



AGENDA

**Regular Meeting of the Board of Directors
Thursday, October 13, 2016 at 11:30 a.m.
Progress Park Plaza, 15500 Downey Avenue, Paramount, CA**

- 1. Roll Call**
- 2. Determination of a Quorum**
- 3. Additions to Agenda (Govt. Code Sec. 54954.2(b))**
- 4. Oral Communications to the Board**
This is an opportunity for members of the public to address the Board on any item under the jurisdiction of the agency. Depending upon the subject matter, the Board may be unable to respond until the item can be posted on the agenda at a future meeting in accordance with provisions of the Brown Act.
- 5. Consent Calendar: (Acted as one item unless withdrawn by request)**
 - a. Minutes of the Board Meeting of September 8, 2016 (Enclosure)
 - b. Warrant Register Report for October 2016 (Enclosure)
- 6. Professional Services Agreement “PSA” with Vicenti, Lloyd & Stutzman LLP for On-Going Financial Consulting Services (Enclosure)**
 - a. Approve the PSA with Vicenti, Lloyd & Stutzman LLP as presented and authorize the Chair to execute this Agreement
 - b. Approve the amendment to GWMA’s FY 2016/17 Budget to add an additional \$5,000 to the Professional Services line item for Accounting Consultant Services
- 7. Status on Private Companies MOU (Enclosure)**
- 8. Consideration to Accept the Pico Water District as GWMA JPA Member (Enclosure)**
 - a. Approve the Pico Water District membership to the GWMA (*requires super-majority vote of GWMA Board*)
- 9. Gateway Region Watershed Management Groups**
 - a. Lower Los Angeles River Upper Reach 2 Watershed Group
 - b. Lower Los Angeles River Watershed Group

Christopher Cash (Paramount), Board Chair • Adriana Figueroa (Norwalk), Vice-Chair • Steve Myrter (Signal Hill), Secretary/Treasurer
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- c. Los Cerritos Channel Watershed Group
- d. Lower San Gabriel River Watershed Group

10. Executive Officer's Report

11. Directors' Comments/Reports

12. Adjournment to a Regular Meeting of the Board on October 27, 2016 at 5:30 p.m. at the City of Lakewood Council Chambers (Stormwater Workshop for Local and Elected Officials and Managers)

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AGENDA ITEM NO. 5A

**MINUTES OF THE GATEWAY WATER MANAGEMENT AUTHORITY
LOS ANGELES GATEWAY REGION
INTEGRATED REGIONAL WATER MANAGEMENT JOINT POWERS AUTHORITY
BOARD
AT PARAMOUNT, CALIFORNIA
THURSDAY, SEPTEMBER 8, 2016**

A regular meeting of the Board of Directors of the Gateway Water Management Authority was held on Thursday, September 8, 2016 at 11:30 a.m. at the Progress Park Plaza, 15500 Downey Avenue, Paramount, CA 90723.

Chair Chris Cash called the meeting to order at 11:44 a.m. Roll was called by Ms. Penn and a quorum of the Board was declared.

BOARD MEMBERS PRESENT:

Okina Dor	Artesia
Audra McDonald (alternate)	Avalon
Chau Vu (alternate)	Bell Gardens
Tammy Hierlihy	Central Basin MWD
Mike O'Grady (alternate)	Cerritos
Gina Nila	Commerce
Mohammad Mostahkami	Downey
Mark Stowell	La Mirada
Lisa Rapp	Lakewood
Anthony Arevalo	Long Beach
Anatole Falagan (alternate)	Long Beach Water Department
Adriana Figueroa	Norwalk
Chris Cash	Paramount
Frank Beach (alternate)	Santa Fe Springs
Steve Myrter	Signal Hill
William De Witt	South Gate
Scott Rigg (alternate)	Vernon
Dave Schickling	Whittier
Esther Rojas (alternate)	Water Replenishment District

STAFF AND GUESTS ON SIGN-IN SHEET:

Grace Kast	Executive Officer
Toni Penn	Admin/Accounting Manager
Bibi Weiss	Office Assistant
Bill Minasian	Downey
Richard Watson	Richard Watson & Associates
Gerry Greene	CWE Corp
David Pelsner	HR Green

ITEM 3 - ADDITIONS TO THE AGENDA

None.

ITEM 4 – ORAL COMMUNICATIONS TO THE BOARD

None.

ITEM 5 – CONSENT CALENDAR

Director Rapp motioned to approve the consent calendar. Director Rojas seconded the motion which was approved by the following voice vote:

AYES: DOR, VU, HIERLIHY, O’GRADY, RAPP, AREVALO, FALAGAN, CASH, MYRTER, RIGG, SCHICKLING, ROJAS

NOES: NONE

ABSTAIN: FIGUEROA, BEACH, STOWELL, McDONALD

ITEM 6 – PRESENTATION – WATERSHED UPDATES (Watson & Greene)

Director Nila entered the meeting at 11:48 AM.

Mr. Gerald Greene updated the Board on the current status of the LAR UR2 WMA. He also spoke about the MS4 Permit requirements, the WMP Implementation and the CIMP Implementation.

Director Mostahkami entered the meeting at 11:50 AM.

Director DeWitt entered the meeting at 11:53 AM

Mr. Richard Watson updated the Board on the current status of the LCC and spoke about the Water Quality Improvement Strategy. He also gave an update on Implementing the WMP and Implementing the CIMP, and planning for the future.

