

July 18, 2023 Tuesday @ 6:00 PM
SIERRA COUNTY FIRE PROTECTION DISTRICT # 1
DIRECTORS MEETING AGENDA

Location: Fire Station 82 @ 102 E Main Street, Sierraville, CA 96126

This meeting will be conducted in person and via conference call. Those wishing to attend the meeting by telephone should dial 1-650-479-3208 and enter the meeting number below. Those who wish to attend via video conferencing should use the following link:

<https://sierracountyfireprotectiondistrictno1-771.my.webex.com/sierracountyfireprotectiondistrictno1-771.my/j.php?MTID=mddde8b46ce168ff8ac4b69f6ae37718d>

Meeting No. 2554 452 4695, Passcode: Sierra

CALL TO ORDER:

Roll Call of Directors

<input type="checkbox"/> Jeff McCollum, Chairperson	<input type="checkbox"/> Tom Archer	<input type="checkbox"/> Tom Rowson	<input type="checkbox"/> Richard Maddalena
<input type="checkbox"/> Candy Hunter	<input type="checkbox"/> Victoria Fisher	<input type="checkbox"/> Tony Commendatore	
Quorum Yes/No			

PUBLIC INTRODUCTION:

PUBLIC COMMENT: Matters under jurisdiction of the Sierra County Fire Protection District #1, and not on the agenda, may be addressed by the Public at the beginning of the regular agenda and any off-agenda matters before the Board for consideration. However, California law prohibits the Board from taking action on any matter which is not on the posted agenda. Any member of the public wishing to address the Board during the "Public Comment" period will be limited to a maximum of five minutes.

CORRESPONDENCE:

MINUTES APPROVAL: Approval of the Minutes: 6/20/23

FINANCIAL STATEMENT:

1. Review P&L, Balance Sheet, Report of Funds as of June 30, 2023 **H**
2. Approve Bill Payments **H**
3. Fire Mitigation Fee Update **H**

REPORTS & REQUESTS FROM DISTRICT CHIEF, BATTALION CHIEFS AND EMS COORDINATOR:

1. Chief's Report (Response Summary, Fleet, Communications System, Facilities)
2. Training / Recruitment/ Retention
3. Update on purchase of battery over hydraulic comby tool and AED (expected in August)

UNFINISHED BUSINESS:

1. Update on Cal OES prepositioning and dozer resource needs (Victoria)
2. TdM Trademark (Tom A)
3. 501c3 (Rick)
4. Sattley Pumphouse (Jeff)
5. Comm Grant Update (Kelly)
6. Approval of Updated Financial Policy and Resolution 2023-05 (Tom R)
7. Discussion/Action to update Rudy Hoyos and Kelly Champion contracts to coincide with fiscal year
8. District Staffing (Tom R)
9. Loyalton Pines Water Development (Tom R)

NEW BUSINESS:

1. 2023-24 Update of Capital Investment Plan (potential appointment of committee)
2. Approval of Annual Audit Contract with Zach Pehling, CPA not to Exceed \$4,400

ANNOUNCEMENTS AND COMMENTS:

NEXT SCHEDULED MEETING: August 15, 2023 at 6:00pm in Sierraville

ADJOURNMENT:

Key: **T** – Tabled from previous meeting **H** –Handout

THIS INSTITUTION IS AN EQUAL OPPORTUNITY PROVIDER & EMPLOYER, PLEASE CALL 530.604.4013 AHEAD IF YOU NEED ANY ACCOMODATIONS.

June 20, 2023 Tuesday @ 6:00 PM
SIERRA COUNTY FIRE PROTECTION DISTRICT # 1
DIRECTORS MEETING AGENDA MINUTES

Location: Fire Station 82 @ 102 E Main Street, Sierraville, CA 96126

This meeting will be conducted in person and via conference call. Those wishing to attend the meeting by telephone should dial 1-650-479-3208 and enter the meeting number below. Those who wish to attend via video conferencing should use the following link:

<https://sierracountyfireprotectiondistrictno1-771.my.webex.com/sierracountyfireprotectiondistrictno1-771.my/j.php?MTID=mddde8b46ce168ff8ac4b69f6ae37718d>

Meeting No. 2554 452 4695, Passcode: Sierra

CALL TO ORDER: 6:04

Roll Call of Directors

{X} Jeff McCollum, Chairperson	{X} Tom Archer	{X} Tom Rowson	{X} Richard Maddalena
{X} Candy Hunter	{ } Victoria Fisher absent	{X} Tony Commendatore	
Quorum Yes/No			

PUBLIC INTRODUCTION: Paul Cueto, Sierra County Fire Safe & Watershed Council, volunteer Ben Edwards, Chief Connolly, Clerk Champion

PUBLIC COMMENT: None

Chair McCollum combined Unfinished Business, Item 4 and New, Item 2 and moved to discuss first. Paul Cueto of Sierra County Fire Safe & Watershed Council introduced himself and thanked the district for the generous donation to Fire Palooza. There were an estimated 150 participants. The council is considering doing it next year at a different venue where there could be more heavy equipment and hope to provide more family friendly entertainment. He mentioned grants and upcoming fuels reduction projects: Sierraville/Sattley ~500 acres, Antelope Valley & around Loyalton Pines ~475 acres, Indian Hills/western Sierraville ~ 75 acres, Title III trailer program to haul debris.

CORRESPONDENCE: Clerk Kelly briefly reviewed correspondence received via email and mail.

