

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
CITY OF FOSTER CITY
LEVEE PROTECTION PLANNING AND IMPROVEMENT PROJECT (CIP 327-657)
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2021**

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City Manager, Finance and Public Works Director
and the Levee Bond Oversight Committee of the City of Foster City
Foster City, California

We have performed the procedures described below, which were agreed to by the City of Foster City (City), to assist you in reviewing the selected Time and Materials (T&M) billings by the Designer and the Construction Manager to test their compliance to the bond covenants requirement of the General Obligation Bonds, Series 2020 (GO Bonds) for Levee Protection Planning and Improvements Project (Levee Project). The City’s management is responsible for the subject matter listed above. The number of reviews shall be three. The duration of each review period is one month. The review period shall be selected by the Levee Bond Oversight Committee.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of ensuring the accuracy of billings and compliance with the Bond covenants by the Designer and Construction Manager for the particular month selected. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Each billing tested by Maze & Associates for the Designer and Construction Manager indicate that they [were] in compliance of the bond covenants and the agreements with the City/District.

Review the compliance requirements of the GO bond covenants and the City’s Agreements with both the Designers and Construction Manager

We have obtained and reviewed the bond covenants specifically related with the restrictions of the expenditures applicable to the Design and Construction Management of the Levee Projects, as well as the Agreements between City and the Designers/Construction Manager for the testing purpose.

1. Test Designer’s billings for three months judgmentally selected for the period covered

We tested three billings judgmentally selected of the Designer (Schaaf & Wheeler) by:

- Tracing to the supporting documents
- Verifying the proper approvals
- Recalculating the charges to ensure the accuracy and proper period of the billings
- Evaluating whether the billings by the Designer comply to the requirement of the bond covenants and the agreements with City

2. Test Construction Manager’s billings for three months judgmentally selected for the period covered

We tested three billings judgmentally selected of the Construction Manager (Tanner Pacific, Inc.) by:

- Tracing to the supporting documents

- Verifying the proper approvals
- Recalculating the charges to ensure the accuracy and proper period of the billings
- Evaluating whether the billings by the contractor comply to the requirement of the bond covenants and the agreements with City

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. This agreed-upon procedures engagement is only for the Time and Materials contract and not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance to the GO Bonds for Levee Project. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and the Levee Bond Oversight Committee, and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Pleasant Hill, California
_____, 2022