



MANILA COMMUNITY SERVICES DISTRICT

Agenda of Regular Meeting Tuesday July 15th, 2025 at 6:30 p.m.

Manila Community Center, 1611 Peninsula Drive Room A

Posted by Saturday July 12th, 2025 6:30 p.m.

This meeting is accessible remotely via Zoom <https://us02web.zoom.us/j/3742372467> and phone-in @ 669-900-6833. Unless otherwise noted, all items on the agenda are subject to action by the Board of Directors. Time specific items (if any) are noted on the applicable agenda item and will be discussed at that time or as soon after that time as practical. It is planned to record this meeting so that it is accessible by the public.

1. ROLL CALL, DETERMINE QUORUM:

2. APPROVE AGENDA:

3. PUBLIC INPUT / PETITIONS / ANNOUNCEMENTS: *The public is invited to present petitions, make announcements, or provide other information to the Board on matters **not** on the agenda. The Board may uniformly impose a time limit of 3 minutes for individual presentation to ensure every subject is heard. By public law, the Board cannot take action on items not on the agenda.*

4. BUSINESS ITEMS:

- a) **Receive for Discussion and Possible Action:** FY2026 Draft Budget.
- b) **Receive for Discussion and Possible Action:** Approval of Audit Proposal: Completing FY2024 by Harshwal & Company, LLP for 9,500.
- c) **Receive for Discussion and Possible Action:** Authorized District Signors for County Accounts

5. CONSENT CALENDAR: *(Items may be pulled for future consideration) – Amendments or corrections should be received in writing prior to approval.*

- a) **Receive Disbursements:** June 17th, 2025 - to date
- b) **Draft Minutes of June 17th, 2025**

6. BOARD DISCUSSION ITEMS:

- a) **Committee Member Updates/Reports**
- b) **General Manager's Report: Surfrider MDRA,**

7. INCOMING COMMUNICATIONS:

8. ADJOURNMENT:

If open session items cannot be completed by 8:30 P.M., the meeting may be adjourned to the next regular meeting, or the Board may vote to extend the meeting. A request for disability-related modification or accommodation, including auxiliary aids of services, may be made by a person with a disability, who requires a modification or accommodation in order to participate in the public meeting, by contacting the Manila CSD General Manager at least 24 hours prior to commencement of the meeting.



Manila Community Services District Board of Directors

Agenda Summary

~~Tuesday June 17th, 2025~~: July 15th 2026: FY 2026 Draft Budget

Summary:

The attached Draft Budget for FY26 is based on the Rate Study Alternate "A" from projections reviewed at the May 20th, 2025 Board Meeting. To arrive at a zero-balanced budget, O&M classes was adjusted slightly in each department.

July 15th update:

At the June meeting, the board requested more data / last year's data to be included.

As described at the last meeting, considering the chosen rates structure and implementation date, there is a \$38,731 deficit (on paper), which is minimized to \$25,107 with the below measures. Here is a summary of the notable changes from previous budgets:

1. There are increased revenues from interest income
2. An ongoing 8,000 tax allocation (for internal debt repayment) to sewer has now been split with water to minimize the water deficit.
3. Personnel costs were shifted -63% from the Park and 131% to MCC. This was to help match expenses to revenues in non-enterprise (general fund).
4. Staffing costs are more accurately captured than with previous budgets (vacation buy-out, in particular)
5. General administration costs are reduced with insurance and permitting removed and tracked separately.