MINUTES APPROVAL: Approval of the Minutes: 5/16/23 **Dir. Archer moved to approve the minutes; Dir. Hunter seconded. 6 Ayes (McCollum, Rowson, Hunter, Commendatore, Archer, Maddalena), 1 Absent (Fisher), motion passed.**

FINANCIAL STATEMENT:

1. Review P&L, Balance Sheet, Report of Funds as of June 15, 2023 **H**
2. Approve Bill Payments **H**
Fire Mitigation Fee Update **H Dir. Hunter moved to approve the financial statements and bills, Dir. Rowson seconded. 6 Ayes (McCollum, Rowson, Hunter, Commendatore, Archer, Maddalena), 1 Absent (Fisher), motion passed.**

REPORTS & REQUESTS FROM DISTRICT CHIEF, BATTALION CHIEFS AND EMS COORDINATOR:

1. Chief's Report (Response Summary, Fleet, Communications System, Facilities) **Chief Connolly began emailing his report to the Clerk each month. WT82 back in service, used with E384 (newly acquired from CalFire) in recent training, handhelds still not working correctly need to service repeaters. He thanked volunteer Mike Cory for his help on the hot water heater project and said the hot water was now working at the Sierraville station. The project needed a little more work before it would be complete. Bollards had been installed by the hydrant near the restaurant, and the water shut off and frost freeze had been installed in the front and back of the station.**

2. Training / Recruitment/ Retention **No new volunteers signed up with the district at the Fire Palooza, common response was people are too busy. Connolly is working on a newspaper article to address the public regarding the state of emergency service response in small volunteer districts like ours.**
3. Update Station 82: water heater, hydrant, shut off, hydrant bollards **mentioned above**
4. WT82 repairs **mentioned above**
5. Purchase of replacement Brush 84
6. Update on purchase of comby tool and AED **Estimated delivery date is in August due to supply chain issues, getting a quote from another vendor.**

UNFINISHED BUSINESS:

1. Update on Cal OES prepositioning and dozer resource needs (Victoria) **Chief Connolly commented on a surplus dozer with trailer available for \$1,000,000. No response from Board.**
2. TdM Trademark (Tom A) **No update.**
3. 501c3- no update (Rick)
4. 2023 Fire Palooza Review (Paul Quento, Sierra County Fire Safe Council) **Discussed first on agenda after Public Comment.**
5. Sattley Pumphouse (Jeff) **No update. Dir. Maddalena has parts to fix broken water line.**
6. Calpine Siren (Rick/Mick) **No update.**
7. Resolution to designate an official and accept grant if awarded (Rick) **H Tabled.**
8. Comm Grant Update **No update.**

NEW BUSINESS:

1. "PG&E Foundation/ CA Fire Foundation Wildfire Safety and Preparedness Grant" Resolution designating an official. Wildland PPE \$13,000 due June 30
Dir. Archer moved to adopt Resolution 2023-4 designating Dir. Maddalena an official authorized to sign on behalf of the District for the PG&E/CA Fire Foundation Wildfire Safety and Preparedness Program Grant Proposal and Subsequent Agreement; Dir. Commendatore seconded. Roll Call Vote- 6 Ayes (McCollum, Rowson, Hunter, Commendatore, Archer, Maddalena), 1 Absent (Fisher), motion passed.
2. Project Summary (Sierra Co Fire Safe Council Paul Quento) **Discussed first on agenda after Public Comment.**
3. Financial Policy update (Tom R/Kelly) **H The need to update the financial policy to reflect current practice was introduced. Dir. Rowson presented a draft updated policy for review and added they should review annually.**
4. District staffing (Tom R) **Dir. Rowson discussed the issues surrounding volunteer retention and recruitment and considered staffing during the week. An idea was introduced to stipend for calls and trainings, and perhaps using the EMS TOT funds for staffing/incentives.**
5. Loyaltan Pines mitigation funds project (Tom R) **H Dir. Rowson talked about the cost and feasibility of the well project and suggested the installation of water storage as an attainable option. It was agreed that the CIP plan would be reviewed.**
6. Review 2022 TMFPD response report (Candy) **Dir. Hunter presented the report and the Directors showed gratitude for the service that TMFPD provided.**
Approval of contract with Mick Connolly for services rendered as a Training, Recruitment and Retention Consultant (Tom R.) **H Dir. Commendatore moved to approve the contract with Mick Connolly with the deletion of item 3.1 regarding Indemity, Dir. Rowson seconded. Roll Call Vote- 6 Ayes (McCollum, Rowson, Hunter, Commendatore, Archer, Maddalena), 1 Absent (Fisher), motion passed.**

ANNOUNCEMENTS AND COMMENTS: **Dir. Maddalena announced that Shawn Burt has taken a new position with the USFS as a Fire Planning Specialist and that Zach Stockdale is his replacement locally. Former Chief, Dan Wentling's memorial coming up June 25th at 2pm at the Sierraville Community Church. Recently cleaned up property on backside of station. Need to surplus miscellaneous small equipment.**

NEXT SCHEDULED MEETING: July 18, 2023 at 6:00pm in Sierraville

ADJOURNMENT: 8:20 pm

Key: T – Tabled from previous meeting H – Handout

THIS INSTITUTION IS AN EQUAL OPPORTUNITY PROVIDER & EMPLOYER, PLEASE CALL 530.604.4013 AHEAD IF YOU NEED ANY ACCOMODATIONS.



Kelly Champion <sierracountyfire1@gmail.com>

Chiefs report for June 2023

1 message

mick@mickconnolly.com <mick@mickconnolly.com>
To: Kelly Champion <sierracountyfire1@gmail.com>

Thu, Jul 13, 2023 at 9:20 PM

Runs: 2 medical calls, 2 community service calls, 1 MVA and 1 burn pile check at the transfer station. (reports needed for burn pile check and one medical)

Fleet: WT82 pump is repaired and is back in service, our new engine 384 (used, from Cal-Fire is here and pumps well, Rudy is still going through it)

Comms: we're still having issues with our network as central as west willow and last week two calls in Calpine that had little or no response due to these issues.

Facilities: the water heater here in St. 82 is up and running. Big thanks to Mike Cory for the heater installation and Jordan Alley for the electrical work.

Bollards have been installed on the hydrant here at St 82 to protect it from impacts by vehicles.

Tom Rowson and Rick organized a building water shut off and yard hydrant here at St 82.

2. Training: we've had 5 training since our last meeting and are transitioning to wildland fire attack.

Recruitment: we had a pretty universal response from everyone that our members talked to as far as prospective volunteers at the Fire Palooza event; "That they were all too busy". Which frankly so are most of us, that do volunteer our time to provide emergency response in the county. I'm working on an article for the local papers to lay out the situation, county wide, concerning emergency services.

Kevin Trent is sending me an updated quote for a "combi"(spreader/cutter) extrication tool, so that E282 will have both extrication as well as fire fighting capability.

