basis for CPA Accounting Services and Authorize the Interim General Manager to Sign the Agreement.

ITEM EXPLANATION:

Due to various reasons, including turnover of management and staff responsible for district finances – the District finances are in need of review and restoration by a qualified CPA firm with experience in public agency finances. Staff requested a proposal from The Pun Group because of their work with agencies with similar problems as this District. Due to the urgency of the matter, a formal request for proposal was not prepared.

Proposed Scope of Work:

Reconstruction of Accounting Books & Records for the year ending June 30, 2022:

1. Review and analyze monthly expenses, investigate financial transactions, identify missing transactions, determine the extent to which accounting books and records were/were not properly maintained.
2. Reconstruct misstated, incomplete and/or falsified accounting books and records, research proper GAAP treatment of transactions and evaluates the propriety of financial reporting and/or disclosures.
 - a. Review and update the bank feed through June 30, 2022
 - b. Perform bank reconciliations (July 1, 2021 to June 30, 2022)
 - c. Cleanup and restructure chart of accounts
 - d. Review trial balance and general ledger for the year ended June 30, 2022 and make entries, as needed

- e. Prepare GAAP financial statements for the year ended June 30, 2022 In accordance with the SSARS of the AICPA, and will request a separate engagement letter.

Monthly Services if Needed - starting July 1, 2022:

1. Clearing Weekly/Monthly Bank Feeds
2. Perform Bank reconciliation
3. Record cash receipts as needed
4. Payroll – monthly reconciliation
5. Prepare financials
6. Tag 1099 vendors in QBO
7. Record prior period entries or period ending entries, as needed
8. Prepare financial dashboard reports
9. Prepare custom financial reports such as statement of net positions, revenues and expenses cash flows and budget to actual.

NEXT STEPS

Upon approval, the proposal and agreement will be signed by the Interim General Manager and work will begin.

FISCAL IMPACT

Not to Exceed \$30,000

ATTACHMENTS

1. Proposal dated May 27, 2022



May 27, 2022

Salton Community Services District
1209 Van Buren Ave, Suite 1
Salton City, California 92275

**RE: Engagement of The Pun Group, LLP (the "Firm")
Accounting and Advisory Services**

Dear Mr. Dale,

This letter confirms The Pun Group LLP (the "Firm") engagement to perform the Accounting and Advisory Services to the Salton Community Services District (the "District"). Please read this letter carefully, because it outlines expectations by both our firm and your organization. The intention of this letter is to confirm your understanding of, and agreement with, both what is included with our services, as well as the limitations of the Accounting and Advisory Services you have asked us to perform. If you have any questions regarding this letter, or believe we have missed or misstated your understanding, please call Kenneth H. Pun, CPA, CGMA at (949) 777-8801 to discuss this letter prior to signing it.

Services to be Provided

At your request and under your direction, we will perform the Accounting and Advisory Services as described below:

Phase 1 - Reconstruction of Accounting Books & Records for the year ending June 30, 2022

1. Review and analyze monthly expenses, investigate financial transactions, identify missing transactions, determine the extent to which accounting books and records were/were not properly maintained.
2. Reconstructs misstated, incomplete and/or falsified accounting books and records, research proper GAAP treatment of transactions and evaluates the propriety of financial reporting and/or disclosures.
 - a. Review and update the bank feed through June 30, 2022
 - b. Perform bank reconciliations (July 1, 2021 to June 30, 2022)
 - c. Cleanup and restructure chart of accounts
 - d. Review trial balance and general ledger for the year ended June 30, 2022 and make entries, as needed
 - e. Prepare GAAP financial statements for the year ended June 30, 2022 in accordance with the SSARS of the AICPA, and will request a separate engagement letter.

Phase II – Monthly Accounting Services starting July 1, 2022

1. Clearing Weekly/Monthly Bank Feeds
2. Perform Bank reconciliation
3. Record cash receipts as needed
4. Payroll – monthly reconciliation
5. Prepare financials
6. Tag 1099 vendors in QBO
7. Record prior period entries or period ending entries, as needed
8. Prepare financial dashboard reports
9. Prepare custom financial reports such as statement of net positions, revenues and expenses cash flows and budget to actual.