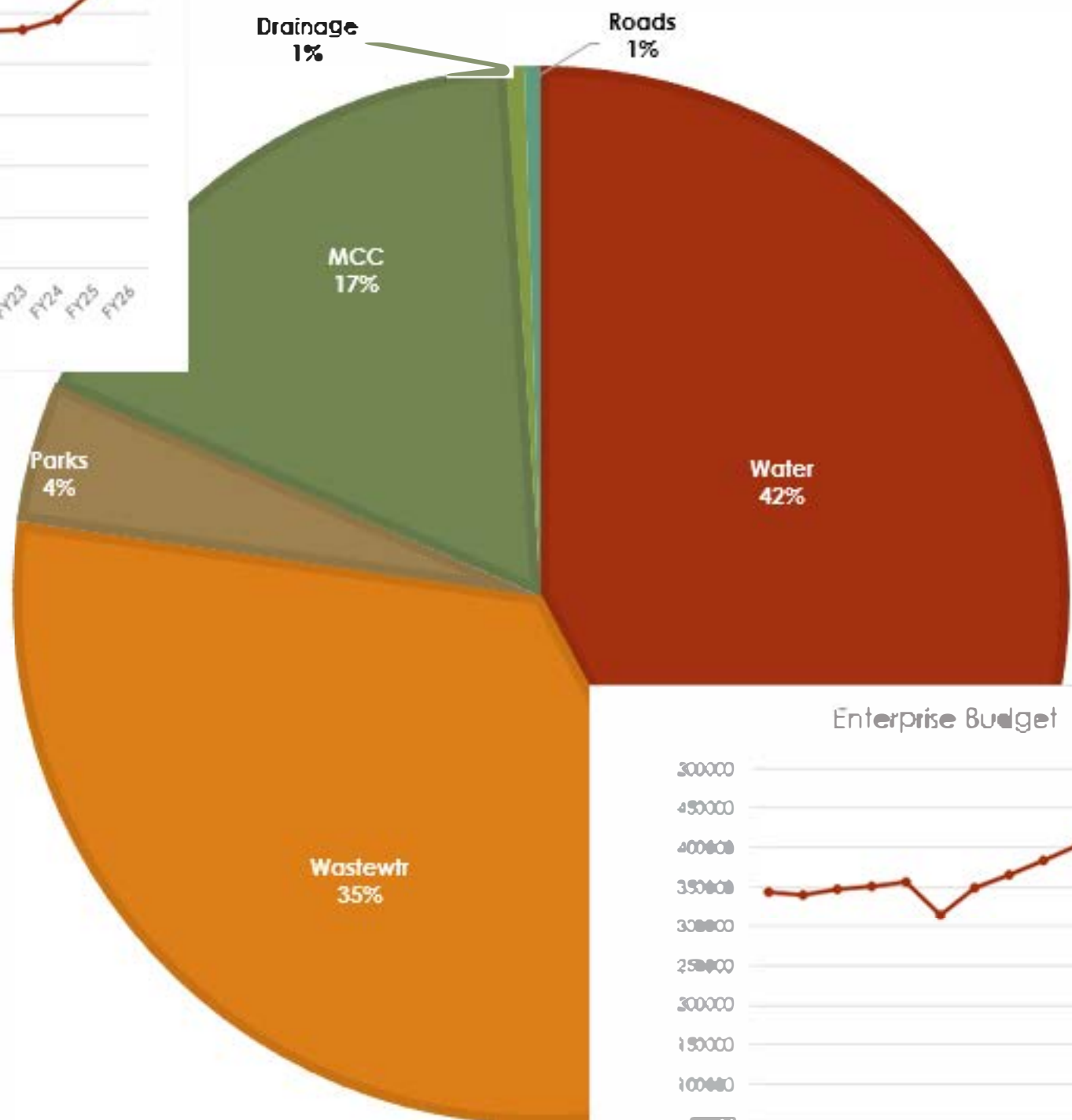
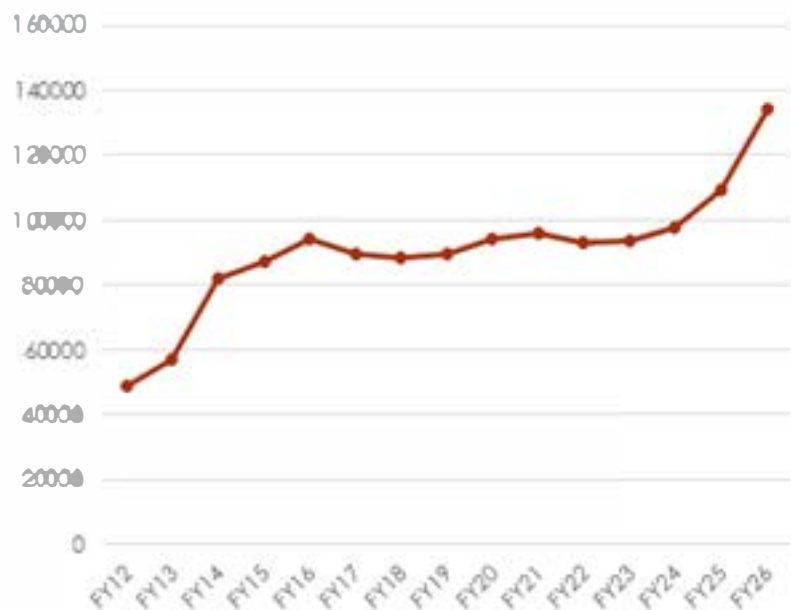
Recommended Motion:

I move/second to approve as presented (or as amended) FY2026 Budget.