Mr. Richard Watson also provided the Board with an updated on the Lower LA River. He spoke about the new Watershed based annual report and the completed Corridor Survey. He gave an update in regards to Prop 1 Grant Application, and the significant outfall monitoring. He also updated the Board on the annual report on the Bacteria TMDL progress.

Mr. Richard Watson also provided the Board with an update on the Lower San Gabriel River. He spoke about the Stormwater Treatment Corridor Survey and the significant outfall monitoring.

ITEM 7 – STATUS ON PRIVATE COMPANIES MOU

Ms. Grace Kast reported that Mr. John Hunter, the lead consultant for the Lower Los Angeles River Watershed (LLAR) Group, was contacted by a private company regarding their NPDES monitoring requirements. She stated that the Regional Board was offering private companies the option to participate with an existing monitoring group to comply with their requirements.

Ms. Kast stated that GWMA had previously worked with requests from other industries and had established Agreements with industries discharging into the Greater (downstream) Los Angeles Harbor. She indicated that this Agreement allowed for cost sharing for the implementation of a coordinated compliance monitoring and reporting plan as required by the Regional Board.

After general discussion, the Board directed staff and legal counsel to analyze GWMA's risk factors, find out how many private companies would be involved, what the cost factor's would be, staffing requirements, how monies collected from private companies would be allocated, and bring a proposal before the Board for consideration.

ITEM 8 – DISCUSSION/ACTION REGARDING GWMA'S AUDIT FOR FY 2015/16

Ms. Grace Kast reported that it was now time to retain a firm to prepare for GWMA's Audit for FY 2015/16. She indicated that due to consistency during this stage of the accounting transition, it was recommended by the Treasurer and GWMA's Accounting Consultant, to continue to engage the same auditor, Moss, Levy & Hartzheim, LLP, that was used by Signal Hill for the past 3 years.

Director Figueroa motioned to retain Moss, Levy & Hartzheim LLP to conduct GWMA's FY 2015/16 audit in an amount not to exceed \$9,450. Director DeWitt seconded the motion which was approved by the following votes:

**AYES: DOR, MCDONALD, VU, HIERLIHY, O'GRADY, NILA,
MOSTAHKAMI, STOWELL, RAPP, AREVALO, FALAGAN,
FIGUEROA, CASH, BEACH, MYRTER, DEWITT, RIGG,
SCHICKLING, ROJAS**

NOES: NONE

ABSTAIN: NONE

ITEM 9 – IRWMP ACTIVITIES AND UPDATE

Director Cash reported that the position of Chair of the Greater LA IRWM Disadvantaged Communities (“GLAC DAC”) Committee had recently become vacant. He stated that, based on this vacancy, the GLAC DAC Committee and GLAC Leadership Committee requested that GWMA’s Executive Officer, Grace Kast, serve as its Chair and by extension, also serve as one of the two representatives from GLAC on the larger regional funding area DAC Committee (“DACIP”). He indicated that the Regional Disadvantaged Community Involvement Program (“DACIP”) was made up of 2 representatives from each of the 3 regions in the LA/Ventura Funding. He also stated that the unanimous support for Ms. Kast’s service as Chair was based largely on the fact that the majority of the Gateway Region is a DAC sub-region and she has been participating on the DAC Committee. In closing, he reported that her nomination was approved by the GLAC Leadership Committee on August 31st, and they were now asking the GWMA to consider approving these additional duties which would be reimbursed through a grant between LACFCD and DWR.

After discussion, Director Figueroa moved to approve Amendment No. 2 to the GK Consulting Professional Services Agreement for the Executive Officer to serve as the GLAC DAC Chair and RDCIP Representative in the amount not to exceed \$18,000. Director Rojas seconded the motion which was approved by the following votes:

AYES: DOR, MCDONALD, VU, HIERLIHY, O’GRADY, NILA, MOSTAHKAMI, STOWELL, RAPP, AREVALO, FALAGAN, FIGUEROA, CASH, BEACH, MYRTER, DEWITT, RIGG, SCHICKLING, ROJAS

NOES: NONE

ABSTAIN: NONE

Ms. Kast reported that DWR was still working on the fully executed grant agreement with the County. She stated that once GWMA receives this agreement staff would then move forward to finalize the Subrecipient agreements.

ITEM 10 – GATEWAY REGION WATERSHED MANAGEMENT GROUPS

Lower Los Angeles River Upper Reach 2 Watershed Group

None.

Lower Los Angeles River Watershed Group

None.

Los Cerritos Channel Watershed Group

None.

Lower San Gabriel River Watershed Group

None.

ITEM 11 – EXECUTIVE OFFICER’S REPORT

Ms. Kast reported that in August, GWMA issued a Request for Proposal (RFP) for project coordination and grant management of GWMA’s regional Advanced Meter Replacement project which was awarded funds from DWR’s Integrated Regional Water Management “IRWM” grant program via the Greater LA IRWM process. She indicated that the deadline to submit a proposal was on August 31, 2016 at 4:00 p.m. She stated that GWMA received four proposals, which were currently being reviewed and a recommendation would be brought before the Board in October or November.

Ms. Kast reported that on August 2, 2016, GWMA received notification from Ms. Cindy Byerrum at Platinum Consulting Group that she would be resigning from her position as the Accounting Consultant to GWMA due to scheduling concerns. She stated that later that month, GWMA released a Proposal (RFP) to establish a contract with a qualified individual or firm to provide the GWMA assistance with general accounting, a quarterly review of the accounting and bank reconciliations, year-end adjusting entries needed for the audit, preparation of audit work papers and assistance during the audit, assistance with the budget preparation, and be available for accounting questions as needed. She indicated that the deadline to submit a proposal was on September 2, 2016 at 4:00 p.m. She stated that GWMA received two proposals, which were currently being reviewed and a recommendation would be brought before the Board in October for consideration.

