

# AGENDA

## Tomales Village Community Services District (TVCS D)

(707) 878-2767

SPECIAL Board of Directors Meeting

WEDNESDAY July 22, 2015

Tomales Town Hall

6:00 PM

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### **Mission Statement**

Enhance quality of life, with commitment to the health of the community, by providing dependable wastewater collection, treatment and reuse in an environmentally friendly manner; maintaining safe and reliable recreational park facilities while providing a welcoming forum for active community participation and input.

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1. **Call to Order**
2. **Open Communication**  
*(Open time is the time for community members to bring up items they wish to discuss and items that do not appear on the agenda)*
3. **Appointment of Treasurer**
  - A. **Discuss, Determine and Vote on District Treasurer**
4. **Adopt Bank Signature Cards**
  - A. **Sign bank signature cards for Bank of Marin and Redwood Credit Union**
5. **Phillips and Associates as Interim GM**
  - A. **Review proposal from Phillips & Associates to provide Interim General Manager Services**
6. **Robert Johnson, CPA Engagement Letter**
  - A. **Review, Approve, Sign and Return Audit Engagement Letter**
7. **IRS Letter regarding Form 8952**
  - A. **Review and Advise Staff on Submitting Reclassification Statement and Signed Closing Agreement**
8. **Secretarial Services**
  - A. **Review and Approve Secretarial Duties and Appoint New District and Board Secretary**
9. **Public Notices**
  - A. **Review and Discuss Public Notices and Approval Process**
10. **Brown Act Training**
  - A. **Discuss and Schedule Brown Act Training Prior to County Training in January 2016**
11. **RFP Update**
  - A. **RFP - next steps, committee appointments, expected timeframe**
    - a. **Open remaining bids for Administrator services and Operator services**
12. **Adjourn**

**ROBERT  
W.  
JOHNSON**  
An Accountancy Corporation  
Certified Public Accountant

6234 BIRDCAGE STREET · CITRUS HEIGHTS, CA 95610-5949 · (916) 723-2555

Board of Directors  
Tomales Village Community Services District  
P.O. Box 303  
Tomales, CA 94971

July 6, 2015

We are pleased to confirm our understanding of the services we are to provide for Tomales Village Community Services District for the year ended June 30, 2015.

We will audit the statement of net position of Tomales Village Community Services District as of June 30, 2015, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended. Also, any supplemental information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements.

We will also prepare the District's Financial Transactions Report to the California State Controller. Management is responsible for the preparation and fair presentation of the Financial Transactions Report in accordance with the instructions of the California State Controller and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements in the Financial Transactions Report.

**Audit Objective**

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts and will include tests of the accounting records and other procedures we consider necessary to

enable us to express such an opinion. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained herein. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations and cash flows in conformity with U.S. generally accepted accounting principles. Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any

document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

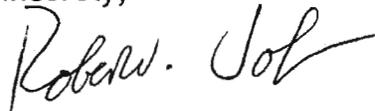
Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of the audit, we will require certain written representations from you about the financial statements and related matters.

**Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to determine the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Robert W. Johnson, CPA

RWJ:jn

APPROVAL:

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



June 19, 2015

Internal Revenue Service  
Government Entities Compliance Unit  
P.O. Box 409107  
Ogden, Utah 84409

RE: Application for Voluntary Classification Settlement Program  
EIN #94-2598864

Dear IRS:

I am the Board President of the Tomales Village Community Services District (TVCS D). The TVCS D submits the attached Application for Voluntary Classification Settlement Program, Form 8952. A check for \$917 is enclosed.

The TVCS D is a very small sewer district. We only have one staff member. We have treated this person as an independent contractor. However, it appears that this person may have been more properly classified as an employee. We will be ending our relationship with this person. If the District hires another person to run the District, TVCS D will classify that person as an employee. The current plan, however, is to hire a company to provide some of the services that the staff person has been doing and a bookkeeper to do the accounting. The company and bookkeeper are each part-time and have many other clients for whom they provide these services, and are truly independent contractors.

Please feel free to call me with any questions you may have.

