

This brief is being provided to inform the Board, staff and public of the details of an agenda item that requires action from the Board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

Date: July 5, 2022

Originator: Cary Curtis and Kim Seney

Purpose: Share Executive Committee Recommendation on Legal and Audit Services

Desired Action by the Board:

Authorize General Manager to issue request for auditing service proposal from potential auditing firms.

Description: Per Policy 1045 (Legal Counsel Services) and Policy 1046 (Auditor Services) the Board of Directors is responsible for appointing service providers for these services to the District. A regular review of service providers is good business practice to ensure that services rendered meet the ever-changing needs of the District.

In the July 5, 2022 Executive Committee Meeting, President Curtis, Vice-President Seney and General Manager McLaughlin reviewed current Legal and Auditing. A summary of findings and recommendation for next steps is outlined below:

Legal Services: Currently with Best, Best and Krieger (BBK) Law Group

- No retainer, no minimum billable hours;
- Very good support, based on GM input and Board member observations;
- Access to a pool of attorneys for specialized support, e.g. labor law, rates, etc.;
- Recommended and in alignment with CSDA

SUMMARY RECOMMENDATION FROM EXECUTIVE COMMITTEE: No change of Legal service provider recommended at this time.

Audit Services: Currently with Robert W. Johnson, an accountancy corporation

- Costs have increased significantly over the past few years;
- Best practice in Finance industry is to rotate auditors to ensure objectivity;
- While auditors have rotated within the current firm, GMCSA has retained the services of Robert Johnson for over 10 years;

- A fresh set of “auditing eyes” would be especially valuable since staff changes have recently occurred and Kline contract implemented

RECOMMENDATION FROM EXECUTIVE COMMITTEE: Board Request General Manager to solicit options for new Auditing Service provider and make recommendation to Board as to next steps.

1. **Reason for Recommended Board Action - (Consider compliance, cost savings, fixing a problem):** See above
2. **Anticipated Impacts to the District (negative and/or positive) - (Consider financial impact, change in procedures, customer and staff communication and effect if recommendations are not adopted):** Costs for Services continue to increase, however, the approved annual budget reflects anticipated increases. Final GM recommendation will provide details of financial impact, if any.
3. **Anticipated Impacts to the Customer – Standby, Residential, Commercial:** none
4. **Recommendation(s):** Board discuss and approve recommendations described above.