

# County of Santa Clara

Board of Supervisors

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October 1, 2021

**To:** Board of Supervisors  
 Finance and Government Operations Committee  
 Housing, Land Use, Environment, and Transportation Committee

**From:** Cheryl Solov   
 Board of Supervisors Management Audit Manager

**Subject:** Los Altos Hills County Fire District Report Back on Implementation of Audit Recommendations Through the Management Audit Division

At the October 6, 2020 Board of Supervisors regular meeting, at the request of Supervisors Ellenberg and Simitian, the Board directed the Los Altos Hills County Fire District (LAHCFD) to report on a monthly basis until October 2021 through the Finance and Government Operations Committee (FGOC) and the Housing, Land Use, Environment, and Transportation (HLUET) Committee regarding progress toward implementing the LAHCFD Management Audit recommendations as approved by the Board of Supervisors.

Based on our review of the LAHCFD's actual spending, its actual contracting, its use of County Counsel for its legal services, its adoption of improved record-keeping policies and practices, and the elimination of its private tree program in favor of more aggressive efforts to mitigate severe fire risks, all of the LAHCFD audit recommendations as approved by the Board of Supervisors have been implemented.

The remainder of this memorandum summarizes our review of actions taken by the LAHCFD as of October 1, 2021, organized by section of the audit report.

**Section 1. Use of District Funds**

*Management Audit Division verified actions taken by the Fire District:*

- Authorized execution of an agreement with the County of Santa Clara, effective August 19, 2020, for exclusive legal services counsel (Approved LAHCFD Resolution 20-29)
- Terminated private legal counsel (Approved LAHCFD Resolution 20-30)
- Our review of a sample of expenditures posted to the County financial system

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**County Executive:** Jeffrey V. Smith

through October 1, 2021 indicates that expenses relate to contractual agreements, which have been reviewed by County Counsel, for services pertaining to District functions and District-owned infrastructure. The District has fully addressed our findings and recommendations pertaining to use of its funds.

## Section 2. Use of District Funds for Private Tree Services

*Management Audit Division verified actions taken by the Fire District:*

- Removed the dead/dying Eucalyptus tree removal program from the Fire District's website <https://www.lahcfd.org/programs-for-residents/>
- Our sample review of contract expenditures processed in FY 2020-21 through October 1, 2021 did not identify any expenditures for private tree services. The Fire District is providing brush chipping and defensible space services to the community through a contract with the non-profit Santa Clara County Fire Safe Council. The District has fully addressed our findings and recommendations pertaining to its previous private tree services.

## Section 3. Brown Act Compliance

*Management Audit Division verified actions taken by the Fire District:*

- Authorized execution of an agreement with the County of Santa Clara, effective August 19, 2020, for exclusive legal services counsel (Approved LAHCFD Resolution 20-29)
- Terminated private legal counsel (Approved LAHCFD Resolution 20-30)
- County Counsel's provision of services to the Fire District have been confirmed to us by the County Counsel's Office
- Transferred District legal records in hardcopy files from private legal counsel to County Counsel; the District furnished records documenting the transfer of files. The District has fully implemented this recommendation.

## Section 4. Fire Prevention Programs Are Not Aligned with Fire Risks

*Management Audit Division verified actions taken by the Fire District:*

- Adopted revised Annex 4 to the Santa Clara County Wildfire Protection Plan and Addendum as the LAHCFD Community Wildfire Protection Plan (CWPP) (Approved LAHCFD Resolution 19-21). Based on our review of invoices, as previously noted, the Fire District is providing hazard-reduction services, such as brush chipping, through the Santa Clara County Fire Safe Council. Beyond this, the District has continued to focus on high-risk areas for mitigation efforts. The effort to target fuels along the Moody-El Monte evacuation route is exactly the sort of focused effort the audit team was hoping would come of the recommendation we made. As such, the District has fully implemented this recommendation.

## Section 5. Fire District Compliance with State and Local Procurement Requirements

*Management Audit Division verified actions taken by the Fire District:*

- The previously mentioned changes provide for County Counsel to review and approve contracts as to form and legality.

- In keeping with our recommendations to improve the District’s recordkeeping practices, at its meeting of September 21, 2021, the LAHCFD Commission amended the District’s “Records Management, Retention and Retrieval Administrative Policy” as part of its agenda Item 4. The audit identified a practice in which the District was not consistently, independently retaining records related to procurement activities carried out by its vendors. These records were instead held by the private vendors who worked on the procurement efforts, and retained records were often in hard copy in boxes. The policy adopted by the LAHCFD Commission on September 21, 2021 includes the following requirements that relate to this recommendation:

“C. Bid and Bid Process Records:

- i. Engineering and construction bid records and bid process documents produced by third party vendors are retained in the District’s online shared file sites for upload, retrieval, and storage.
  - ii. The documents stored in the online shared file sites are to be copied into the District’s cloud storage system for backup, retrieval, storage, and production of documents when necessary.”
- In addition, the District has contracted for digitization of its records and has contracted for assistance with record-keeping practices. As part of our review process, we conducted interviews and reviewed electronic records to verify that the District is in fact retaining records pertaining to contracting activities carried out by third parties, that it developed and approved the above policy, and that its personnel understand the need for independent retention of these records. Based on our review of the District and Commission actions, the audit recommendations pertaining to record-keeping have been fully implemented.

Regarding the LAHCFD Management Audit as a whole, all of the recommendations as approved by the Board of Supervisors have been implemented. We appreciate the assistance of the LAHCFD throughout this verification and review process.