Ms. Kast reported she would be on vacation next month and would not be attending the October Board meeting.

ITEM 12 – DIRECTORS’ COMMENTS/REPORT

Director Mostahkami asked that a workshop on GWMA’s website be added to a future board meeting.

Gateway Water Management Authority Board Meeting
Minutes September 8, 2016

Director Okina announced that Saturday, October 1 was the Annual Street Festival in Artesia from 11:00 AM – 11:00 PM. He stated that this was a family event and all are welcome.

The meeting was adjourned at 12:49 PM.

Steve Myrter, Secretary/Treasurer

Date

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October 13, 2016

SECTION NO. 5(b) Warrant Register Dated October 2016

SUMMARY:

The Warrant Register is a listing of general checks issued since the last warrant register. Warrants will be signed by 2 of the 3 Board Officers and released by Toni Penn, serving as the Administrative/Accounting Manager of the Gateway Water Management Authority, upon Board Approval.

DISCUSSION:

The Warrant Register for expenditures dated October 2016 in the amount of \$446,305.39 are submitted for approval. Invoices and supporting documentation are available for review at the City of office of GWMA.

FISCAL IMPACT:

The Warrant Registers totals \$446,305.39. Funds to cover payment are available in the Gateway Authority budget.

RECOMMENDATION:

Approve the Warrant Register for October as presented.

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AGENDA ITEM NO. 5B

WARRANT REGISTER
Disbursement Journal
October-16

Invoice Date	Vendor	Invoice Number	Description	Amount
8/29/2016	Anchor QEA	48170	Harbor Toxics TMDL Monitoring for July	\$ 1,808.33
8/29/2016	Anchor QEA	48171	Harbor Toxics TMDL Monitoring for July	\$ 1,752.00
10/1/2016	City of Paramount	3483	Rent - October 2016	\$ 330.27
10/1/2016	City of Paramount	3488	Meeting Expenses -September 2016	\$ 32.15
9/8/2016	GEI Consultants, Inc.	3008848	Watersmart Grant Administrative Services	\$ 234.00
10/01/16	GK Consultants	16-09-GWMA	GLAC DAC Chair Activities	\$ 2,177.50
10/01/16	GK Consultants	16-09-GWMA-01	Professional and Accounting Services	\$ 22,343.75
09/19/16	Joe A Gonsalves & Son	155088	Legislative Advocacy Services for October	\$ 2,083.33
09/20/16	John L Hunter & Associates	GAHT0816r	Upstream Harbor Toxic for August	\$ 15,672.75
09/20/16	John L Hunter & Associates	GANPLA0816	LLAR WMP Development for August	\$ 122,585.46
09/14/16	John L Hunter & Associates	GANPSG0816	LSGR WMP Development for August	\$ 138,485.83
08/31/16	Platinum Consulting Group	30195	Accounting/Auditing Services for August	\$ 1,278.75
09/30/16	Platinum Consulting Group	30223	Accounting/Auditing Services for September	\$ 86.25
09/10/16	Richard Watson & Associates, Inc.	16-192-003-011	LCC Watershed Monitoring Program	\$ 133,713.19
09/29/16	Richards Watson Gershon	208725	Legal Services - General	\$ 1,798.04
09/29/16	Richards Watson Gershon	208726	Legal Services - Project Specific Services	\$ 1,168.12
09/29/16	Richards Watson Gershon	208727	Legal Services - Harbor Toxic Pollutants TMDL	\$ 225.00
09/08/16	Rodger's Catering	24828	Meeting Expenses	\$ 468.54
09/19/16	Rodger's Catering	24911	Meeting Expense	\$ 62.13
				<u>\$ 446,305.39</u>

Reviewed and Approved by:



 Steve Myrter, GWMA Secretary/Treasurer

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October 13, 2016

SECTION 6 Professional Services Agreement “PSA” with Vicenti, Lloyd & Stutzman, LLP (“Consultant”) for On-Going Financial Consulting Services

On August 2, 2016, GWMA received notification from Ms. Cindy Byerrum at Platinum Consulting Group that she would be resigning from her position as the Accounting Consultant to GWMA due to scheduling concerns.

Later that month, GWMA released a Request for Proposal (RFP) to establish a contract with a qualified individual or firm to provide the GWMA assistance with general accounting, a quarterly review of the accounting and bank reconciliations, year-end adjusting entries needed for the audit, preparation of audit workpapers and assistance during the audit, assistance with the budget preparation, and be available for accounting questions as needed.

The deadline to submit a proposal was on September 2, 2016 at 4:00 p.m. GWMA received two proposals, which were from M Jack Brooks JD and Vicenti, Lloyd & Stutzman LLP (VLS).

After reviewing the proposals received, it is the recommendation of the Executive Committee and GWMA’s Treasurer that the board retain VLS to provide GWMA with ongoing accounting consulting services on an as-needed basis. This decision was based on the proposed fee schedule and the fact that VLS is a larger firm and more able to address GWMA’s diverse needs in a timely fashion. GWMA’s current accounting consultant, Cindy Byerrum from Platinum Consulting Group, will also be subcontracted by VLS to provide GWMA and VLS staff assistance with technical QuickBooks questions and to ensure a smooth transition.

FISCAL IMPACT

GWMA has budgeted a total amount of \$12,000 for Accounting Consulting Services for FY 2016/17. Based on the fee schedule below, the Executive Committee is recommending that the Board amend the Budget for FY 2016/17 to include an increase to the Professional Services-Accounting Consultant line item by \$5,000 for a total amount of \$17,000.