Bill Bonini  
Board President  
Tomales Village Community Services District

## Application for Voluntary Classification Settlement Program (VCSP)

▶ Do not send payment with Form 8952.

▶ Information about Form 8952 and its separate instructions is at [www.irs.gov/form8952](http://www.irs.gov/form8952).

**Caution.** Taxpayer must make certain representations in order to be eligible to participate in the VCSP. These representations can be found in Part V on page 2.

### Part I Taxpayer Information

<b>1</b> Taxpayer's name Tomales Village Community Services District		<b>2</b> Employer identification number (EIN) 94-2598864	
<b>3</b> Number and street (or P.O. box number if mail is not delivered to a street address) P.O. Box 303		Room/Suite	
<b>4</b> City, town or post office, state, and ZIP code Tomales, CA 94971			
<b>5</b> Telephone number (707) 322-5237		<b>6</b> Website address (optional)	
<b>7</b> Fax number (optional)		<b>8</b> Email address (optional)	
<b>9</b> Type of entity. Check the applicable box:			
<input type="checkbox"/> Sole proprietorship		<input type="checkbox"/> Cooperative organization described in section 1381 of the Internal Revenue Code	
<input type="checkbox"/> Joint venture		<input type="checkbox"/> Tax-exempt organization	
<input type="checkbox"/> Partnership		<input checked="" type="checkbox"/> State or local government (for worker class or position not covered under a section 218 agreement)	
<input type="checkbox"/> C corporation		<input type="checkbox"/> Other (specify here) _____	
<input type="checkbox"/> S corporation			
<b>10</b> Are you a member of an affiliated group? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," complete the common parent information on lines 11-14. If "No," skip to Part II.			
<b>11</b> Name of common parent of the affiliated group N/A		<b>12</b> EIN of common parent N/A	
<b>13</b> Number and street (or P.O. box number if mail is not delivered to a street address) of common parent N/A			
<b>14</b> City, town or post office, state, and ZIP code of common parent N/A			

### Part II Contact Person

Attach a properly completed Form 2848, Power of Attorney and Declaration of Representative, if applicable. Also see *Special instructions for Form 2848* in the instructions.

- Name and title of contact person Bill Bonini, Board President
- Contact person's number and street (or P.O. box number if mail is not delivered to a street address) See Above
- Contact person's city, town or post office, state, and ZIP code \_\_\_\_\_
- Contact person's telephone number \_\_\_\_\_
- Contact person's fax number (optional) \_\_\_\_\_
- Contact person's email address (optional) \_\_\_\_\_

### Part III General Information About Workers To Be Reclassified

<p><b>15</b> Enter the total number of workers from all classes to be reclassified. A class of workers includes all workers who perform the same or similar services.</p> <p style="text-align: center;">1</p>	<p><b>16</b> Enter a description of the class or classes of workers to be reclassified. If more space is needed, attach separate sheets (see instructions).</p> <p>See letter attached.</p>
<p><b>17</b> Enter the beginning date of the employment tax period (calendar year or quarter) for which you want to begin treating the class or classes of workers as employees. This date should be at least 60 days after the date you file Form 8952 (see instructions).</p> <p>09 / 01 / 15</p>	

Taxpayer's name	Employer identification number (EIN)
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**Part IV Payment Calculation Using Section 3509(a) Rates** (see instructions)

<b>18</b> Enter total compensation paid in the most recently completed calendar year to all workers to be reclassified (see instructions) . . . . .	<b>18</b>	85,848		
<b>19</b> Multiply line 18 by 3.24% (.0324) . . . . .			<b>19</b>	2781
<b>20</b> Enter any compensation included on line 18 that exceeded the social security wage base for any worker or workers for the most recently completed calendar year (see instructions) . . . . .	<b>20</b>	0		
<b>21</b> Subtract line 20 from line 18 . . . . .	<b>21</b>	85,848		
<b>22</b> Multiply line 21 by 7.44% (.0744) [7.04% (.0704) for compensation paid prior to 2013] . . . . .			<b>22</b>	6387
<b>23</b> Add lines 19 and 22 . . . . .			<b>23</b>	9168
<b>24</b> Multiply line 23 by 10% (.10). This is the VCSP payment you will pay when you submit your signed closing agreement (see instructions) . . . . .			<b>24</b>	917

**Part V Taxpayer Representations**

**Caution.** Since the representations include the penalty of perjury statement, the representations under Part V must be signed by the taxpayer, not the taxpayer's representative.