200 E. Sandpointe Ave., Suite 600, Santa Ana, California 92707
www.pungroup.cpa

At a minimum, here's what you can expect from our team:

- You will have a highly qualified financial manager and an accountant assigned to the engagement our firm utilizes a team approach on our consulting engagements.
- Our team becomes an extension of your business, operations to the level that meets requirements of your expectations of the engagement. Our team is flexible and the implementation of the services can be basic services or as extensive services including as monitoring a dedicated email inbox for finance, and /or other communications services such as Slack or Asana.
- Our team will provide day-to-day support to your accounting staff to ensure that your day-to-day finance operations are accurately and timely maintained., and.
- Our team also work with any external accountants, bankers, brokers, and other agencies on a as needed basis.
- As a full-service accounting firm including providing auditing service in the government environment , our services are designed to insure the District financial records are auditable.
- Our firm believes open communication is the key to the success of the engagement and therefore there are no additional charges for meetings, emails telephone or web bases communications.

Additionally, if you have questions and/or concerns regarding your ongoing financial reporting, accounting records, and business management issues, we may provide additional assistance and describe alternatives we are aware of. Our advice and related alternatives will be based on our knowledge, training and experience, but at all times, the decisions you make are strictly yours, as is the responsibility for the financial records of your District. We encourage you to reflect on our recommendations and implement what you believe is best for your District.

If necessary, we may suggest you contact your attorney, one of our strategic partners with specific expertise, or someone else better suited to assist you. We have no responsibility to oversee the services of any other professionals with whom you engage to provide services.

The Firm, in its sole professional judgment, reserves the right to refuse to take any action that could be construed as making management decisions or performing management functions, including determining account coding and approving journal entries and will notify the District of such refusal.

Your Responsibilities

You authorize The Pun Group, LLP to accept instructions from you and/or from the staff you designate for this engagement.

As a condition to performing the services described above, you agree to:

- You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.
- Determine all account coding.
- Deciding which proposed journal entries should be implemented.
- Accept responsibility for designing, implementing, and maintaining internal controls over the bookkeeping processes and perform ongoing evaluations of these processes.
- Acknowledge that we will use information provided by you to complete our services, without further verification or investigation regarding this information by us.

You agree you are responsible for the proper recordkeeping of transactions in the records, the safekeeping of assets, and the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. In addition, we have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

You are responsible to make staff available during our ongoing work with you, provide timely responses to questions and calls for decisions, and devote the resources necessary to achieve the objectives of the engagement. If the information you provide is not submitted in a timely manner or is incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem and/or update your accounting records upon receipt of past-due information. If this occurs, we will contact you to discuss the matter and the anticipated delay in performing our services. We reserve the right to suspend or terminate our work. Upon suspension or termination, we will use commercially reasonable efforts to transfer information in our possession that the District is entitled to per the AICPA Code of Professional Conduct to the District or its designated representative.

Because we will rely on the District and its management (including the audit committee, if applicable) to discharge the forgoing responsibilities, the District holds harmless and releases the Firm, its partners and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the District's management, which has caused, in any respect, the Firm's inability to discover such matters should they exist. This provision shall survive the termination of this arrangement for services.

Hardware and Software Warranties

During the course of the engagement, we may recommend a purchase and installation of computer or technological hardware, software, communications, or services by your District. Warranties, to the extent they exist, are provided only by the manufacturer/developer/vendor of those computer or software products. We will do our best to provide appropriate recommendations when available, but the final decision and responsibility to purchase any computer or software products is at your sole discretion.

Computer Consulting Limitations

We have a basic understanding of computer hardware, but our area of expertise is in accounting software and related integrated applications. We do not have the skill set to work on your network, computer hardware, Windows configuration, mapping of drives or any other computer related issues. We advise that you maintain an ongoing relationship with a qualified IT professional and/or District to ensure that you have assistance available when technology needs arise. This includes your obligation to ensure that you have access to the internet in order to work with the software solutions and other "cloud-based" applications that we will use as a core part of the services we provide to you.

Your Investment

Your financial investment in your ongoing services with us as well as the scope of our services with you is outlined under the Services to be Provided section of this agreement. In order to ensure that we are providing you with seamless access to the services and expertise you need from us, your investment has been conveniently structured as a monthly or weekly fixed fee arrangement, to be billed via recurring automatic draft to the bank account or major credit card you select. Fees will be analyzed on a quarterly basis. If the volume of ongoing transaction processing, the complexity of the services you request, or other matters change relating to the services we are providing to you, we will communicate any related change in our fees to you.

Requests for Additional Services

We want to ensure that you are never surprised by the price for any service we provide. Therefore, we have adopted a "Service Order" Policy. If you request that we provide services beyond those outlined in this agreement we will be happy to provide you with a "Service Order" outlining the scope of that request, our fees, and anticipated timeline for those services. Although we strive to meet your needs, we reserve the right to decline a request for additional services that is outside the scope of services we provide, our expertise or for any other reason. Any such requests will be considered addendums to this agreement.