Annual Fee for first 24 months	\$13,600 - \$17,000
Annual Fee months 25-36	\$14,000 - \$17,500
Annual Fee months 37-48	\$14,400 - \$18,000
Annual Fee months 48-60	\$14,800 - \$18,500

If additional services are required beyond the on-going financial services included in the RFP or if tasks cannot be completed by GWMA staff, then such work will be performed at their hourly rate and set forth in an addendum to the Agreement between GWMA and VLS with Board approval.

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RECOMMENDATION

- a. Approve the PSA with Vicenti Lloyd & Stutzman LLC as presented and authorize the Chair to execute this Agreement.
- b. Approve the amendment to GWMA's FY 2016/17 budget to add an additional \$5,000 to the Professional Services line item for Accounting Consultant services.

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PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated and effective OCTOBER 13, 2016 and is between the Los Angeles Gateway Region Integrated Regional Water Management Authority also referred to as the Gateway Water Management Authority (“GWMA”) and VICENTI, LLOYD & STUTZMAN LLP a CALIFORNIA LIMITED LIABILITY PARTNERSHIP (“Consultant”).

The parties agree as follows:

SECTION 1 - SCOPE OF SERVICES

Consultant shall provide the services (the “Services”) described with each requested scope of services upon GWMA’s approval of cost, schedule and any other applicable terms.

SECTION 2 - TIME FOR PERFORMANCE

The term of this Agreement shall commence on the effective date of this Agreement and expire on OCTOBER 13, 2018 unless earlier terminated in accordance with the terms of this Agreement or extended by the Project Manager or GWMA Chair.

SECTION 3 - STANDARD OF PERFORMANCE

Consultant’s services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of Consultant’s profession currently practicing under similar conditions. By delivery of completed work, Consultant certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws and regulations. Consultant shall maintain throughout the term of this Agreement all licenses, certifications, registrations or other similar requirements necessary for Consultant’s performance of services under this Agreement.

SECTION 4 - OWNERSHIP OF WORK PRODUCT

Upon delivery, the work product, including, without limitation, all original reports, writings, recordings, drawings, files, and detailed calculations developed under this Agreement (collectively “work product”) are GWMA’s property. All copyrights that arise from work product shall vest in GWMA. Consultant waives and relinquishes all claims to copyright or other intellectual property rights in the work product in favor of GWMA. GWMA’s use of the work product is limited to the purposes contemplated by the Services and Consultant makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by this Agreement. Any alteration or reuse by GWMA of the work product on any project other than the Services provided pursuant to this Agreement shall be at GWMA’s sole risk, unless GWMA compensates Consultant for such alteration or reuse.

SECTION 5 - COMPENSATION AND METHOD OF PAYMENT

GWMA shall pay Consultant, for the Services performed based on the proposal/quote received and accepted for each scope of work.

Consultant shall perform the Services for the amount(s) listed for each scope of work. GWMA shall not withhold federal payroll, state payroll and other taxes, or other similar deductions from each payment made to Consultant. Consultant shall pay all applicable federal, state, and local excise, sales, consumer use, and other similar taxes required by law. GWMA shall not allow any claims for additional services performed by Consultant, unless the Project Manager or GWMA Chair authorizes the additional services in writing prior to Consultant's performance of the additional services or the incurrence of additional expenses. Any additional services authorized by the Project Manager or GWMA Chair shall be compensated at the hourly rates set forth above, or, if not specified, at a rate mutually agreed to by the parties. Consultant shall submit invoices to GWMA on a monthly basis for actual work performed and actual expenses incurred during the preceding month. The invoices shall describe in detail the services performed by each person for each task, including the days and hours worked. GWMA shall review the invoices and notify Consultant in writing within ten (10) business days of any disputed amounts. GWMA shall pay all undisputed portions of the invoices within thirty (30) calendar days after receipt up to the maximum amount of compensation specified above. GWMA shall make payment payable to: Vicenti, Lloyd & Stutzman LLP, 2210 E Route 66, Glendora, CA 91740.

SECTION 6 - INDEPENDENT CONTRACTOR

Consultant is an independent contractor. Neither Consultant nor any of Consultant's officers, employees, agents or subconsultants, if any, shall be an employee of GWMA or its members by virtue of this Agreement or performance of the Services under this Agreement.

SECTION 7 - CONFLICT OF INTEREST

Consultant and its officers, employees, associates and sub consultants, if any, shall comply with all applicable conflict of interest statutes of the State of California applicable to Consultant's Services under this Agreement, including, the Political Reform Act (Cal. Gov. Code § 81000, *et seq.*) and Government Code Section 1090.

SECTION 8 - INDEMNIFICATION

Indemnities. Consultant shall indemnify, defend and hold harmless GWMA, and its officials, officers, attorneys, agents, employees, designated volunteers, successors and assigns in accordance with the terms of this Section 9. Consultant's covenant under this Section 9 shall survive the expiration or termination of this Agreement.