The replacement AED should be here by August.

--

Mick Connolly
Chief 8100
Sierra County FPD
(M) 209-481-2711

SIERRA COUNTY FIRE PROTECTION DISTRICT #1

FINANCIAL POLICY



FINANCIAL OVERSIGHT – FINANCE COMMITTEE

PURPOSE:

The purpose of this Policy is to list options for oversight on financial matters concerning operations of Sierra County Fire Protection District #1.

POLICY:

It shall be the policy of the Sierra County Fire Protection District #1 Board of Directors to provide financial oversight for the provision of services to the citizens served by the District. This governing body shall function as prescribed in the California Special District Law, Fire Protection Districts (Health and Safety Code §13800et. Seq.), the Meyers-Milias-Brown Act, and the Ralph M. Brown Act.

When determined to be necessary or desirable, as outlined in the *Board of Directors Operations Policy, Article V, Section 5.5*, the Board of Directors may form and maintain a Finance Committee to provide financial oversight for provision of services to the citizens served by the Sierra County Fire Protection District #1 and make recommendations to the Board of Directors.

INTENT:

The provisions of the policy are to assist the Board of Directors of the Sierra County Fire Protection District #1 as they administer and represent the business and affairs of the District. It is the intent and purpose of this directive to help, clarify and define the responsibilities of the authorized officials of the Sierra County Fire Protection District #1.

PROCEDURES:

When the Finance Committee is utilized to provide financial oversight on behalf of the Board of Directors, the Committee shall:

Review Monthly Financial Statements and Expenditure Detail with staff and make recommendations to the Board of Directors.

Review other financial reports and issues with staff as directed by the Board.

Review the Annual Budget with staff and make recommendations to the Board.

Work with staff on financial issues, revenue and expenditure issues as directed by the Board.

When the Finance Committee is not utilized, the full Board of Directors shall be responsible for carrying out these financial duties for Sierra County Fire Protection District #1.

SIERRA COUNTY FIRE PROTECTION DISTRICT #1

FINANCIAL POLICY



CREDIT CARD USAGE

PURPOSE:

The purpose of this policy is to prescribe the internal controls for management of District credit cards.

POLICY:

This policy applies to all individuals who are authorized to use District credit cards and/or who are responsible for managing credit card accounts and /or paying credit card invoices.

IMPLEMENTATION:

A credit card shall be issued to the Fire Chief. Credit cards may also be issued to members of the Board of -Directors who provide procurement and operation oversight under the direction of the full Board of Directors. A credit card shall be issued to the District Bookkeeper for vendor purchases which do not accept credit account purchases but are of benefit to the District. Card limits are as follows:

Fire Chief	\$5,000
Fire Chief Deployment Card	\$2,000
Director	\$2,000
Bookkeeper	\$2,000

All credit card invoices shall be paid in a timely manner to avoid late fees and finance charges.

All credit card expenses shall be reasonable and necessary to the furtherance of District business. Credit cards should not be used if the District has an existing account relationship with the merchant. No personal expenses shall be charged on a District credit card. If there is an overlap on a transaction between personal and District business, the purchase shall be paid personally and then request reimbursement from the District.

All credit card transactions shall have third-party documents (receipts) attached and the District purpose annotated by the cardholder. Documentation should be forwarded to the District Bookkeeper as soon as possible.

The District Bookkeeper shall review expenditures with the Finance Committee or the full Board of Directors.



**AUTHORIZED USER AGREEMENT
USE OF DISTRICT ISSUED CREDIT CARDS**

Sierra County Fire Protection District #1 (the "District") will issue credit cards to authorized individuals for use in their jobs. The District Issued Credit Card Policy sets out the acceptable and unacceptable uses of such credit cards. Use of District-issues credit cards is a privilege, which the District may withdraw in the vent of serious or repeated abuse.

I, _____, hereby certify that I have read, understand, and agree to adhere to the Authorized User Agreement: Use of District Issued Credit Card and District Credit Card Usage Policy. I agree to use the credit card for District business only. I agree that if I make any transactions in violation of the policy, I.e., incur financial liability on the District's part that is not within the scope of my duties, my authorization to make business-related purchases, or use the card for personal purchases, I am financially responsible for any such expenses and agree to reimburse the District for such amounts until the unauthorized amounts are fully repaid.

I have read the Authorized User Agreement: Use of District Issued Credit Card and understand that misuse of the District-issued credit card may result in disciplinary and/or legal action.

Signature of Authorized User

Date

Name (Please Print)



INVESTMENT POLICY

PURPOSE:

This policy is intended to provide guidelines for the prudent investment of the District’s cash for which no immediate need is anticipated. The District has chosen to abide by a uniformly conservative policy in the investment of temporarily idle funds.

The District follows the “prudent person rule” outlined in the Civil Code, §2261, et. Seq., which states in essence that in investing, a commissioner shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs. The District is further restricted by provisions of the Government Code, §53600, et. Seq.

The District considers investments based on safety, liquidity and yield when choosing investment options. The District attempts to obtain the highest yield obtainable, as long as investments meet the criteria established for safety and liquidity. The District only operates those investments that are considered safe. Liquidity of funds is considered in terms of expected and unexpected need for the funds based on known encumbrances and historical experience. As a minimum the District shall maintain reserve balances consistent with the District’s current Financial Reserve Policy.

CERTIFICATES OF DEPOSIT:

The District may enter into any contract with a depository relating to any deposit which in the Board’s judgement is to the public advantage with certain restrictions. Any deposit to a savings association or bank shall not exceed a level of such that is insured or secured as required by law.

CALIFORNIA COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM (Cal CLASS):

The District may periodically deposit monies into the Cal CLASS investment pool. There is no set maturity date of these investments. They may be withdrawn at any time without penalty. The interest rates should be reviewed periodically along with Certificates of Deposit (CD’s) issued by local banks or savings associations when determining best investment strategies.

