

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.4  
(ID # 13723)**

**MEETING DATE:**  
Tuesday, November 03, 2020

**FROM:** COUNTY COUNSEL:

**SUBJECT:** COUNTY COUNSEL: Adoption of Resolution No. 2020-231 Approving the Pinyon Pines County Water District's Request to Replace the Annual Audit Pursuant to Government Code Section 26909 With a Biennial Audit Requirement. Requires Unanimous Approval. District 3 [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Resolution No. 2020-231, a Resolution of the Board of Supervisors of the County of Riverside Approving the Pinyon Pines County Water District's Request to Replace the Annual Audit Requirement Pursuant to Government Code Section 26909 with a Biennial Audit Requirement; and
2. Direct the Clerk of the Board to notify Pinyon Pines County Water District of the action taken.

**ACTION:** Policy

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that Resolution No. 2020-231 is approved and adopted as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: November 3, 2020  
xc: CoCo, District

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<b>NET COUNTY COST</b>	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment:</b>	<b>No</b>
			<b>For Fiscal Year:</b>	N/A

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Pinyon Pines County Water District (“the District”) is a small special district. The cost of the annual audit is expensive for a small district and continues to increase. For this reason, the Board of Directors of the District has considered the issue and seeks to change to biennial audits instead of annual audits. The District has calculated that biennial audits will potentially save the District more than \$3,000 every two years. With an operating income of under \$48,000, this is a substantial amount of money for the District. The District’s audits in the last five years have all been unqualified audit opinions.

Pursuant to Government Code Section 26909(b)(3), a special district such as the Pinyon Pines County Water District may, by unanimous request of its Board of Directors and with the unanimous approval of the County Board of Supervisors, replace the annual audit requirement with an audit conducted at specific intervals, as recommended by the County Auditor, to be completed at least once every five years.

The Pinyon Pines County Water District Board of Directors proposes replacing the District’s annual audits with biennial audits.

Subject to the County Board of Supervisor’s unanimous approval, on September 13, 2020, the District’s Board of Directors unanimously approved Resolution #117, Resolution of the Board of Directors of the Pinyon Pines County Water District, Superseding Resolution #115 and Approving Biennial Audits Starting with Fiscal Year Ending June 30, 2019, to replace the annual audit requirement with a biennial audit and to request the Board of Supervisor’s approval of the same.

The District has communicated with the Office of County Auditor-Controller regarding this proposal, and, on October 13, 2020, the Office of County Auditor-Controller confirmed that it approves of the District’s moving to biennial financial statement audits. The District requests that the Board of Supervisors unanimously approve the replacement of the District’s annual audit requirement as specified above.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

**Impact on Residents and Businesses**

N/A

**Additional Fiscal Information**

N/A

**ATTACHMENTS (if any, in this order):**

- A. Board of Supervisors Resolution No. 2020-031
- B. Pinyon Pines County Water District Resolution #117

  
\_\_\_\_\_  
Gregory V. Priarios, Director County Counsel      10/15/2020

2 RESOLUTION NO. 2020-231

3 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
4 COUNTY OF RIVERSIDE APPROVING THE PINYON PINES  
5 COUNTY WATER DISTRICT'S REQUEST TO REPLACE THE  
6 ANNUAL AUDIT PURSUANT TO GOVERNMENT CODE  
7 SECTION 26909 WITH A BIENNIAL AUDIT REQUIREMENT  
8

9 WHEREAS, the Pinyon Pines County Water District ("the District") is a California special  
10 district established in 1969 and located entirely within the County of Riverside ("County"); and

11 WHEREAS, in compliance with Government Code section 26909, the District gets prepared an  
12 annual audit of its accounts and records, which are provided to the County Auditor-Controller; and

13 WHEREAS, pursuant to Government Code section 26909(b)(3), a special district such as the  
14 District may, by unanimous request of the governing board of the special district and with unanimous  
15 approval of the County Board of Supervisors, replace the annual audit required under Government Code  
16 section 26909 with an audit conducted at specific intervals, as recommended by the County auditor, to be  
17 completed at least once every five years; and

18 WHEREAS, the District has five consecutive years of unqualified audit opinions; and

19 WHEREAS, the audits are expensive, and their costs have continued to increase over time;

20 WHEREAS, biennial audits will potentially save the District more than \$3,000 every two years,  
21 and, with an operating income under \$48,000, this is a substantial amount of money for the District; and

22 WHEREAS, the Board of Directors of Pinyon County Water District ("Board of Directors")  
23 therefore proposes preparing and providing the County Auditor-Controller, and any other agency  
24 requiring such information, with an audit to take place biennially; and

25 WHEREAS, the District has communicated with the Office of the County Auditor-Controller  
26 about the proposal, and the County Auditor-Controller's office approves of this change; and

27 WHEREAS, in the event the County Auditor-Controller expresses concerns regarding issues  
28 within the compilations or finds anomalies of financial concerns with the submitted records at any time,

FORM APPROVED COUNTY COUNSEL  
BY: *M.R. ne* 10/14/2020  
MELISSA R. CUSHMAN DATE

1 the County Auditor-Controller can order an immediate audit of the District's financial records pursuant to  
2 Government Code Section 26910; and