**A Treatment of Workers**

- 1 Taxpayer wants to voluntarily reclassify certain workers as employees for federal income tax withholding, Federal Insurance Contributions Act, and Federal Unemployment Tax Act taxes (collectively, federal employment taxes) for future tax periods.
- 2 Taxpayer is presently treating the workers as nonemployees.
- 3 Taxpayer has filed all required Forms 1099 for each of the workers to be reclassified for the 3 preceding calendar years ending before the date of this application.
- 4 Taxpayer has consistently treated the workers as nonemployees.
- 5 There is no current dispute between the taxpayer and the IRS as to whether the class or classes of workers are nonemployees or employees for federal employment tax purposes.

**B Examination**

- 1 Taxpayer or, if applicable, any member of the taxpayer's affiliated group, is not under employment tax examination by the IRS.
- 2 Taxpayer is not under examination by the Department of Labor or any state agency concerning the proper classification of the class or classes of workers.
- 3a Taxpayer has not been examined previously by the IRS or the Department of Labor concerning the proper classification of the class or classes of workers; or,
  - b Taxpayer has been examined previously by the IRS or the Department of Labor concerning the proper classification of the class or classes of workers and the taxpayer has complied with the results of the prior examination.

**Caution.** Do not send payment with Form 8952. You will submit payment later with your signed closing agreement. If you submit payment with Form 8952, it may cause a processing delay.

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this submission, including any accompanying documents, and to the best of my knowledge and belief, all of the facts contained herein are true, correct, and complete.			
	Taxpayer's signature 		Date 6/22/15	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed <span style="float: right;">PTIN</span>
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		



Department of the Treasury  
Internal Revenue Service  
PO Box 409107  
Ogden, UT 84409

TOMALES VILLAGE COMMUNITY  
SERVICES DISTRICT  
P.O. BOX 303  
TOMALES, CA 94971

Date:

July 1, 2015

Employer ID number:

94-2598864

Tax periods beginning:

September 1, 2015

Person to contact:

Lizbeth Chatterton- Project Manager

Contact telephone number:

Toll Free 1-877-301-5153

Contact fax number:

1-877-621-7470

Dear Tomales Village Community Services District,

We received your Form 8952, *Application for Voluntary Classification Settlement Program (VCSP)*.

We can't accept your application for the following reason(s):

- The name of your business provided on Line 1 together with the EIN provided on Line 2 do not match our records.
- You have not provided on Line 2 a valid EIN for future filing of Forms W-2 and 941.
- Part III Line 17 is incomplete or indicates a beginning date that has passed. Page 1 of the Instructions for Form 8952 states:

The VCSP is an optional program that provides taxpayers not under an employment tax examination with an opportunity to voluntarily reclassify their workers as employees for future tax periods with limited federal employment tax liability for past non-employee treatment.

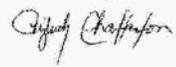
Since your application listed a date for a prior tax period, it's not eligible for this program.

- Part V requires a signature from an authorized person. See **Who Must File** in the *Instructions for Form 8952*.
- Part III, Line 15 requires an attached statement listing the name(s) and social security number(s) for all workers to be reclassified. See **Line 15** in the *Instructions for Form 8952*.

To view the *Instructions for Form 8952* should you decide to resubmit your application, you can find them on the IRS web site at [www.irs.gov](http://www.irs.gov).

If you have questions, call the contact person at the telephone number shown above. If you write, use the address as shown in the heading of this letter and to ensure contact is received, provide a telephone number and the most convenient time to call, if we need to contact you.

Sincerely,



Lizbeth A. Chatterton, Manager  
Government Entities Compliance Unit