SIERRA COUNTY INVESTMENT POOL:

The Board of Directors has set forth the authorization and deposit of the investment of excess funds with the Treasurer of Sierra County, as outlined by Resolution 2014-1. The Board of Commissioners Directors may determine, from time to time, that it may be advantageous to make deposits for the purposes of investment with the Sierra County Treasurer. The Board of Commissioners Directors has reviewed the Sierra County Treasurer’s Investment Policy Statement (the “IPS) and is familiar with its contents. Having considered and weighed the risks of investing (including, but not limited to, the risks of loss of interest and principal) the Board of Directors finds and determines that it is appropriate and legal to invest its money in the Sierra County Treasury as permitted by the IPS. The authority to make deposits and withdrawals of District funds in the County Investment Pool is delegated to the County Secretary/Treasurer.



CAPITALIZATION AND DEPRECIATION:

Capital projects or composite group purchases approved as part of the Capital Improvement Budget shall be capitalized at the end of the fiscal year that the project or purchase is completed and accepted by the District’s Board of Directors as an asset to the District. It is the District’s policy not to capitalize any project or purchase with a value of less than \$5,000 unless an individual purchase can be associated with a completed project or composite group of approved purchases. Depreciation shall be computed by the District Auditor and reviewed by the District Bookkeeper during the annual audit.

SIERRA COUNTY TAX COLLECTOR:

Property taxes are collected by Sierra County and held until requested by the District. These funds are invested according to the Sierra County Treasurer’s Investment Policy.

LOCAL AGENCY INVESTMENT FUND (LAIF)

The Local Agency Investment Fund (LAIF) is a voluntary program created by state statute in 1977 as an investment alternative for California’s local governments and special districts. This program offers local agencies the opportunity to participate in a major portfolio using the expertise of the State Treasurer’s Office professional investment staff at no additional cost to the taxpayer. The District maintains funds through LAIF, administered by the Board of Directors through the Sierra County Treasurer. There is no maturity date of these investments and with Board approval, they may be withdrawn at any time without penalty.

GRANT FUNDS:

On occasion the Sierra County Fire Protection District #1, under the guidance of the Sierra County Treasurer’s Office, may receive and disperse grant funds intended for use by other agencies or committees within District boundaries which are beneficial to constituents of the District. These grants funds will be held and dispersed as agreed, with no financial impact to the District.



Sierra County Fire Protection District # 1
PO Box 255
Sierraville, CA 96126
www.sierracountyfireprotectiondistrict1.com

Directors
Jeff McCollum – Chair
Rick Maddalena
Thomas Archer
Tom Rowson
Candy Hunter
Victoria Fisher
Tony Commendatore

RESOLUTION 2023-04

**A RESOLUTION OF THE BOARD OF DIRECTORS AMENDING THE
FINANCIAL POLICY**

WHEREAS, the District originally adopted a Financial Policy on January 12, 2021; and

WHEREAS, the Board of Directors desires to review the Financial Policy annually; and

WHEREAS, the Board of Directors considers investments based on safety, liquidity and yield; and

WHEREAS, revisions to the Financial Policy are necessary to reflect additional investment opportunities available;

BE IT HEREBY RESOLVED that the Board of Directors of the Sierra County Fire Protection District #1, adopts the revised Financial Policy, attached as **Exhibit A**.

PASSED AND ADOPTED on this ____ Day of _____, 2023 at the Regular Meeting of the Board of Directors by the following Roll Call vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

APPROVED: _____
Jeff McCollum, Chairman

ATTEST: _____
Kelly Champion, District Clerk

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement ("Agreement") is entered into as of July 1, 2023 by and between **SIERRA COUNTY FIRE PROTECTION DISTRICT No 1**, a public agency, ("District"), and Rudy Hoyos, with a principal place of business in Sierra County California ("Contractor").

1. Services.

1.1 Nature of Services. Contractor will perform the services, as more particularly described in **Exhibit A**, as an independent contractor. The Services have been specially ordered and commissioned by District.

1.2 Relationship of the Parties. Contractor enters into this Agreement as, and shall continue to be, an independent contractor. All Services shall be performed only by Contractor. Under no circumstances shall Contractor, look to District as his/her employer, or as a partner, agent or principal. Neither shall Contractor be entitled to any benefits accorded to District's employees, including without limitation worker's compensation, disability insurance, vacation or sick pay.

1.3 Compensation and Reimbursement. Contractor shall be compensated and reimbursed for the Services as set forth on **Exhibit B**. Completeness of work product shall be determined by District in its reasonable discretion, and Contractor agrees to make all revisions, additions, deletions or alterations as requested by District. No other fees and/or expenses will be paid to Contractor, unless such fees and/or expenses have been approved in advance by the District Chief or Commission of rendering such services. Contractor shall be solely responsible for any and all taxes applicable to such compensation.

2. Term of Agreement, Renewal and Termination.

2.1 Term. This Agreement shall be effective from the date set forth above and continue for a period of two (2) years ending on June 30, 2025 unless sooner terminated or amended by either Party in accordance with the terms and conditions of this Agreement ("Term").

2.2 Renewal and Extension. This Agreement may be renewed and extended for the same duration as the initial term, as the Parties may then mutually agree.

2.3 Termination. This Agreement is terminable by either Party at any time with four (4) weeks' advance written notice, with or without cause, effective upon notice to the other party. If District exercises its right to terminate the Agreement, any obligation it may otherwise have under this Agreement shall cease after four weeks from the date of notice. If Contractor exercises its right to terminate the Agreement, any obligation it may otherwise have under this Agreement shall cease after four weeks from the date of notice. Contractor shall be entitled to be paid for services provided to date of termination, unless Contractor shall be in breach or default of the material terms and conditions hereof.

2.4 Termination for Cause. This Agreement may be terminated at any time, with or without notice, in the event of a breach or default of any of the material terms hereof by either Party.

3. Additional Provisions.

3.1 Non-Discrimination. The contractor will represent District in a positive, courteous and professional manner. District has non-discrimination policies and Contractor will uphold these policies and treat all guests, regardless of race, religion, ethnicity, and sexual orientation, equally.

3.2 Governing Law and Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its choice of law principles. In any action or suit to enforce any right or remedy under this Agreement or to interpret any provision of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs and other expenses.

3.3 Entire Agreement. This Agreement, including the Exhibits, which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between the parties.