To the fullest extent permitted by law, Consultant hereby agrees, at its sole cost and expense, to protect, defend, hold harmless and indemnify GWMA, its officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those GWMA agents serving as independent contractors in the role of GWMA officials (collectively "Indemnitees") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever,

including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively “Claims”), in law or equity, whether actual, alleged or threatened, which arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subconsultants, suppliers or their officers, agents, servants, employees, subconsultants, contractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees’ active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Consultant shall defend Indemnitees in any action or actions filed in connection with any Claim with counsel of Indemnitees’ choice, and shall pay all costs and expenses, including all attorneys’ fees and experts’ costs actually incurred in connection with such defense. Consultant shall reimburse Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

The indemnity under this Section 9 is effective regardless of any prior, concurrent, or subsequent misconduct, negligent acts, errors or omissions of the Indemnitees and without reference to the existence or applicability of any insurance coverages that are required under this Agreement or any additional insured endorsements that may extend to the Indemnitees. The indemnity under this Section 9 is in addition to any other rights or remedies that the Indemnitees may have under the law. Payment is not required as a condition precedent to the Indemnitees’ right to recover under this Section 9, and an entry of judgment against Consultant shall be conclusive in favor of the Indemnitees’ right to recover under this Section 9. Consultant shall pay Indemnitees for any attorneys fees and costs incurred in enforcing these indemnification provisions.

SECTION 9 - INSURANCE

Insurance Requirements.

Consultant shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, the following policies of insurance with minimum limits as indicated below and issued by insurers with A.M. Best ratings of no less than A:VII:

“Occurrence Form” Comprehensive General Liability Insurance (at least as broad as ISO Form CG 0001, covering liability on an occurrence basis) providing protection against bodily injury, including death, personal injury and property damage. This insurance shall provide broad form contractual liability protection covering the indemnity provisions contained in this Contract, underground hazards, products-completed operations. A per occurrence limit of \$2,000,000 and \$4,000,000 in the aggregate, written, with dedicated limits, on a “per project” basis; and a products-completed operations aggregate limit of at least \$4,000,000. The Contractor’s insurance policy shall include or be endorsed to include a “severability of interests” provision ensuring that each “additional insured” is treated as if it is the only insured; and “Occurrence Form” Automobile Liability Insurance providing protection against bodily injury, including death, and property damage. This insurance shall provide contractual liability by endorsement (ISO Form CA 0001, Code 1, “any auto” or equivalent) and shall cover any motor vehicle (or mobile equipment, to the extent it may be excluded from general liability insurance) used by the Contractor (whether owned, non-owned, hired or scheduled). The Contractor’s insurance policy

shall include or be endorsed to include a “severability of interests” provision ensuring that each “additional insured” is treated as if it is the only insured; and

Professional liability (if Design/Build), with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate, with a five year tail from the completion of the project; and

Workers’ compensation and Employer’s Liability: Workers’ Compensation insurance as required by the State of California, with Statutory Limits, and Employers’ Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.

The insurance required by this Section 10 shall apply on a primary non-contributing basis. Any insurance or self-insurance maintained by GWMA, its member agencies, officers, employees, agents, subcontractors or volunteers, shall be in excess of Consultant’s insurance and shall not contribute with it.

The automobile and comprehensive general liability insurance policies shall contain an endorsement naming GWMA and its officers, employees, officials and agents as additional insureds. All insurance policies shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days’ prior written notice to GWMA. All insurance policies shall be endorsed to delete the subrogation condition as to GWMA, or shall explicitly allow Consultant to waive Consultant’s right of recovery prior to loss. Consultant waives all rights of subrogation and contribution against GWMA. Consultant shall require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word “endeavor” with regard to any notice provisions.

Consultant shall require all subconsultants or other third parties hired to perform services under this Agreement, to carry, maintain, and keep in full force and effect, insurance policies that meet the requirements of this Section 10, unless otherwise agreed to by GWMA. The procurement of insurance by any subconsultant or other third party hired to perform services under this Agreement shall not relieve Consultant from any duties or liability otherwise arising under this Section 10.

Prior to performance of the Services under this Agreement, Consultant shall file a certificate or certificates of insurance, together with the required endorsements, with GWMA showing that the insurance policies are in effect in the required amounts.

SECTION 10 - TERMINATION

Termination by the Parties.

Termination by GWMA. The Project Manager or GWMA Chair may terminate this Agreement or any portion of this Agreement or the Services required under this Agreement for any reason on ten (10) calendar days’ written notice to Consultant. Upon receipt of a notice of termination, Consultant shall perform no further services except as specified in the notice. Before the date of termination, Consultant shall deliver to GWMA all work product, whether complete or incomplete, prepared or compiled through the date of termination and not otherwise previously

delivered to GWMA. GWMA shall pay Consultant for services satisfactorily performed in accordance with this Agreement to the date of termination. GWMA shall reimburse Consultant for authorized expenses incurred to the date of termination and not previously reimbursed. Consultant shall not have any other claim against GWMA by reason of such termination.

Termination by Consultant. Consultant may terminate this Agreement on thirty (30) calendar days' written notice to GWMA only in the event of a material default by GWMA, which default GWMA has not been cured within thirty (30) days following receipt by GWMA of written notice from Consultant specifying the basis of the alleged default.

SECTION 11 - ADMINISTRATION

GWMA's representative for administration of this Agreement, is the Executive Officer or such other person designated in writing by the Chair ("Project Manager"). Consultant's representative for administration of this Agreement is Renee Graves ("Consultant's representative"), unless notified in writing by Consultant that additional representatives are authorized.