Vote:_____

Manila CSD FY 2026 Budget	Approved 25 Budget	Projected FY2025	Proposed 26 Budget	Change	Water	Wastewtr	Parks	MCC	Drainage	Roads
Revenue:										
Water/Sewer Utility	446,378	396,022	441,528	-1.09%	241,910	199,618				
Leases	75,312	75,312	101,869	35.26%			1,500	100,369		
Property Taxes (w/s split 8k allocation)	32,000	39,717	32,000	0.00%	4,000	4,000	18,500	-	3,000	2,500
Interest Income	2,578	8,283	8,863	243.79%	2,312	2,312	1,820	1,820	300	300
Misc	2,000	2,000	2,000	0.00%	500	500	500	500		
Per Capita (deleted ffrom '25 for clarity)							3,000			
Total Revenue	558,268	521,334	586,260	5.01%	248,722	206,430	25,320	102,689	3,300	2,800
Expenses:										
Personnel	253,359	292,469	301,092	18.84%	126,488	114,386	8,118	52,100	-	-
O&M	93,000	60,444	85,951	-7.58%	26,951	27,288	5,762	23,770	(0)	2,180
Water Purchashes	92,000	93,245	93,244	1.35%	93,244					
Utilities	44,995	51,866	54,495	21.11%	3,000	45,000	1,875	4,000	0	620
Insurance (was in administration)			23,137		4,627	4,627	2,314	11,569		
Permitting/Licenses (was in administration)			17,447		5,269	8,878			3,300	
Administration	51,584	70,937	25,000	-51.54%	6,250	6,250	6,250	6,250	-	(0)
Professional Services	18,400	3,058	14,000	-23.91%	4,000	4,000	1,000	5,000		
Total Expenses	512,834	572,019	614,366	19.80%	269,829	210,429	25,319	102,688	3,300	2,800
					(21,107)	(4,000)	0	0	0	0

Non-Enterprise Budget



Enterprise Budget





Manila Community Services District Board of Directors
Agenda Summary

B) Approval of Audit Proposal: Completing FY2024 by Harshwal & Company, LLP for 9,500.

Summary:

Our currently contracted CPA has not completed the 2024 audit per agreed schedule and has been unresponsive to staff inquiries.

At member Danielle Muniz's prompting, staff added the above CPA firm, Harshwal & Company, LLP to our list of CPAs to receive our Request for Proposals for Auditing Services. Upon receiving the RFP, the above firm was asked to provide a separate, stand-alone effort for FY24 only; to help us get caught up as we are now operating in FY26 with FY24 still unaudited.

Standard proposals for the three-year contract FY25, 26 and 27 will be addressed with the deadline of the RFP process in August to be equitable to any other responding CPA firms.

Recommended Motion:

I move/second to approve FY24 Audit Contract with Harshwal & Company, LLP as presented (or as amended).

Vote:_____

Attached: FY24 redacted proposal



Manila Community Services District

***Proposal to Provide Annual Audit Services
for the Fiscal Years Ending June 30, 2024***

Submitted by:



***11405 W. Bernardo Court, Suite A,
San Diego, CA 92127
Phone: (858) 939-0017***

June 24, 2025

Contact Person

Managing Partner: Sanwar Harshwal, CPA

Cell Phone: (858) 784-1622

Federal Employer ID Number: 27-0741376

Email: sanwar@harshwal.com | Website: www.harshwal.com

June 24, 2025

Manila Community Services District
ATTN: Christopher Drop, General Manager
1901 Park Street,
Manila, CA 95521

Dear Christopher Drop and Evaluation Committee Members,

The partners and staff at Harshwal & Company, LLP are pleased to present our proposal to provide annual audit services. Our firm has experienced continuous growth and success as we meet and exceed client expectations. Our overall goal is to provide responsive, innovative services of the highest quality to our clients.

We understand that the Manila Community Services District (referred to later in this proposal as the "Manila CSD" or the "District") requires us to conduct a timely audit service of the financial statement of the Manila CSD. With our experience and knowledge, we fully understand the requirements and your expectations for the services to be provided.