3.4 Amendment and Waivers. Any term or provision of this Agreement may be amended, and the observance of any term of this Agreement may be waived, only by a writing signed by the party to be bound. The waiver by a party of any breach or default in performance shall not be deemed to constitute a waiver of any other or succeeding breach or default. The failure of any party to enforce any of the provisions hereof shall not be construed to be a waiver of the right of such party thereafter to enforce such provisions.

3.5 District Facility Use. Contractor will not use District property to perform work on other client projects.

CONTRACTOR

**SIERRA COUNTY FIRE PROTECTION
DISTRICT#1**

By: _____
Rudy Hoyos, Principal

By: _____
Jeff McCollum, Chairman

DATE: _____

EXHIBIT A

Description of Services

Services to be provided by Contractor:

This position is responsible for the maintenance and service of all fire district vehicles. It requires the knowledge of the proper mechanical operation of fire type vehicles and the correct techniques for their maintenance and service. This position will maintain a readily available inspection record of the maintenance and service status of each District vehicle.

Work space has been provided at Station 82 in Sierraville. The Contractor agrees to maintain this space in a clean and orderly manner. Contractor is responsible for providing all necessary tools.

Any material or parts purchased will require submission of receipts in a manner that allows the District Clerk to clearly identify the apparatus or facility that the parts and material were used for. The receipts will be submitted to the Clerk as soon as the work is completed. Failure to comply with receipt submission will result in the withholding of the salary and the hourly wage until the parts or materials are clearly identified.

Critical Tasks are considered part of the Contractor payment as set forth in Exhibit B. Other work performed will be compensated by the hourly rate in Exhibit B and work performed shall only occur after approval of the Fire Chief or Board of Directors. Contractor may decline any task that he/she considers outside of his/her knowledge base and experience level.

Critical Tasks

Each month, for each apparatus:

- Contractor will check the air compressor and lines for leaks. Ensure batteries are fully charged, corrosion free and that all belts and hoses are in good working order. Check each vehicle for any recent body damage and report findings to the Chief if any damage is discovered.
- Contractor will ensure the brakes on each vehicle work properly (Contractor is not responsible for brake repair). All fluids shall be maintained at proper levels, and that the drive line and fittings are greased. Motors will be checked for overall appearance and oil and exhaust leaks. Ensure that the exhaust system is in good working order.
- Contractor will ensure the heater-defroster work properly and no moisture is allowed to build up on the windshield. Windshield wipers shall be inspected and replaced as needed. All apparatus windows must operate.

- All vehicles will be checked to ensure that they are maintaining the proper turning radius and that the tires are undamaged and wearing properly. Inspect all rims for damage and ensure lug nuts are tight. Vehicle frames shall be inspected.
- Ensure code 3 equipment is functioning properly. At least one horn on each vehicle shall be in working order. Lights and mirrors shall operate as designed.
- Inspect SCBA air tanks and masks and ensure tanks are properly pressurized.
- The motor oil for all vehicles shall be changed each year.
- Preventative maintenance on all vehicles will be done in accordance with the manufacturer's recommendation.
- Install and remove tire chains on apparatus per the Fire Chiefs direction.
- All used fluids will be disposed of in a manner consistent with law.

Any requests by the Fire Chief or Board of Directors to perform facility maintenance, repair and upgrade is considered extra and will be invoiced as additional hours under appendix B rates.

All vehicle maintenance and repairs not listed in critical tasks will be considered additional billable hours.

EXHIBIT B
Payment

Compensation

Contractor shall receive payment in the sum of \$650.00 per month which shall be due and payable on or before the 15th day of each and every month during the term hereof. Additional services, as requested and approved by the Chief and Board of Directors, shall be paid at the rate of \$25.00 per hour and shall be invoiced and accounted for each month by Contractor.

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (“Agreement”) is entered into as of July 1, 2023 by and between **SIERRA COUNTY FIRE PROTECTION DISTRICT No 1**, a public agency, (“District”), and Kelly Champion, with a principal place of business in Sierra County California (“Contractor”).

1. Services.

1.1 Nature of Services. Contractor will perform the services, as more particularly described on **Exhibit A**, as an independent contractor (the “Services”). The Services have been specially ordered and commissioned by District.

1.2 Relationship of the Parties. Contractor enters into this Agreement as, and shall continue to be, an independent contractor. All Services shall be performed only by Contractor. Under no circumstances shall Contractor, look to District as his/her employer, or as a partner, agent or principal. Neither shall Contractor be entitled to any benefits accorded to District’s employees, including without limitation worker's compensation, disability insurance, vacation or sick pay.

1.3 Compensation and Reimbursement. Contractor shall be compensated and reimbursed for the Services as set forth on **Exhibit B**. Completeness of work product shall be determined by District in its reasonable discretion, and Contractor agrees to make all revisions, additions, deletions or alterations as requested by District. No other fees and/or expenses will be paid to Contractor, unless such fees and/or expenses have been approved in writing in advance of rendering such services. Contractor shall be solely responsible for any and all taxes, Social Security contributions or payments, disability insurance, unemployment taxes, and other payroll type taxes applicable to such compensation.

2. Term of Agreement, Renewal and Termination.

2.1 Term. This Agreement shall be effective from the date set forth above and continue for a period of two (2) years ending on June 30, 2025 unless sooner terminated or amended by either Party in accordance with the terms and conditions of this Agreement (“Term”).

2.2 Renewal and Extension. This Agreement may be renewed and extended for the same duration as the initial term, as the Parties may then mutually agree.

2.3 Termination. This Agreement is terminable by either Party at any time with four (4) weeks’ advance written notice, with or without cause, effective upon notice to the other party. If District exercises its right to terminate the Agreement, any obligation it may otherwise have under this Agreement shall cease after four weeks from the date of notice. If Contractor exercises its right to terminate the Agreement, any obligation it may otherwise have under this Agreement shall cease after four weeks from the date of notice. Contractor shall be entitled to be paid for services provided to date of termination, unless Contractor shall be in breach or default of the material terms and conditions hereof.

2.4 Termination for Cause. This Agreement may be terminated at any time, with or without notice, in the event of a breach or default of any of the material terms hereof by either Party.