SECTION 12 - NOTICES

Any routine administrative communication between the Project Manager and the Consultant's representative required to be in writing may be made by personal delivery, first class U.S. mail, facsimile transmission or electronic mail. Any other notices, invoices or reports required by this Agreement shall be given by first class U.S. mail or by personal service. Notices shall be deemed received on (a) the day of delivery if delivered by hand or overnight courier service during Consultant's and GWMA's regular business hours or by facsimile before or during Consultant's regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses below, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this Section 13. All notices shall be delivered to the parties at the following addresses:

If to GWMA: Gateway Water Management Authority
Attn: Grace Kast
16401 Paramount Blvd.
Paramount, CA 90723
Gracekast.gateway@gmail.com

If to Consultant: Renee Graves
2210 E. Route 66
Glendora, CA 91740
RGraves@vlsllp.com

SECTION 13 - WAIVER

No delay or omission to exercise any right, power or remedy accruing to GWMA under this Agreement shall impair any right, power, or remedy of GWMA, nor shall it be construed as a waiver of, or consent to any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement (1) shall be effective unless it is in writing and signed by the party making the waiver; (2) shall be deemed to be a waiver of, or consent, to any other breach, failure of a condition, or right or remedy, or (3) shall be deemed to constitute a continuing waiver unless the writing expressly so states.

SECTION 14 - ATTORNEY'S FEES

In the event that either party to this Agreement shall commence any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover its costs of suit, including reasonable attorney's fees.

SECTION 15 - ENTIRE AGREEMENT

This Agreement constitutes the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all other prior or contemporaneous oral or written understandings and agreements of the parties.

SECTION 16 - MODIFICATION

This Agreement may be supplemented, amended or modified only by a writing signed by Consultant and the Project Manager or GWMA Chair.

[SIGNATURE PAGE FOLLOWS]

The parties are signing this Agreement on the effective date.

GWMA

Consultant

Los Angeles Gateway Region Integrated
Regional Water Management Authority

Vicenti, Lloyd & Stutzman LLP,
a Limited Liability Partnership

By: _____
Name: Christopher Cash
Title: Chair

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(Please note: Two signatures required for corporations pursuant to California Corporations Code Section 313.)



*Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority*

**PROPOSAL TO PROVIDE
ON-GOING FINANCIAL SERVICES**

Submitted on:

August 24, 2016

Presented by:

Renée S. Graves, CPA, CGFM, Partner
RGraves@vlsllp.com
Phone Extension 260

Leslie Ward-Cline, CPA, Senior Manager
LCline@vlsllp.com
Phone Extension 293

Vicenti, Lloyd & Stutzman LLP
2210 E. Route 66
Glendora, CA 91740
Tel: 626.857.7300
Fax: 626.857.7302
www.vlsllp.com





**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority**

**PROPOSAL TO PROVIDE
ON-GOING FINANCIAL SERVICES**

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August 24, 2016

Ms. Toni Penn
Executive/Accounting Manager
Gateway Water Management Authority
16401 Paramount Blvd.
Paramount, CA 90723

RE: Request for Proposal to Provide On-Going Financial Services

Dear Ms. Penn,

Thank you for considering Vicenti, Lloyd & Stutzman LLP as your consultant for on-going financial services. We are delighted to respond to Gateway Water Management Authority's (GWMA or the "Authority") Request for Proposals for On-going Financial Services for a period of 24 to 36 months with an option to extend to two additional one year periods.

Vicenti, Lloyd & Stutzman LLP (VLS) has been serving governmental entities for over 30 years. Since we are independent of our clients, our primary goal is to provide objective observations regarding their financial statements, accounting controls, and financial reporting processes. We will work with the GWMA in your efforts to earn and maintain the trust of the communities that you service, other partners, and the public in a responsible and transparent manner.

The following is our understanding of your needs:

SCOPE OF SERVICES

- Evaluating the implementation progress and identifying areas of improvement.
- Providing ongoing financial and accounting advice on all aspects of the Accounting System to GWMA staff.
- Assist/coordinate the process for annual general and/or single audits; and potential grant audits.
- Monitoring, testing and improving internal controls.
- Review the bank reconciliations.
- Overseeing and monitoring financial transactions (Similar to an internal audit function).
- Meeting periodically with the GWMA Executive Board to report on financial status.

VLS has the 2016 version of QuickBooks Enterprise which will be utilized for your engagement. We are committed to meeting your needs. Our goal is to properly plan the audit to provide Management and the Board of Directors with the most current information.

We are qualified to meet the requirements of and to perform the scope of this engagement because of our knowledge and expertise that we have developed in the special district and governmental arenas. We are an established and financially solid firm with a strong presence in the San Gabriel Valley and Inland Empire areas for more than 60 years. We work closely with our clients to help them understand and adjust to the evolving accounting and regulatory changes in their industry.

YOUR PRIMARY CONTACTS

The following personnel are authorized to make representations for VLS, and they are based out of our office at 2210 E. Route 66, Glendora, CA 91740:

Renée S. Graves, Partner	626-857-7300 Ext. 260	RGraves@vlsllp.com
Leslie Ward-Cline, Senior Manager	626-857-7300 Ext. 293	LCline@vlsllp.com

While our technical expertise and depth of knowledge are extensive, our greatest strength lies in our people. As the Client Service Partner of the VLS Team, it is my promise to provide comprehensive services for GWMA with the utmost integrity and diligence. My active participation during the engagement ensures that issues are quickly communicated to the Executive Director and disclosed properly to the Board of Directors.

I have read the Professional Services Agreement (PSA) template prepared by GWMA and do not have any concerns in signing the agreement should we be selected as the consultant for Financial, Accounting and Investment Services.

This proposal is a firm and irrevocable offer for at least one hundred eighty days from August 24, 2016. If you have any questions or need further information, please feel free to call me anytime at the telephone number above. I will be happy to discuss this proposal and our firm's qualifications with you in a more personal manner.