We believe our firm is the best qualified to perform this engagement because our audit services are best performed by utilizing specialized resources and technical proficiency. Our expertise in governmental auditing and accounting combined with our vast access to resources empowers us to solve challenges encountered during the audit. Our highly trained engagement team will maintain a knowledgeable, yet, non-intrusive, approach to the audit to deliver an audit that is of exceptional quality that requires minimal disruptions of the Manila CSD's on-going operations.

Understanding of the Work to be Done:

We understand that you require us to conduct an audit of the financial statements of the Manila CSD, for the fiscal years ending June 30, 2024, in accordance with generally accepted auditing standards set forth by the American Institute of Certified Public Accountants; *Government Auditing Standards* issued by the Comptroller General of the United States; the standards for financial audits as set forth by the U.S. General Accounting Office's Government Auditing Standards; and the State Controller's minimum audit requirements for California Special Districts. Detailed scope is given in the "Scope of Work" section.

Ability to Perform the Work Within Provided Time Frame:

Harshwal & Company, LLP is benchmarked for providing the work within the time frame requested. Our team is committed to completing the audit on time, as they are fully equipped with contemporary technology, which will add value to the successful and timely delivery of the audit. We are responsive and solution oriented, providing quick responses on matters that require immediate attention, hence enhancing the quality of our audit. We focus on staff continuity, which enables us to develop and maintain an in-depth understanding of your operations, management style, and operating practices, which ultimately allows us to offer you experienced resources, value-added services, specialization, and overall better personal service, which again unequivocally results in a timely submission of the audit report.

Why Harshwal & Company, LLP:

- Extensive partner involvement on each engagement
- Presence of a manager and/or CPA always on-site during fieldwork
- Consistent and experienced staff
- Timeliness of communications
- Proactive approach in addressing complex issues early in the engagement
- Availability to clients as a specialized resource
- Professionalism with understanding

Client Confidentiality and Security:

- At Harshwal & Company, LLP, we are committed to safeguarding client information. Maintaining trust is one of the core values of our firm. Since your privacy is a priority to us, we will not share non-public information about you with third parties without your consent.
- In order to facilitate a highly secure method for exchanging electronic files between our firm and our clients, we have implemented a secure, trackable method for sharing large files via a hosted website called **Suralink**.
- All laptops of our audit and tax professionals are encrypted to protect our clients' information.

Our managing partner, Mr. Sanwar Harshwal, is authorized to represent the firm and he is the authorized person to contractually obligate the firm, to negotiate the contract on behalf of the firm and to be contacted for clarifications. He can be reached at 11405 W. Bernardo Ct., Suite A, San Diego, CA 92127; Phone No. (858) 784-1622 or via an email at sanwar@harshwal.com.

Harshwal & Company, LLP is a GSA vendor and a 100% minority owned CPA firm.

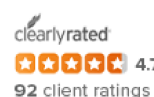
We thank you for your consideration and hope that you will provide us with the opportunity to serve your esteemed organization with our services.

Sincerely,

Harshwal & Company, LLP
Certified Public Accountants



Sanwar Harshwal, CPA, CIA, CISA, CFE
Managing Partner





Proposal to Provide Annual Audit Services

Management Letter

Communication with management is crucial since it is essential to hear your concerns and comprehend the financial records to have a complete and thorough understanding of business operations. Management confirmation is required on all information contained within the financial statements to ensure that they are true and accurate and that all information has been properly disclosed. We will review all significant audit findings with the Manila CSD as the work proceeds and once on complete of our audit procedures. It is standard practice for our firm to produce a management letter in conjunction with each engagement. The audit process provides an opportunity to assess performance and trends, to identify opportunities to improve internal controls and/or accounting efficiency, and spot emerging needs or opportunities.

By reporting these conditions and opening them up for discussion, the management letter can play an important role in maintaining the future financial health of the organization. If we become aware of any irregularities, illegal acts, or indications of illegal acts, we will make an immediate verbal and written report of such findings to the Manila CSD's Council. The report will be discussed with the members responsible for the financial statements before submitting it to the Board Members. At the completion of the interim work, we will provide a management letter to the Superintendent (or designee) detailing all findings and recommendations noted as of the date of the completion of the interim work. We may substitute a copy of all written findings for the management letter.

Timeline for Completion of the Project

Harshwal & Company, LLP is prepared to meet the deadlines required for the year 2024.

