



Date: September 14, 2023  
To: Board of Directors  
From: David Aranda, Interim General Manager  
Subject: Adopt Resolution No. 2023-03 (Revision #3) Authorizing Appointment of the General Manager as Treasurer

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### **Recommendation**

Discuss and adopt Resolution No. 2023-03 (Revision #3), A Resolution Of The Board Of Directors Of The Kensington Police Protection And Community Services District Authorizing Appointment Of The General Manager As Treasurer And Authorizing Transfer Of Treasurer Authority From Contra Costa County To The Board Of Directors Of The Kensington Police Protection And Community Services District.

### **Background**

The District has been attempting to change from using the County as the District's treasurer to our own resources as treasurer. The last resolution that was drafted and passed was based on a resolution Contra Costa County approved a few years ago. Apparently as noted in the e-mail response from the county it is now not acceptable.

With this agenda item I am suggesting we give it one more tries. I have asked Eide Bailly to provide some additional wording. Once approved by this Board I will send it to the County.

My suggestion is if it is again rejected, we obtain legal counsel to deal with the County on this subject. I had several discussions with various individuals at the CSDA conference last week and all agree that what the County is doing is not right and not their business in holding onto our money.

### **Exhibits**

- Resolution No. 2023-03 (Revision #3), A Resolution Of The Board Of Directors Of The Kensington Police Protection And Community Services District Authorizing Appointment Of The General Manager As Treasurer And Authorizing Transfer Of Treasurer Authority From Contra Costa County To The Board Of Directors Of The Kensington Police Protection And Community Services District.
- Email regarding Resolution No. 2023-03 Revision #2
- Email regarding Discovery Bay Resolution

**RESOLUTION NO. 2023-03 (REVISION #3)**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON  
POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
AUTHORIZING APPOINTMENT OF THE GENERAL MANAGER AS  
TREASURER AND AUTHORIZING TRANSFER OF TREASURER AUTHORITY  
FROM CONTRA COSTA COUNTY TO THE BOARD OF DIRECTORS OF THE  
KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**

**WHEREAS**, the Kensington Police Protection and Community Services District (KPPCSD) is a community services district organized and operating pursuant to California Government Code section 61000 et seq; and

**WHEREAS**, Government Code sections 61050 and 61052 provide that the Contra Costa County Treasurer shall be the Kensington Police Protection and Community Services District depository, and maintain custody of all the KPPCSD funds, unless the KPPCSD establishes an alternative depository pursuant to Government Code section 61053; and

**WHEREAS**, KPPCSD intends to withdraw its money from the County treasury; and

**WHEREAS**, KPPCSD has a system to record its financial transactions under generally accepted accounting principles that is available upon request to reflect the District's financial position as well provide sufficient records to be audited by an independent auditor; and

**WHEREAS**, KPPCSD undergoes an annual financial statement audit as engaged by an independent auditor and the audit is conducted under generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States; and

**WHEREAS**, KPPCSD has a system of internal controls over its various transaction cycles and business operations, including having developed procedures for drawing and signing checks, and ensuring that bond principal and salaries shall be paid when due; and

**WHEREAS**, it is the policy of KPPCSD to pay claims and demands before they are approved by the Board of Directors if the District Treasurer determines that the claims and demands conform to the District's approved budget; and

**WHEREAS**, to establish an alternative depository for KPPCSD funds, Government Code section 61053 requires the KPPCSD's Board of Directors to fix the amount of the bond for the KPPCSD's Treasurer and other KPPCSD employees who will be responsible for handling the KPPCSD's finances;

**WHEREAS**, the KPPCSD's Board of Directors approved the establishment of a bank account with Five Star Bank as a depository for the KPPCSD's funds; and

**WHEREAS**, it is the desire of KPPCSD's Board to establish an alternative depository to the County Treasurer, pursuant to Government Code section 61053.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The KPPCSD's Board of Directors wishes to withdraw its money from the county treasury and The KPPCSD's Board appoints the General Manager as its Treasurer who will serve in the place of the County Treasurer.

Section 3. The KPPCSD's Board hereby states its intention to withdraw its money from the County Treasury and have all revenues collected by the County on behalf of KPPCSD sent to Five Star Bank.

Section 4. The KPPCSD's Board hereby states that KPPCSD will establish its own relationship with LAIF.

Section 5. The KPPCSD's Board and the County Board of Supervisors shall determine a mutually acceptable date for this request to take place but no later than 15 months from the date of this Resolution.