Thank you very much for your consideration.

Sincerely,



Renée S. Graves, CPA, CGFM
Partner
RGraves@vlsllp.com

PROFILE OF VICENTI, LLOYD & STUTZMAN

SIZE & STRUCTURE OF THE FIRM

In 1953, Vicenti, Lloyd & Stutzman (VLS) began the journey to build a team of exceptional accounting professionals with rich experiences and dedication to a wide variety of organizations throughout California. Since that time, we have helped water and government agencies throughout Southern California ensure fiscal responsibility and meet regulatory compliance through responsible and effective services in the areas of audit, accounting and tax.

We are a limited liability partnership under the laws of the State of California and have operated under the existing name of Vicenti, Lloyd & Stutzman LLP since 1966. We are properly licensed as a Certified Public Accounting firm in the State of California. We are a large, local firm and currently have 75 employees including emeriti, nine partners, seven senior managers, nine managers, and other professional and administrative staff. Our professional staff includes 44 auditors with governmental auditing experience. All work is performed at our office headquarters located at 2210 E. Route 66, Glendora, California 91740.

VLS Employees & Governmental Experience	Total Employees by Level	Experienced with Govt. Audits
Partners Emeriti	2	1
Partners	9	7
Directors/Consultants	1	1
Senior Managers	7	5
Managers	9	7
Senior Associates & Associates	34	23
Admin Staff	13	N/A
Total	75	44
CPAs	32	21

FIRM QUALIFICATIONS AND EXPERIENCE

VLS has earned an excellent reputation as a firm committed to providing top quality audit, accounting, tax, and consulting services to our special district clients. We are properly licensed as a Certified Public Accounting firm in the State of California and all key professional staff is properly registered/licensed to practice in the State of California. The following is a partial listing of water agencies and special districts we have served over the years. (See page 13 for references contact information.)

- Main San Gabriel Basin Watermaster
- City of Glendora Water Department
- Valley County Water District
- San Gabriel Valley Municipal Water District
- Jurupa Community Service District
- Association of Groundwater Agencies
- San Gabriel Valley Council of Governments
- San Gabriel Valley Water Association
- Central Basin Water Association
- San Gabriel Valley Protective Association
- California Groundwater Coalition
- Pico Water District

VLS continuously strives to help our clients be as successful as possible and make recommendations to improve efficiencies. Our approach is management oriented and we are committed to complying with all state and regulatory requirements. Communication is our highest priority, which is why we are available all year round to address our clients' needs. VLS is also fully qualified to advise you in the areas of fraud detection, internal auditing, and governmental funding issues.

RANGE OF ACTIVITIES

We are recognized throughout the State of California as a leading special district and governmental auditing firm. In addition special districts, we specialize in consulting and audits of joint power authorities, school districts and community colleges. Our auditors are all full-time employees and are staffed out of our Glendora office. In addition, our firm provides tax preparation and planning services, reviews and compilations, and a variety of consulting services.

ASSURANCES

PEER REVIEW

VLS is a member of the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA). As members of the PCPS, we have an outside peer review of our quality control procedures conducted every three years. These reviews always include governmental engagements. Our most recent peer review was conducted in May 2013. Our peer review letter may be obtained directly from our website at www.VLSLLP.com/about/peer-review/.

INSURANCE

We carry workers' compensation, commercial general liability, commercial automobile liability, and professional liability insurance. We shall provide a certificate of insurance upon your request.

WARRANTIES

VLS has obtained an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts of the firm and its officers, employees, and agents. We will not delegate or subcontract our responsibilities under any agreement with you without your express prior written consent. All information provided in response to this request for proposal is true and correct. We acknowledge and agree with all of the terms and conditions stated in this request for proposal.

INDEMNITIES

VLS assumes all risk of injury to its employees, agents, and subcontractors, including loss of or damage to property, and shall defend, indemnify, and hold harmless the GWMA, its Board of Directors, officers, employees, and agents from and against all claims, suits, or causes of action for injury to any person or damage to any property arising out of, or connected with, performance of work under the contract that does not result from the gross negligence or intentional misconduct of GWMA, its Board of Directors, officers, employees or agents.

AFFIRMATIVE ACTION POLICY

VLS does not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age, medical condition, marital status, ancestry, or sexual orientation.

STATEMENT OF INDEPENDENCE

VLS is independent of GWMA and its members as defined by professional standards and the U.S. General Accounting Office's Government Auditing Standards. The firm has had no professional relationships involving GWMA and its members for the past five (5) years and the staff who will be assigned to do not constitute a conflict of interest relative to performing the proposed engagement.

RELEASE OF INFORMATION

VLS will not publish or use any advertising, sales promotion, or publicity in matters relating to services, equipment, products, reports, and material furnished by VLS in which the GWMA name is used, or its identity is implied, without prior written approval by GWMA.

STAFFING AND QUALIFICATIONS

We feel it is imperative that you have consistent contact with the Partner and other team members that may be assigned to your engagement. While some CPA firms offer clients limited access to their designated partners and managers, *at VLS we encourage regular contact.*

ENGAGEMENT TEAM

Below are the key members of the engagement team that will be assigned to you, and they are based out of our office at 2210 E. Route 66, Glendora, CA 91740.