Milestones	Tentative Timeline
Preliminary work and planning	Just after contract award
Interim audit fieldwork	July, 2025
Final audit fieldwork to be completed	Last week of August 2025 or before
Draft audit report and management letter for review	2nd week of September 2025 or before
Final audit report and management letter	Last week of September 2025 or before

- *The timeline is reasonable given the totality of work involved and our managers being highly qualified and trained.*
- *This timeline is dependent on the availability of your personnel and is subject to the anticipated closing your accounting records.*





Proposal to Provide Annual Audit Services

AUDIT FEES

Our fees are generally lower than other competing firms since we keep our overhead low; we follow a scientific audit approach and we make extensive use of emerging technologies that allow us to conduct audits efficiently. Our policy is to provide you with exceptional service that meets and exceeds professional auditing standards at a competitive cost.

Summarized below are the professional fees for the Manila CSD's audit services for the FY June 30, 2024:

Audit Area - Description	FY 2024
Financial Audit of the Manila CSD.....	\$ 9,500.00
<i>Total Fees</i>	\$ 9,500.00

- *If a single audit is applicable, we will charge \$4,500.00 for the first major program and \$3,000.00 for each additional major program.*
- *We are well-equipped to perform audits on a remote basis. We will provide our audit services on a remote basis.*

Rates by Partners, Manager and Staff

Our Estimated Hours for FY 2024:			
Description - Team Composition	Est. Hours	Hourly Rates	Total
Managing Partner	5	\$195	\$ 975.00
Manager	14	150	2,100.00
Senior Auditor	23	100	2,300.00
Staff Auditor	51	75	3,825.00
Clerical Staff	5	60	300.00
<i>Total</i>	98		\$ 9,500.00

Rates for Additional Professional Services

We will perform additional work only if set forth in an addendum to the contract between the Manila CSD and our firm. Our fees for the additional services, if required, will be based on the actual time spent by professional or administrative personnel at quoted hourly rates, specified above. Our standard hourly rates vary according to the degree of responsibility involved, and the experience level of the personnel assigned.

Manner of Payment

Progress billings will be sent on the basis of actual audit work completed during the course of the engagement. Interim billings do not cover a period of less than a calendar month. We view this work as being every bit as important and valuable as the work we perform for other clients and we put our best people on it. Any consulting work you request will be performed at the same rates as our audit work.





Proposal to Provide Annual Audit Services

We have provided you a fee estimate based on the following assumptions:

- The accounting records will be in balance and supported by appropriate documentation;
- The Manila CSD's staff will provide the supporting schedules for all asset and liability accounts;
- The Manila CSD's staff will provide general assistance, such as locating documents, typing confirmation requests, and coordinating meetings.

Benefits of Choosing Harshwal & Company, LLP

Harshwal & Company, LLP is recognized for its professionalism, integrity, and for providing clients with effective resolutions for their unique circumstances and issues. Our firm prides itself on being able to provide personalized client services, and with that sentiment in mind, we have carefully chosen our engagement teams. Harshwal & Company, LLP's main objective is always to provide the Manila CSD with solutions and directions, led by highly experienced and capable partners who can successfully implement the work and produce the results you expect. This philosophy and mindset allow us to provide a superior level of service.

We trust that this proposal has given you the information you need about the firm, the engagement team members, our overall audit approach, cost-saving measures, and audit fees. We are committed to exceeding your expectations, and we look forward to bringing our experience and expertise to the Manila CSD and providing you with the excellent level of service that you expect and deserve.

Inherent in our service is the on-going support, education, and advice to our clients. The comprehensive service includes:

- Email updates on all new and pertinent developments.
- A careful review of the effects of these new developments (if any), on your particular circumstances. If necessary, we will advise you on any changes needed in accounting procedures.
- We will meet with the Finance Department head at the beginning of the audit to advise on matters of particular interest. We will provide "best practices" for effective daily operations that will also provide information necessary for the financial statements.
- Throughout the audit, we will advise your accounting personnel on best practices for maximum efficiency in each major operational area.

"Keeping in touch with" is the hallmark of our service. You will receive phone calls, emails, and information through the Harshwal & Company, LLP portal on a consistent and regular basis.





Manila Community Services District Board of Directors
Agenda Summary

c) **Receive for Discussion and Possible Action:** Authorized District Signors for County Accounts

Summary:

Attached is the County request form for authorized signors on District Treasury Accounts

For the Manila CSD we normally authorize the GM, the elected Finance Officer and the President.