3 **WHEREAS**, on September 13, 2020, the Board of Directors unanimously approved Resolution  
4 #117, Resolution of the Board of Directors of the Pinyon Pines County Water District, Superseding  
5 Resolution #115 and Approving Biennial Audits Starting with Fiscal Year Ending June 30, 2019  
6 ("District Resolution #117"); and

7 **WHEREAS**, District Resolution #117 requests the County Board of Supervisors unanimously  
8 approve the replacement of the District's annual audit under Government Code section 26909 as specified  
9 in such Resolution; now, therefore

10 **BE IT RESOLVED AND ORDERED** by the Board of Supervisors of the County of Riverside,  
11 State of California, in regular session assembled on November 3, 2020, that the Board of Supervisors  
12 unanimously approves the District's request to replace its annual audit under Government Code section  
13 26909 with a biennial audit; and

14 **BE IT FURTHER RESOLVED AND ORDERED** that this Resolution shall take effect  
15 immediately upon its adoption.

16  
17 **ROLL CALL:**

18 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
19 Nays: None  
20 Absent: None

21 The foregoing is certified to be a true copy of a resolution adopted by said Board of Supervisors on the date therein set forth.

22 Kecia R. Harper, Clerk of said Board

23 By *Amalia Raso*  
24 Deputy

# PINYON PINES COUNTY WATER DISTRICT

A California Special District - Established in 1969

62011 Stonecrest - Mountain Center, California 92561

Phone/fax 760-349-3261

September 13, 2020

## RESOLUTION #117

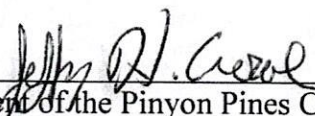
RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE PINYON PINES COUNTY WATER DISTRICT,  
SUPERSEDING RESOLUTION #115 AND  
APPROVING BIENNIAL AUDITS STARTING WITH FISCAL YEAR ENDING JUNE 30, 2019

Now, THEREFORE, BE IT RESOLVED by the Board of Directors of the Pinyon Pines County Water District as follows:

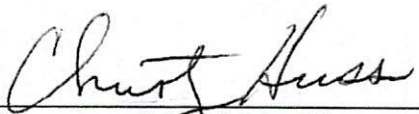
Section 1: That an audit will be conducted biennially starting with fiscal year ending June 30, 2019 by a Certified Public Accountant or Corporation.

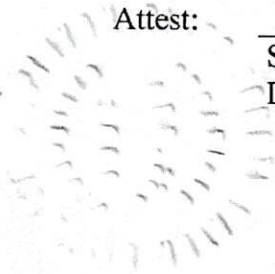
Section 2: That the Secretary of the Pinyon Pines County Water District is hereby authorized to present to the auditing accountant/corporation all financial records and related data. Minutes of the Meetings of Directors and actions of recent meetings for which minutes have not yet been prepared.

Adopted, this 13<sup>th</sup> day of September 2020

  
\_\_\_\_\_  
President of the Pinyon Pines County Water  
District and of the Board of Directors thereof.

Attest:

  
\_\_\_\_\_  
Secretary of the Pinyon Pines County Water  
District and of the Board of Directors thereof.



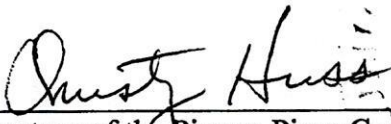
State of California )  
                                  )ss  
County of Riverside)

I, Christy Huss, Secretary of the Board of Directors of the Pinyon Pines County Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors at a regular meeting of the Board of Directors on the 13<sup>th</sup> day of September 2020, and that it was so adopted by the following vote:

AYES: Pickard, Deely, Flynn, Maloon and Crowe

NAYS: none


ABSENT: none

  
Secretary of the Pinyon Pines County  
Water District and of the Board of  
Directors thereof.

State of California )  
                                  )ss  
County of Riverside)

I, Christy Huss, Secretary of the Board of Directors of the Pinyon Pines County Water District, hereby certify that the above and foregoing is a full, true and correct copy of Resolution #117 of said Board and that the same has not been amended or repealed.

Dated: September 13, 2020

  
Secretary of the Pinyon Pines County  
Water District and of the Board of  
Directors thereof.

# PINYON PINES COUNTY WATER DISTRICT

A California Special District - Established in 1969

62011 Stonecrest - Mountain Center, California 92561

Phone/fax 760-349-3261

RESOLUTION #117

Attachment A

FULL BOARD APPROVAL FOR BIENNIAL AUDITS  
STARTING WITH FISCAL YEAR ENDING JUNE 30, 2019

Jeffrey Crowe – President

Jeffrey A. Crowe

David Pickard – Vice President

David J. Pickard

Ramone Deely – Director

Ramone Deely

Robert Flynn – Director

Robert Flynn

James Maloon – Director

James Maloon

Attest:

Christy Huss

Secretary of the Pinyon Pines County Water  
District and of the Board of Directors thereof.