Section 6. The KPPCSD's Board hereby designates Five Star Bank as the depository of the KPPCSD's money.

Section 7. The KPPCSD's Treasurer and all KPPCSD employees responsible for handling the KPPCSD's finances shall be covered in the amount set forth in the KPPCSD's Employee Dishonesty (Crime & Fidelity) Insurance Policy with SDRMA.

Section 8. The KPPCSD's Treasurer shall make quarterly or more frequent written reports to the KPPCSD's Board, as the KPPCSD Board shall determine, regarding the receipts and disbursements and balances in the accounts controlled by the KPPCSD's Treasurer.

Section 9. The KPPCSD's management has developed a system of internal controls, policies, and procedures regarding the KPPCSD's system of accounting, the drawing of checks, the timing of payments such as bond principal, salaries, and other demands and claims.

Section 10. The Board Secretary shall certify the adoption of this Resolution.

**PASSED AND ADOPTED** this 14<sup>TH</sup> day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

APPROVED:

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Alexandria Aquino-Fike  
President, Board of Directors

HEREBY CERTIFY the foregoing resolution was duly and regularly adopted by the Board of Directors of the Kensington Police Protection and Community Services District at the regular meeting of said Board held on Thursday, the 14<sup>th</sup> day of September, 2023.

ATTEST:

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Lynelle M. Lewis  
District Clerk of the Board

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David Aranda  
Interim General Manager

As part of the board packet for agenda number 13, please include this e-mail. Thanks. David.

David Aranda  
Interim General Manager

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**Kensington Police Protection & Community Services District**

510-526-4141 | Main

510-960-0716 | Cell

510-440-5410 | Fax

Email: [DAranda@kppcsd.org](mailto:DAranda@kppcsd.org)

10940 San Pablo Avenue | El Cerrito, CA. 94530



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**From:** Belinda Zhu <[Belinda.Zhu@tax.cccounty.us](mailto:Belinda.Zhu@tax.cccounty.us)>

**Sent:** Wednesday, August 23, 2023 9:58 AM

**To:** David Aranda <[DAranda@kppcsd.org](mailto:DAranda@kppcsd.org)>; Chris Wong <[Chris.Wong@ac.cccounty.us](mailto:Chris.Wong@ac.cccounty.us)>; Bob Campbell <[Bob.Campbell@ac.cccounty.us](mailto:Bob.Campbell@ac.cccounty.us)>; Russell Watts <[Russell.Watts@tax.cccounty.us](mailto:Russell.Watts@tax.cccounty.us)>; Timothy Ewell <[Timothy.Ewell@cao.cccounty.us](mailto:Timothy.Ewell@cao.cccounty.us)>

**Subject:** RE: Completed: Complete with DocuSign: Resolution No 2023-03 (Revi...

Hi David,

Our County Counsel has reviewed the attached Resolution and noted that the Resolution doesn't do the following.

(1) State its intention to withdraw its money from the county treasury. **(The Resolution needs to clearly state it)**

(3) Adopt a system of accounting and auditing that shall completely and at all times show the district's financial condition. The system of accounting and auditing shall adhere to generally accepted accounting principles. **(The Resolution doesn't do this.)**

(4) Adopt a procedure for drawing and signing checks, provided that the procedure adheres to generally accepted accounting principles. The procedure shall provide that bond principal and salaries shall be paid when due. The procedure may provide that checks to pay claims and demands need not be approved by the board of directors before payment if the district treasurer determines that the claims and demands conform to the district's approved budget. **(The Resolution doesn't do this.)**

Please include this e-mail and the attachment as part of agenda number 13. Thanks David.

David Aranda  
Interim General Manager

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**Kensington Police Protection & Community Services District**

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**From:** Belinda Zhu <[Belinda.Zhu@tax.cccounty.us](mailto:Belinda.Zhu@tax.cccounty.us)>

**Sent:** Thursday, August 3, 2023 9:03 AM

**To:** David Aranda <[DAranda@kppcsd.org](mailto:DAranda@kppcsd.org)>

**Subject:** RE: Resolution

Hi David,

Please note that the attached resolution was done about two years ago. I cannot speak on behalf of our county counsel as to if it can be used a template. Please review it only as a reference as I stated in my email below. Thanks.