Recommended Motion:

I move/second to approve County Treasury Authorized signors

Vote: _____



Office of the Auditor-Controller
COUNTY OF HUMBOLDT
825 5th Street, Room 126, Eureka, CA 95501-1153
Telephone (707) 476-2452 Fax (707) 445-7449

Dear District Board,

As a Special District Board, you are responsible for all funds expended by your Special District. It is your Board's responsibility to determine that all proposed expenditures are for legitimate purposes and that there are sufficient funds available to cover the expenditures. We are here to assist you in your recordkeeping by processing your requests to issue payments, receive deposits, and maintain a record of your financial activity.

In order for us to process your requests in a timely manner, please provide us with a current listing of individuals authorized by your Board to sign claims and/or receive financial information by completing the bottom section of this memo and returning it to us at your earliest convenience. Please note that if someone signs for approval that is not listed below, we will not be able to process the claim.

Also, please confirm the contact information we have on record for you. If a change is necessary for any of the information below, please notify us right away.

Fund:

Mailing Address:

Site Address:

Phone: (707)

Fax: (707)

Email:

Contact

Email:

Alt. Contact

As of _____ and through the end of the current fiscal year, the following individuals are authorized to sign for (write in district name):

Name (Please print)

Signature Date

Name (Please print)

Signature Date

Name (Please print)

Signature Date

Name (Please print)

Signature Date

Name (Please print)

Signature Date

Name (Please print)

Signature Date

Board Chairperson (Please print)

Signature Date

Manila Community Services District

7/11/2025 1:15 PM

Register: 10117 · Coast Central Checking

From 06/17/2025 through 07/11/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
06/18/2025		OPTIMUM	-split-	paid online ACH	408.08			79,455.08
06/18/2025		OPTIMUM*	80000 · Sewer Dept. E...	paid online Ac...	74.68			79,380.40
06/18/2025		OPTIMUM	-split-	paid online ACH	408.08			78,972.32
06/18/2025		OPTIMUM*	80000 · Sewer Dept. E...	paid online Ac...	74.68			78,897.64
06/19/2025			12999 · Undeposited F...	Deposit			6,151.00	85,048.64
06/19/2025			12000 · Accounts Rece...	Deposit			8,374.17	93,422.81
06/19/2025		Debit Card- CCCU	-split-	Amazon	61.13			93,361.68
06/19/2025		Debit Card- CCCU	-split-	Amazon	201.20			93,160.48
06/19/2025		Debit Card- CCCU	-split-	Amazon	42.04			93,118.44
06/25/2025		EFTPS	-split-	94-1653492	2,317.30			90,801.14
06/26/2025		INTUIT	-split-	QB yearly subs...	999.00			89,802.14
06/26/2025		QuickBooks Payroll ...	-split-	Created by Pay...	6,166.17			83,635.97
06/27/2025	DD2214	BACHEMIN, CYNT...	-split-	Direct Deposit		X		83,635.97
06/27/2025	DD2215	DROP, CHRISTOP...	-split-	Direct Deposit		X		83,635.97
06/27/2025	DD2216	FAULK-KELLOGG,...	-split-	Direct Deposit		X		83,635.97
06/27/2025	DD2217	KITTLESON, KEN...	-split-	Direct Deposit		X		83,635.97
06/27/2025	DD2218	Muniz**, Danielle	-split-	Direct Deposit		X		83,635.97
06/27/2025	DD2219	RYAN, MEGHAN	-split-	Direct Deposit		X		83,635.97
06/27/2025	DD2220	WATSON, ALISHA L	-split-	Direct Deposit		X		83,635.97
06/30/2025	2885	HUMBOLDT COU...	-split-	PROP 218 CO...	66.21			83,569.76
07/03/2025	2886	U.S. POST MASTER	22000 · Accounts Paya...	postage on per...	900.00			82,669.76
07/07/2025		VERIZON WIRELE...	-split-	Account #3420...	114.02			82,555.74
07/07/2025		SDRMA MB	60000 · Water Dept. E...	Auto-pay June ...	2,937.57			79,618.17
07/07/2025	2887	GHD	22000 · Accounts Paya...		31,561.25			48,056.92
07/07/2025	2888	ADVANCED SECU...	22000 · Accounts Paya...		213.00			47,843.92
07/07/2025	2889	BADGER METER	22000 · Accounts Paya...	INV 80199252...	4.70			47,839.22
07/07/2025	2890	CBS LEASING CO...	22000 · Accounts Paya...	003-0610693-0...	311.56			47,527.66
07/07/2025	2891	HUMBOLDT BAY ...	22000 · Accounts Paya...	May 31-June 3...	7,818.13			39,709.53
07/07/2025	2892	JAMEISON CHILT...	22000 · Accounts Paya...	INV 1 Hand rai...	250.00			39,459.53
07/07/2025	2893	Microbac Laboraorie...	22000 · Accounts Paya...	June Statement	633.00			38,826.53
07/07/2025	2894	PLATT	22000 · Accounts Paya...	INV 6H70944	310.44			38,516.09
07/07/2025	2895	Restif Cleaning Servi...	22000 · Accounts Paya...	Bathroom Clea...	360.00			38,156.09
07/07/2025	2896	VALLEY PACIFIC ...	22000 · Accounts Paya...	10366	154.88			38,001.21
07/10/2025		QuickBooks Payroll ...	-split-	Created by Pay...	6,187.06			31,814.15
07/11/2025		EFTPS	-split-	94-1653492	2,502.78			29,311.37
07/11/2025	DD2221	DROP, CHRISTOP...	-split-	Direct Deposit		X		29,311.37
07/11/2025	DD2222	KITTLESON, KEN...	-split-	Direct Deposit		X		29,311.37
07/11/2025	DD2223	WATSON, ALISHA L	-split-	Direct Deposit		X		29,311.37