3. Additional Provisions.

3.1 Indemnity. Contractor, at its expense, shall indemnify, hold harmless, and when requested by District to do so, defend District, its directors, officers, agents, and employees from any and all claims, demands or charges and from any loss or liability, including attorney's fees and expenses of litigation, arising out of negligent acts or omissions, willful misconduct or fraudulent representations or concealments of Contractor, its employees or agents in the performance of this Agreement, excepting and excluding liability for damages caused by reason of the negligence of District, its officers, agents, directors, employees, or volunteers.

3.2 Insurance. Contractor shall, at its expense, maintain in effect at all times during the duration of this Agreement not less than the following coverage and limits of insurance, which shall be maintained with insurers and under forms of policy satisfactory to District.

Comprehensive General and Automobile Liability, Property Damage and Personal Injury. Such comprehensive general and automobile liability insurance as shall protect District, its officers, agents, and employees and Contractor from claims which may arise from Contractor's operations under this Agreement, whether such operations are by Contractor or by its employees, sub-consultants, consultants, agents, or anyone directly or indirectly employed by any of the foregoing. The liability insurance shall include, but not be limited to, protection against claims arising from bodily or personal injury or damage to property resulting from operations, equipment, or products of Contractor or by its employees, sub-consultants, consultants, or anyone directly or indirectly employed by the foregoing. The amount of insurance shall be no less than 1million Dollars (\$1,000,000) single limit coverage applying to bodily and personal injury and property damage, or a combination of both.

Such insurance shall include a provision or endorsement naming District, its officers, employees, and agents, as additional insured, with respect to liability arising out of the performance of any work under this Agreement, and providing that such insurance is primary insurance with respect to the interests of District and that any other insurance maintained by District is excess non-contributing insurance with the insurance required hereunder.

Certificates of Insurance. Upon execution of this Agreement, and prior to commencement of any work, Contractor shall provide District with certificates of insurance as required hereby. The certificates and policies shall provide that thirty (30) days written notice of any change or cancellation of the insurance policies will be provided to District.

3.3 Non-Discrimination. The contractor will represent District in a positive, courteous and professional manner. District has non-discrimination policies and Contractor will uphold these policies and treat all guests, regardless of race, religion, ethnicity, and sexual orientation, equally.

3.4 Governing Law and Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its choice of law principles. In any action or suit to enforce any right or remedy under this Agreement or to interpret any provision of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs and other expenses.

3.5 Entire Agreement. This Agreement, including the Exhibits, which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between the parties.

3.6 Amendment and Waivers. Any term or provision of this Agreement may be amended, and the observance of any term of this Agreement may be waived, only by a writing signed by the party to be bound. The waiver by a party of any breach or default in performance shall not be deemed to constitute a waiver of any other or succeeding breach or default. The failure of any party to enforce any of the provisions hereof shall not be construed to be a waiver of the right of such party thereafter to enforce such provisions.

CONTRACTOR

SIERRA COUNTY FIRE PROTECTION

DISTRICT #1

By: _____
Kelly Champion, Principal

By: _____
Jeff McCollum, Chairman

DATE:

EXHIBIT A

Description of Services

Services to be provided by Contractor:

Contractor shall perform such services as are related to and necessary as Secretary/Clerk to the Board of Directors of the District and to assist in the functioning of the District fulfilling its business and operations, including but not limited to, the following:

Those marked with a “#” sign are considered above normal monthly activities warranting additional hourly compensation.

1. Post Notices, including ordinances, agendas, as required for regular and special meetings of the Board of Directors in compliance with the Brown Act and other legal requirements;
2. Ensure Board of Directors file annual Form 700 and are notified of required annual trainings;
3. Keep accurate Minutes of the Board Meetings and Standing or Ad Hoc Committee meetings as directed or required by law;
4. Keep and maintain District website, including posting of agendas, minutes, and ordinances or as directed or required by law. #Major updates to website are considered additional work;
5. Provide and maintain accurate books and records of all financial functions of the District;
6. Assist in and respond to Public Records Requests;
7. Cooperate and assist in the development and adoption of annual budgets with the District Budget Committee.
8. Maintain records for all occupational exposures and accidents using forms made available from Sierra County, and/or District’s insurers;
9. Maintain inventories of all real property, equipment (rolling stock), and land agreements. Assure vehicles are listed with insurance carrier;
10. Collect mail from the Post Office Box and Communication Box at Station 82 weekly. Transmit time sensitive material to the Board Chair for decisions on the merits of distribution to all Board members and the District Chief;

11. At the request of the Board or District Chief provide copies (either by e-mail or paper copy) of documents needed to review proposals or actions under consideration;
12. Maintain a Roster of District Volunteers and Personnel list including Names, Positions, Mailing Addresses, Phone Numbers, and E-Mail Addresses. Share roster and roster changes with worker's compensation carrier;
13. Maintain District email: sierracountyfire1@gmail.com and respond to phone calls to District Clerk contact information posted on website;
14. # Arranging, attending and/or preparing minutes of Special Meetings;
15. Track collection and expenditures of Mitigation fees. # Report annually to County Auditor;
16. Prepare distribution of property taxes to the City of Loyalton pursuant to the Fire Services Agreement;
17. # Track property taxes collected for areas served by Truckee Meadows Fire Protection District for annual accounting of needs from Service Areas;
18. # Process billings to US Forest Service, OES, Sierra County and other agencies for Cooperative Agreement, Title 3, and other forms of reimbursement;
19. # Cooperate and assist in the conduct of annual audit by and with District's certified public accountant/auditors;
20. # Prepare payments to Volunteers for their services that have been reimbursed to the District;
21. # Process all required annual federal and state filings including forms 1099's and State Controller's Office filings. Periodic update of trustees with County and State offices. (Annual Financial Transaction Report to be prepared by District's certified public accountant/auditor).

EXHIBIT B
Payment

Compensation

Contractor shall receive payment of the sum of **\$2800.00** per month which shall be due and payable on or before the **15th** day of each and every month during the term hereof. Additional services, as requested and approved by District, shall be paid at the rate of **\$55.00** per hour and shall be invoiced and accounted for each month by Contractor. The District agrees to reimburse the Contractor for 50% of the annual cost of providing insurance to meet the requirements in Agreement Provision 3.2.

