

**MEMORANDUM  
OFFICE OF THE  
AUDITOR-CONTROLLER  
COUNTY OF PLACER**

**TO:** Board of Supervisors  
**FROM:** Andrew C. Sisk, Auditor-Controller *TCH  
RCS*  
**DATE:** July 7, 2015  
**SUBJECT:** State Mandated Audit

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**ACTION REQUESTED/RECOMMENDATION**

Approve the use of a five-year audit for the McKinney Water District in lieu of an annual audit, for the period beginning July 1, 2006 through June 30, 2010 and every five-year period thereafter at no net County cost.

**BACKGROUND:**

McKinney Water District is a local special district established in 1961 to provide a water system to provide water services for El Dorado and Placer Counties. The District operates a domestic water system in the Homewood area of the west shore of Lake Tahoe and was created to handle the supply and distribution of water to the McKinney Estates. The McKinney Estates is comprised of subdivided lots and certain adjacent areas, and totaling 267 acres; 161 acres in El Dorado County and 105 acres in Placer County.

Pursuant to Government Code Section 6505 (b), "the public officer performing the functions of auditor as determined pursuant to Section 6505.5, shall either make or contract with a certified public accountant to make an annual audit of the accounts and records and shall meet the minimum requirements prescribed by the Controller for special districts under Section 26909 and shall conform to generally accepted auditing standards."

California Government Code Section 26909 specifies that "a special district may by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit with an audit conducted at specific intervals, as recommended by the County auditor, that shall be completed at least once every five years."

Pursuant to the requirements above and per the attached resolution of the District's Board, the Auditor-Controller recommends the use of a five-year audit covering five year periods beginning July 1, 2006 through June 30, 2010 and every five-year period thereafter.

**FISCAL IMPACT**

This action has no fiscal impact to the County. The cost to conduct the five-year audit of the District will be borne by the District.

**ATTACHMENT**

McKinney Water District Board's Resolution

# McKinney Water District

General Offices  
16245 Jackson Oaks Dr.  
Morgan Hill, CA 95037  
TELEPHONE (408) 778-1898  
FAX (408) 778-7558

EL DORADO AND PLACER COUNTIES

Mailing Address  
P.O. Box 2567  
Morgan Hill, CA 95038

RESOLUTION No. 2008-1

A RESOLUTION CONFORMING TO  
CALIFORNIA GOVERNMENT CODE 26909-F  
McKINNEY WATER DISTRICT  
CHANGING THE ANNUAL FINANCIAL  
AUDIT

RESOLVED, by the Board of Directors of the McKinney Water District Placer and El Dorado Counties, California, that said District shall be exempt from the requirements of an Annual Financial Audit, and changed to a Financial Audit every FIVE (5) years. This annual exemption, as requested by the McKinney Water District does hereby authorize the Placer County Auditor Controller to make the adjustment from an Annual Financial Audit to a five year Financial Audit as described in Government Code Section 26900-26915.

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I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted and passed by the Board of Directors of the McKinney Water District, Placer and El Dorado Counties, California, at a meeting thereof held on the 16<sup>th</sup> day of May 2008, by the following vote;

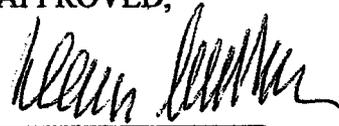
AYES, and in favor thereof, Directors Eichstadt, Waters,  
Jackson, Egelston,  
Hirabayashi

NOES, Directors: NONE

ABSENT, Directors: NONE

  
Karl A. Kinker  
Secretary Treasurer

APPROVED;



Klaus Eichstadt  
President/Chairman