MANILA COMMUNITY SERVICES DISTRICT

Minutes of Regular Meeting Tuesday June 17th, 2025

1. **ROLL CALL, DETERMINE QUORUM:** *Bachemin, Ryan, Faulk and Muniz present. Broderick absent, Staff: C. Drop present*

2. **APPROVE AGENDA:** *there were no changes to the agenda*

3. **PUBLIC INPUT / PETITIONS / ANNOUNCEMENTS:** *Public member inquired about auditor and status.*

4. **BUSINESS ITEMS:**

- a) **Receive for Discussion and Possible Action:** Rate Study Alternatives/Prop 218 Process: Water/Wastewater Rates for FY26-FY30.

*Muniz/Faulk-Kellogg to approve rate alternative "C" as presented. **Vote: 4-0** with Broderick absent.*

- b) **Receive for Discussion and Possible Action:** FY 2026 Draft Budget.

No Action Taken.

5. **CONSENT CALENDAR:** *(Items may be pulled for future consideration) – Amendments or corrections should be received in writing prior to approval.*

- a) **Receive Disbursements: May 21, 2025 - to date**
b) **Draft Minutes of May 20th, 2025**

*Muniz/Faulk-Kellogg to approve consent calendar. **Vote: 4-0** with Broderick absent*

6. **BOARD DISCUSSION ITEMS:**

- a) **Committee Member Updates/Reports**
b) **General Manager's Report :**

7. **INCOMING COMMUNICATIONS:**

ADJOURNMENT: 7:29 p.m.

Thia Bachemin, Secretary

Date: _____

Meghan Ryan, Board President

Date: _____

General Manager's Report for July 2025

Water Project:

Our PGE switchover is completed and the new pumphouse is powered. We await the new pumps installation and then we can fill and test the new storage tank. The Carlson undercrossing at 255 is expected to start this summer and is the last major project component of this grant. Below is a picture of the pipe to be installed under 255:



There is a possibility that remaining water funds might be used to complete our radio meter project. This would be a great money saver as these are currently funded through Water's O&M budget.

Wastewater Project:

There is a new gabion wall at the lift station:



New septage received in station awaits installation:



Drainage Grant:

This project is moving forward and already showing significant improvements. We are currently excavating the north channel in the Park to improve flow lines to the bay. This work requires a THPO monitor and soil sampling for dioxins. We've requested and received 25% advance funding for this project (\$625,500).

Park:

The Split Rail Fencing has been completed and billed to the Harbor District (via Caltrans Clean CA).



MDRA:

Staff has met with The Surfrider Foundation's Climate Action Program Manager. The organization is interested in performing restoration in the Manila Dunes and is expected to provide a tree planting proposal in the next few months.

Rate Study/Prop 218:

The board-approved "Alternate C" rate structure has been published and mailed per state law.

Staff will assemble and record protests received up to, and including the Public Hearing scheduled to occur at the August 19th, 2025 Regular Board Meeting.

If less than 50%+1 protests are received, the district is planning to implement the new rates effective September 1st, 2025 and the first bills would be received October 2025