Belinda Zhu  
Assistant County Treasurer  
Treasurer-Tax Collector's Office  
Contra Costa County  
625 Court Street, Room 102  
Martinez, CA 94553

**\*\*\*PLEASE NOTE THE FOLLOWING NEW NUMBERS EFFECTIVE 10/18/2021\*\*\***

**T: (925) 608-9550 F: (925) 608-9599**

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**From:** Belinda Zhu  
**Sent:** Thursday, August 3, 2023 8:57 AM  
**To:** David Aranda <[DAranda@kppcsd.org](mailto:DAranda@kppcsd.org)>  
**Subject:** RE: Resolution

Hi David,

Per your request, attached please find the resolution from Town of Discovery Bay for your reference.  
Thanks.

Belinda Zhu  
Assistant County Treasurer  
Treasurer-Tax Collector's Office  
Contra Costa County  
625 Court Street, Room 102  
Martinez, CA 94553

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**From:** David Aranda <[DAranda@kppcsd.org](mailto:DAranda@kppcsd.org)>  
**Sent:** Thursday, August 3, 2023 8:48 AM  
**To:** Belinda Zhu <[Belinda.Zhu@tax.cccounty.us](mailto:Belinda.Zhu@tax.cccounty.us)>  
**Subject:** Resolution

Good Morning Belinda: IS there any chance that you have a recent resolution by another entity that left the county that I could use as a template for our resolution that will meet the guidelines of county counsel? Thanks David.

David Aranda  
Interim General Manager

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**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**RESOLUTION 2021-15**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY,  
A CALIFORNIA COMMUNITY SERVICES DISTRICT,  
AUTHORIZING APPOINTMENT OF GENERAL MANAGER AS TREASURER AND AUTHORIZING TRANSFER OF ALL  
TREASURY/AUDIT-CONTROLLER SERVICES AND MONIES TO THE TOWN OF DISCOVERY BAY COMMUNITY SERVICE  
DISTRICT**

WHEREAS, the Town of Discovery Bay Community Services District (the "Town") is a community services district organized and operating pursuant to California Government Code section 61000 et seq.; and

WHEREAS, Government Code sections 61050 and 61052, provide that the Contra Costa County Treasurer shall be the Town's Treasurer, depository, and maintain custody of all the Town's funds, unless the Town establishes an alternative depository pursuant to Government Code section 61053; and

WHEREAS, to establish an alternative depository for the Town's funds, Government Code section 61053 requires the Town's Board of Directors to 1) state its intention to withdraw its money from the County treasury; 2) fix the amount of the bond for the Town's Treasurer and other Town employees who will be responsible for handling the Town's finances; 3) adopt a system of accounting and auditing that adheres to generally accepted accounting principles ("GAAP"); and 4) designate a bank as the depository for the Town's funds; and

WHEREAS, the Town's Board of Directors unanimously adopted a comprehensive Financial Policy to govern all financial procedures and internal controls in accordance with GAAP at the September 1, 2021, regular meeting; and

WHEREAS, the Town's Board of Directors adopted Resolution 2021-14, authorizing establishment of a bank account with Bank of Agriculture and Commerce ("BAC") as a depository for the Town's funds; and

WHEREAS, it is the desire of the Town's Board to establish an alternative depository to the County Treasurer, pursuant to Government Code section 61053.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

- SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
- SECTION 2. The Town's Board appoints the General Manager as its Treasurer who shall serve in the place of the County Treasurer.
- SECTION 3. The Town's Board hereby states its intention to withdraw monies held in depository at the Contra Costa Treasury on behalf of the Town's TODBCSD Water-Wastewater Fund 342800, DB L&L Zone 8 Fund 343000, and DB L&L Zone 9 Fund 343100.
- SECTION 4. The Town's Board and the County Board of Supervisors shall determine a mutually acceptable date for the withdrawal of the Town's monies from the County Treasury no later than 15 months from the date of this Resolution.
- SECTION 5. The Town's Board hereby designates Bank of Agriculture and Commerce as the depository of the Town's money.
- SECTION 6. The Town's Treasurer and all Town employees responsible for handling the Town's finances shall be covered in the amount set forth in the Town's Employee Dishonesty (Crime & Fidelity) Insurance Policy.
- SECTION 7. The Town's Treasurer shall make quarterly or more frequent written reports to the Town's Board, as the Town's Board shall determine, regarding the receipts and disbursements and balances in the accounts controlled by the Town's Treasurer.

SECTION 8. The Board Secretary shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 3rd DAY OF NOVEMBER 2021.



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Bryon Gutow  
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on November 3rd, 2021, by the following vote of the Board:

AYES: 5  
NOES: 0  
ABSENT: 0  
ABSTAIN: 0

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\_\_\_\_\_  
Dina Breitstein  
Board Secretary