Legally Required Services

In the event that we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates at the time the services are performed. We will request a retainer payment in advance of the services being performed, as well as ongoing replenishments of the retainer. You also agree to reimburse us for all out-of-pocket expenses incurred in that regard.

Confidentiality

The Firm agrees to take reasonable steps to protect all Confidential Information and to use the Confidential Information only in connection with performing the services hereunder. For purposes of this agreement, Confidential Information shall mean any and all information which is private and not in the public domain about the District that is provided, obtained, or produced in connection with the services in written, oral, digital or other tangible form, including, without limitation, all information furnished at any time relating to the District's business, customers, intellectual property, processes, strategies, all portions of any analyses, compilations, data, studies, or other documents prepared by the Firm that contain or are based on any furnished information or that reflect its review of such information, and any and all information concerning the District's plans and activities, ideas, projects, software, methodologies, processes, tools, experience, customers and suppliers, financial information, and any other information, which ought reasonably under the circumstances to be considered confidential (the "Confidential Information"). The Firm agrees to take reasonable steps necessary to ensure that the confidentiality of the Confidential Information is maintained and that such Confidential Information is protected from unauthorized disclosure, but not to a greater extent than the District itself uses to protect Confidential Information. Without limiting the generality of the foregoing, the Firm shall not disclose Confidential Information to any party outside its organization, without the prior written approval of the District. The Firm represents that, as a matter of policy, it informs its personal concerning maintaining the confidentiality of client information. The parties hereto agree that equitable relief, including injunctive relief and specific performance, shall be available in the event of any breach of the provisions of this agreement. Such remedies shall not be deemed to be the exclusive remedies for a breach of this agreement but shall be in addition to all other remedies available at law or equity.

You assume all responsibility relating to adherence with privacy and disclosure requirements relating to the use and sharing of information in your industry.

You acknowledge that the proprietary information, documents, materials, management techniques, and other intellectual property we use are a material source of the services we perform and that these were developed prior to our association with you. Any new forms, software, documents, or intellectual property we develop in this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All report templates, manuals, forms, checklists, questionnaires, letters, agreements (including this one), and other documents, which we make available to you, are confidential and proprietary to us. Any and all new documents created as a result of this engagement will automatically become our property. Neither you, nor any of your agents, will copy, electronically store, reproduce, or make available to anyone other than your personnel, any such documents. This agreement will apply to all materials whether in digital or "hard copy" format.

Third-Party Disclosure and the use of Third-Party Services

Unless you indicate otherwise, you consent to and authorize our firm to transmit confidential information that you provide to us to third parties in order to facilitate delivering our services to you. Examples of such transmissions may include, but are not limited to, the access to your contact information by members of our team (independent contractors such as consultants, administrative assistants, or third-party developers), transfer of accounting information and other data files via the internet, online back-up services, web site developer and hosting services (for newsletter and order processing), or a credit card processing District.

We only work with established companies that we believe to be reputable and that have demonstrated their commitment to safeguarding your data. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

Electronic (Email) Communications

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Record Retention

During the course of our work with you, we will use one or more third party applications (including internet-based application providers) to provide portions of our services to you. This may include online filing of your Accounts Payable or other business documents. By signing this agreement, you confirm that you understand the services being provided and also agree that the Firm is not liable for record retention or any other aspect of the services provided by these 3rd parties, even if we absorb the cost (in part or in full) of a third party service as a benefit to you. You at all times assume responsibility for a decision to maintain hard copies of your original documents or to limit your document retention to the digital copies stored by the web application.

It is our policy to keep our electronic and work paper files electronically for three months, unless otherwise required by tax or other regulatory agencies. All work paper and miscellaneous report copies that we are not required to retain are discarded at the conclusion of the engagement. At the end of three months electronic files may be erased.

In the unlikely event that we do obtain any hard copy documents from you, all original paper documents provided by you will be returned to you promptly as our work is complete. We do not keep copies of all documents. It is your responsibility to safeguard your documents in case of future need. We may occasionally keep some copies we deem necessary to our work.

Our workpapers are the property of our firm and will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements. Our workpapers are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations. Our policies require that we maintain workpapers for seven (7) years. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy.

If our engagement with you ends for any reason, you will have the option to continue any third-party subscription-based services at your expense (in some cases we may have absorbed the cost of these services during our work with you). You agree to complete the transfer of services to your name and assume responsibility for payment within 10 days of the end of our work with you. Our "end date" will be defined as the 11th business day following the date shown on the email or letter of termination/resignation transmitted by either party.