**2022/2023 CAPITAL IMPROVEMENT PLAN
SIERRA COUNTY FIRE PROTECTION DISTRICT #1**

Pursuant to Section 66006 of Government Code, the District is required to annually make available to the public specific information related to the prior year's activity for development impact fees within 180 days after the last day of each fiscal year.

Sierra County Fire Protection District #1 collects development impact fees within Fire District boundaries which includes the nonincorporated communities of Sierraville, Sattley, Calpine, Sierra Brooks, Loyalton Pines, Long Valley and Verdi and neighboring ranches, farms, and recreation attractions. Development Impact Fees were first approved by the Sierra County Fire District Board of Commissioners and the Sierra County Board of Supervisors in 2011.

The content of this report will outline the spending plan for those fees collected up to and including fiscal year ending 6/30/2022 as well as 5 year projections.

An annual inventory of fee collection and projects funded since the imposition of the District's Impact Fee is available upon request.

FIRE IMPACT FEE SCHEDULE

An updated Fire Impact Fee Nexus Study was completed by Hansford Economic Consulting and approved by the Sierra County Fire Protection District Board of Commissioners and the Sierra County Board of Supervisors in 2020. The complete Study is available online at www.sierracountyfireprotectiondistrict1.org or by calling (530)604-4013.

The purpose of the Fire Impact Fees is to finance public facilities and equipment as described. A detailed list of applicable structure and use projects are outlined in Appendix A of the 2020 Impact Fee Study, and available at www.sierracountyfireprotectiondistrict1.org or by calling (530)604-4013.

PLANNED FACILITIES, APPARATUS, VEHICLE & EQUIPMENT

ADA Building Compliance/Bathroom Remodel-Station 82 Sierraville	\$	50,000
Upstairs Completion/ADA Compliance/Exterior Access-Station 84 Calpine	\$	170,000
New 3 Bay Station & Maintenance Facility-Sattley	\$	1,044,770
Replacement Water Tender (2)	\$	650,000
Command Vehicle-Purchased 6/2021	\$	4,023
Type II Engine-Purchased 9/2021	\$	5,000
Rescue 4WD Vehicle UTV Truck Style/Stokes EMS Equipment	\$	45,000
Well/Water Storage Tank-Loyalton Pines Area	\$	60,000
Dog Valley Fire Lane-Purchased 8/2020	\$	5,000
CIP & Impact Fee Analysis Study	\$	33,207
	\$	2,067,000

Current Fee	Proposed Fee*
\$1.96	\$2.02

**Fees are adjusted annually according to the Engineering News Record San Francisco Construction Cost Index March to March for a July 1 implementation not to exceed 3%.
March 2021-March 2022 - 8.9%*

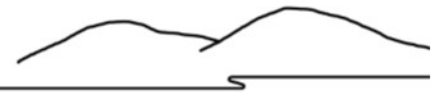
SIERRA COUNTY FIRE PROTECTION DISTRICT #1 - IMPACT FEE EXPENDITURE SUMMARY & 5-YEAR PROJECTION

Following is an account of the 2020/2021 and the 2021/2022 impact fee collection and expenditure detail through June 30th, 2022 with projected 2023-2027 collection and expenditures:

	ACTUAL 2020/2021	ACTUAL 2021/2022	PROJECTED 2022/2023	PROJECTED 2023/2024	PROJECTED 2024/2025	PROJECTED 2025/2026	PROJECTED 2026/2027
Beginning Fund Balance	\$ 964	\$ -	\$ 46,426	\$ 56,426	\$ 36,426	\$ 16,426	\$ 18,426
Annual Fees Collected	\$ 10,401	\$ 46,606	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Interest Earned							
Adjustment*	\$ (1,135)	\$ 4,820					
Refunds							
Total Revenue	\$ 10,230	\$ 51,426	\$ 56,426	\$ 66,426	\$ 46,426	\$ 26,426	\$ 28,426

Annual Expenditures	Cost	Total % Funded- Impact Fees						
Station 82 - ADA Bldg Compliance/Bathroom Remodel	\$ 50,000							
Station 84 - Upstairs Completion/ADA Compliance/Exterior Access	\$ 170,000							
Station 83-New 3 bay Maint. Fac./Fire Stn.	\$ 1,045,977							
Command Vehicle	\$ 11,992	34%	\$ 4,023					
Replacement Water Tender (2)	\$ 650,000							
Rescue UTV/Stokes EMS Equip.	\$ 45,000							
Type II Engine	\$ 5,000	100%	\$ 5,000					
Well/Water Storage Tank	\$ 60,000	100%		\$ 30,000	\$ 30,000			
Dog Valley Fire Lane	\$ 5,000	100%	\$ 5,000					
CIP & Impact Fee Analysis Update	\$ 33,207	100%	\$ 1,207			\$ 8,000		
Office Expense/Bank Fees								
Total Expenditures by Year			\$ 10,230	\$ 5,000	\$ -	\$ 30,000	\$ 30,000	\$ 8,000
Total Expenditures to Date								\$ -
IMPACT FEE BALANCE			\$ -	\$ 46,426	\$ 56,426	\$ 36,426	\$ 16,426	\$ 18,426

*20/21 adjustments reflects \$1280 uncollected on permit and \$145 adjustment between Building Dept. & Auditor. 21/22 adjustments reflect anticipated payment of uncollected fees from prior years per Building Dept. internal audit. All prior uncollected fees have been invoiced through County Auditor.



June 19, 2023

Sierra County Fire
Sierraville, CA

Dear Board:

We are pleased to confirm our understanding of the services we are providing for Sierra County Fire for the year-ended June 30 , 2023. We will audit the Statement of Net Position, Statement of Activities and where applicable the Statement of Revenues, Expenditures, and Change in Fund Balance, Balance Sheet and Statement of Cash Flows of Sierra County Fire as of and for the year ended Sierra County Fire.

