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Engineering, Michael P. Cortez  
Administrative Services, Dale McDonald

**DISTRICT BOARD**  
Megan Clark  
Ronald Ford  
Craig K. Murray  
Judy Schriebman  
Crystal J. Yezman

## **Addendum #2**

Project: RFP for Professional Auditing Services

Date: May 18, 2022

Bid Due Date: May 27, 2022

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This Addendum is issued as modifications to the RFP previously issued to provide clarifications to the scope of work. This Addendum supersedes the original RFP. This along with the RFP and Addendum #1 becomes the bid documents.

Q. Has there been any turnover in management during the past year?

A. The General Manager left the District in November 2021, recruitment for new GM is underway.

Q. Has there been any turnover in accounting staff during the past year?

A. No.

Q. Any known or suspected fraud?

A. No.

Q. Are financial records available electronically?

A. Yes, majority of the records are in electronic format or can be scanned into PDF documents.

Q. Were there any significant transactions (e.g., bond issuance, leases) during the year?

A. No, but the District has 2017 Revenue Bond that was used towards the Secondary Treatment Plant Upgrade Recycled Water Expansion (STPURWE) project currently underway.

Q. Significant changes to operations or funding sources?

A. No. There was a slight reduction in Sewer Service Charge revenue during the COVID-19 pandemic as non-residential customers decreased their water usage.

Q. Significant construction or capital projects?

A. Yes. The STPURWE Project is ongoing and is expected to be completed in July or August of 2022. The District has been performing additional capital construction projects as needed. See the District's prior year budgets and audits for details on the capital projects undertaken in recent years.

Q. Any audits or inspections by regulatory agencies?

- A. No financial audits. The State and Regional Water Boards have performed routine audits related to WDR and NPDES permits.
- Q. Any changes to the governance structure of the organization?  
A. No.
- Q. Is the incumbent auditor invited to bid?  
A. Our prior auditor performed audits for six consecutive years and per Gov Code Section 12410.6(b) the District chose to issue an RFP rather than invite incumbent to bid.
- Q. Is the scope of the services requested the same as last year?  
A. Yes.
- Q. How many weeks did your prior auditors require for your last audit?  
A. There were three full days of field work with rest of the work performed on-and-off remotely over approximately two months. The District does not have details on the full-time weekly workload equivalent.
- Q. When did the on-site fieldwork take place?  
A. Mid-October.
- Q. What is the current year budget for auditing services?  
A. 2021-22 budget for audit services is \$21,500. Proposed budget for 2022-23 is \$27,200.
- Q. Is there anything specific that you are looking for with the successor auditors?  
A. At this time, other than what is requested in RFP, no.
- Q. What are the things you liked and did not like about your current auditors?  
A. The District was happy with the engagement with our auditor. COVID-19 impacts were challenging to timelines. The District wants to meet the dates in the proposed schedule included in the RFP, including delivery of final audit report by December 30, 2022.
- Q. Does the District have a preference with respect to the majority of the audit being conducted remotely versus in-person?  
A. No. The District prefers having fieldwork in person to facilitate audit tests and account verifications with staff on site.
- Q. Are the majority of supporting documentation maintained electronically (e.g., PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files?  
A. Yes. Supporting records for personnel files are restricted and hardcopy records are easier to review.
- Q. Do you permit third parties to access the District's financial software remotely?  
A. It can be arranged through a secure Cisco VPN.

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