You understand that if you do not assume responsibility for these services that they may be cancelled. Additional fees may apply if you elect to restore those services (if that option is available from the service provider) or request copies (digital or hard copy) of records from the third-party provider.

Mediation/Arbitration

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

The District and the Firm both agree that any dispute over fees charged by the Firm to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the Firm, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

Third Party Settlements

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the principles of conflicts of law thereof.

Assignment

All obligations provided under this Agreement are between the Firm and the District and neither party shall assign any rights or delegate any obligations hereunder without the other party's prior written consent. Any attempted assignment without the required consent shall be null and void.

Termination of Services

Either party may terminate this agreement by providing written notice to the other party.

You understand and agree that we may withdraw from the present engagement at any time for any reason at our sole discretion. In particular, you agree that if you fail to provide the requested information or pay for services for this engagement on the agreed upon schedule, we either may discontinue performing services for you until all outstanding balances are paid and/or may withdraw from the engagement ten days after the mailing of written notice to you at the same address to which statements are sent.

If our work is suspended due to lack of payment and we later receive payment from you along with your request that we resume services, we may provide you with an updated timeline for completion of any past due work. We are under no obligation to resume services. You understand that this may result in significant delays in processing.

We reserve the right to terminate our work immediately if, during the course of our services, we become aware of any matters that would compromise our professional or legal standing in any way, either in fact or based on confirmed or potential public perception.

Any dispute regarding billed amounts must be submitted in writing within 10 days of the invoice date; email is acceptable. No amounts may be disputed after that 10-day period.

You may elect to terminate this agreement by providing the Firm with 30 days written notice. In the event that services are terminated, you assume responsibility for the transfer of any 3rd party vendor services as described earlier in this agreement.

If our work is suspended or terminated as provided herein, you agree that we will not be responsible for your failure to meet government and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages, including consequential damages.

Insurance Requirements

You hereby acknowledge that you have business insurance necessary to cover the scope and aspects of the engagement as described in this letter.

Your Investment

Your investment in the outsourced accounting services you will receive from us will be structured as follows:

- Phase I - \$30,000
- Phase II - \$5,000 per month

If the District desires to have the Firm prepare the District's State Controller's Financial Transaction Report services, a separate engagement letter will be provided for your considerations.

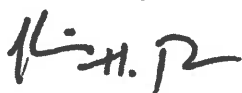
Conclusion

This letter sets forth the entire agreement relating to our work with you. This letter supersedes any prior agreements, discussions or understandings. No amendment or modification of this agreement shall be valid unless in writing, signed by both parties to this agreement. As indicated earlier in this agreement, you may request that we perform additional services at a future date beyond the scope of this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional service will necessitate that we issue a Service Order as an addendum to this agreement, or a separate engagement letter to reflect the obligations of both parties.

If this letter correctly describes your understanding of our engagement, please print and sign an original of this engagement letter and return it to us along with your retainer deposit of \$5,000 for work to begin.

Sincerely,

The Pun Group LLP



Kenneth H. Pun, CPA, CGMA
Managing Partner

APPROVED:

The above letter confirms our understanding of the services to be performed and the limitations of those services.

Signature

Title

Printed Name

Date

**SALTON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING
June 1, 2022
AGENDA ITEM 15.G**

June 1, 2022

TO: Board of Directors

FROM: David Dale, PE – Interim General Manager

SUBJECT: Approval to Declare Surplus Property per Assembly Bill (AB) 1486 (Statutes of 2019, Chapter 664) and AB 1255 (Statutes of 2019, Chapter 661) Government Code, Title 5, Division 2, Part 1, Chapter 5, Article 8. Surplus Land Property – APN 001-072-014

RECOMMENDED ACTION:

Approve Staff to Declare Surplus Property per Assembly Bill (AB) 1486 (Statutes of 2019, Chapter 664) and AB 1255 (Statutes of 2019, Chapter 661) Government Code, Title 5, Division 2, Part 1, Chapter 5, Article 8. Surplus Land Property – APN 001-072-014

ITEM EXPLANATION:

In District owns a parcel (APN 001-072-014) with a building that has been transformed to a residential dwelling unit. In the past it was used as for the ambulance service. Currently, the District has no need for this type of property. Staff is requesting to start the process to declare this as surplus property per State law in preparation of selling the property in the future.

NEXT STEPS

Upon approval, staff will begin to advertise the property per State law

FISCAL IMPACT

Funds to be determined

ATTACHMENTS

1. None