Accounting standards generally accepted in the United States of America call for certain required supplementary information (RSI) to accompany the basic financial statements. The Governmental Accounting Standards Board also considers this information a necessary part of financial reporting as it provides perspective to the basic financial statements. Therefore, as part of this engagement, we will apply limited procedures to Sierra County Fire's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will primarily consist of inquiries of management regarding their methods of measurement and presentation. However, we will not express an opinion or provide any assurance on this RSI as our limited procedures do not provide us with sufficient evidence to do so under our professional standards. Consequently, the financial statements we present to you will include the following required RSI that will not be audited and, as such, our report will disclaim an opinion on this RSI:

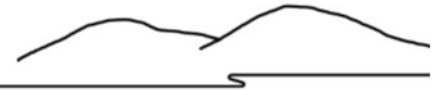
- Management's Discussion and Analysis

We also understand that supplementary information other than RSI will accompany Sierra County Fire's basic financial statements. In accordance with auditing standards generally accepted in the United States of America, we will apply auditing procedures and other additional procedures deemed necessary to the following supplementary information accompanying the basic financial statements in order to provide an opinion on this information in relation to the financial statements as a whole.

Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional supplementary information referred to above when considered in relation to the financial statements taken as a whole.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards (GAAS). Our professional standards as defined by GAAS require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. As such, our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of Sierra County Fire and other procedures we consider necessary. The procedures we determine necessary will depend on our "auditor's" judgment and will be based, in part, on our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or form an opinion, we may disclaim an opinion or not issue a report.



Audit Procedures

Our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of Sierra County Fire and other procedures we consider necessary. The procedures we determine necessary will depend on our “auditor’s” judgment and will be based, in part, on our assessment of the risks of material misstatement of the financial statements, whether from errors, fraudulent financial reporting, misappropriations of assets, or 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. 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. If we deem it appropriate, our procedures will also include tests of documentary evidence supporting the transactions recorded in the accounts, may include tests of the physical existence of inventories, and will include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters. These representations will include acknowledging our assistance with the preparation of your financial statements, the supplementary information, and notes accompanying these documents, and that you have reviewed and approved these documents, approved their release, and that you have accepted responsibility for them.

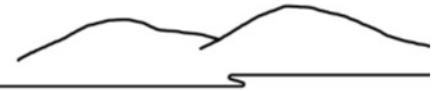
Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS and Government Auditing 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 you of any material errors that come to our attention, and we will inform you, or the appropriate level of management, of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we will consider internal controls relevant to the preparation and fair presentation of the Sierra County Fire's financial statements in order to design audit procedures that are appropriate in the circumstances. However, our audit procedures are not designed for the purpose of expressing an opinion on the effectiveness of your internal control. In accordance with our professional standards, we will communicate in writing to the appropriate level of management and those charged with governance matters concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of Sierra County Fire's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion. Management maintains the responsibility for identifying and ensuring that Sierra County Fire complies with applicable laws, regulations, contracts, and other agreements.

Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

Zach Pehling is the engagement partner for the audit services specified in this letter. His responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.



Responsibilities of Management and Those Charged with Governance

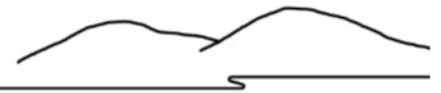
As part of our engagement, we may advise you about appropriate accounting principles and their application; however, the management of Sierra County Fire acknowledges and understands that the final responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America remains with you. This responsibility includes the financial statements, all accompanying information, and the representations that accompany them. As such, the management of Sierra County Fire is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the 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. Other management responsibilities include maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

By your signature below, you also acknowledge that the management of Sierra County Fire is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements, and all accompanying information, that are free from material misstatement, whether due to fraud or error. This responsibility includes the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Sierra County Fire and the respective changes in financial position and where applicable, cash flows, in conformity with accounting principles generally accepted in the United States of America. In addition, management is also responsible for having appropriate programs and controls in place to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization that involves management, employees who have significant roles in internal control, regulators, and others where fraud could have a material impact on the financial statements. The management of Sierra County Fire is also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting Sierra County Fire received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Sierra County Fire complies with applicable laws and regulations and for taking timely and appropriate actions to remedy any fraud, illegal acts, or violations of contracts and agreements. You agree that you will confirm your understanding of your responsibilities as defined in this letter to us in your representation letter.

Management is also responsible for the preparation and fair presentation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree that you will confirm your understanding of your responsibilities with respect to the supplementary information in your representation letter. You further agree to include our report on the supplementary information in any document that contains and indicates that we have reported on such supplementary information.

Management's responsibilities also include designating qualified individuals with the necessary expertise to be responsible and accountable for overseeing all the nonattest services we perform as part of this engagement, as well as evaluating the adequacy and results of those services and accepting responsibility for them.

You further acknowledge and understand that management is responsible for providing us with access to all information management is aware of that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters; for the accuracy and completeness of the information that is provided to us; and for informing us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements. This responsibility also includes providing us with any additional information that we may request from management for the purpose of the audit; as well as allowing us unrestricted access to individuals within the organization from whom we may determine it necessary to obtain audit evidence, including access to your designated employees who will type all confirmations we request.



Written Report

We expect to issue a written report upon completion of our audit of Sierra County Fire's financial statements. Our report will be addressed to the Board of Directors of Sierra County Fire. We cannot provide assurance that an unmodified opinion will be expressed on the financial statements. Circumstances may arise in which it is necessary for us to modify our opinion, add emphasis-of-matter or other-matter paragraphs, decline to express an opinion or withdraw from the engagement.

Other Matters

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, copies, and telephone calls), except that we agree that our gross fee, including expenses, will not exceed \$4,400 for the audit for this contract. An initial deposit of \$2,200 due at the beginning of the year and the remainder due at completion of the audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

It is our policy to keep records related to this engagement for 7 years. However, Zach Pehling CPAs does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the 7-year period Zach Pehling CPAs shall be free to destroy our records related to this engagement.

We appreciate the opportunity to be of service to Sierra County Fire 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.

Very truly yours,

A handwritten signature in black ink, appearing to read "Zach Pehling", written over a horizontal line.

Zach Pehling

RESPONSE:

This letter correctly sets forth the understanding of Sierra County Fire.

APPROVED:

Sierra County Fire

Date