Renée S. Graves, CPA, CGFM – Client Service Partner – The Client Service Partner is responsible for the tasks outlined in the request for proposal and is responsible for the overall performance of any VLS personnel assigned to assist in your engagement. She will be available at all times to address any issues that senior staff on the job might have, and also be *available at all times to your organization's personnel* to respond to any questions or concerns. **Renée can be reached at Extension 260.**

Leslie Ward-Cline, CPA – Client Service Senior Manager – The Client Service Senior Manager may be assigned certain tasks as outlined in the request for proposal based on her industry expertise. Leslie has extensive experience with special districts. **Leslie can be reached at Extension 293.**

Jessie Wang, CPA, CITP (Certified Information Technology Professional) – Client Service Manager – The Client Service Manager will provide expertise and knowledge related to the Authority's Information System. The Certified Information Technology Professional (CITP) is a specialty designation that identifies CPAs with the unique ability to bridge between business and technology while meeting the strict requirements for a CPA license as well as additional training and experience in Emerging Trends, IT Assurance and Risk, Business Solutions, Data Analytics and Security, and Privacy. **Jessie can be reached at Extension 287.**

All key personnel responsible who may participate in your engagement are Certified Public Accountants in the State of California. Whenever you have a question or concern, please feel free to contact the Client Service Partner, Client Service Manager or any member of the engagement team at any time.

STAFFING AND QUALIFICATIONS

OTHER CLIENT SERVICE STAFF

To ensure that we perform the work in a cost-effective manner, we may assign staff to perform detailed work in specific areas. They will be under the direct supervision of the Client Service Partner and/or Senior Manager. It is important to note that all staff assigned to your engagement will have the experience and skills needed to perform their assigned tasks. Our in-house training program is very extensive.

Rudy Guerrero is a Senior Associate with VLS specializing in special districts, underwritten title companies, local education and nonprofit organizations as well as DMV compliance audits. He is familiar with various requirements including Federal and State compliance. He has been a pivotal team member on several audits including Jurupa Community Service District, San Gabriel Valley Municipal Water District, Valley County Water District, Glendale Unified School District, Inland Empire United Way, and several DMV Bonded Web Users throughout Southern California.

Daphne Liu is an Associate with VLS specializing in joint power authorities, special districts, K-12 and community college districts. She has a thorough understanding of various requirements including Federal and State compliance. Daphne has passed all parts of the CPA exam and has submitted the application to obtain her license.

In addition, **Cindy Byerrum** from Platinum Consulting Group will be available to Gateway Water Management Authority and to VLS staff to assist with technical QuickBooks questions and to ensure a smooth transition.

(See pages 8-12 for Resumes of the Engagement Team.)

TRAINING IN KEY ISSUES FACING GOVERNMENT AND SPECIAL DISTRICTS

It is our duty to our clients to be well educated about the issues facing governmental industries. We achieve this by participating in various organizations, such as the *Association of California Water Agencies (ACWA)*, and the *California Society of Municipal Finance Officers (CSMFO)*, and subscribing to several publications. We are equally committed to keeping our professionals apprised of the latest technical developments in the areas of audit, accounting, tax, and information systems. Every year, we attend education and development courses that meet or exceed our profession's standards. Our professionals obtain extensive training to keep up to date with the ever changing environment to ensure they possess the highest technical knowledge. As a service to our clients, we distribute technical information updates as soon as we become aware that a specific client will be affected by a new accounting pronouncement or tax law change. We have an extensive reference library and Internet service capacity at our offices, and they are available to our clients. In brief, we are able to help you deal with the multitude of significant issues you and other districts face.

STAFFING AND QUALIFICATIONS

USE OF TECHNOLOGY BY THE TEAM

At VLS, technology is an important component in providing better service to our clients. We currently employ Engagement CS Software, a paperless system, which provides powerful tools to help us prepare, organize, review, and share working papers during the engagement. Through the use of an integrated trial balance database, we are able to download data from a client's financial applications and generate reports and financial statements in a timely manner.

We also utilize data extraction software to further expedite analyses. We will make every effort to take advantage of your systems to make the engagement as efficient and effective as possible. This includes using technology to help us minimize the time we need to spend incurring travel costs and our client's precious time during field-work.

LICENSE TO PRACTICE

We are properly licensed as a Certified Public Accounting firm in the State of California and all key professional staff is properly registered/licensed to practice in the State of California.

Renée S. Graves, CPA, CGFM

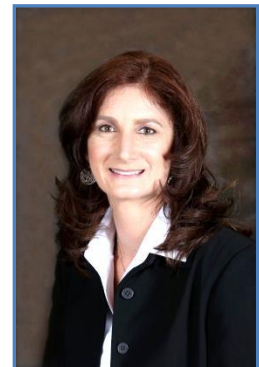
Partner

PRACTICE AREAS:

- Audits
- Business and Consulting Services
- Internal Control Review and Analysis
- Year-end Closing and Accounting-Related Issues

INDUSTRY EXPERTISE:

- Governmental Entities
- Special Districts
- Community Colleges, including Bookstore Operations
- Not-for-Profit Organizations
- Foundations
- Retirement Communities
- School Districts



PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 1986; Named Partner in 1993
- Frequent speaker at the California Society of Certified Public Accountants and the California Association of School Business Officials

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Board of Accountancy Peer Review Oversight Committee
- LeadingAge of California
- California Association of School Business Officials
- Past Chair and Finance Chair, La Verne Chamber of Commerce
- Past Chairperson, Community College Research and Development Committee
- American Woman's Society of Certified Public Accountants
- 2001 Alumni Inductee into the Cal Poly Accounting Hall of Fame

LICENSES:

- Licensed to practice as a Certified Public Accountant in the State of California since July of 1988
- Received Certification as a Government Financial Manager in March of 1998

EDUCATION:

- Bachelor of Science in Accounting, Cum Laude, California State Polytechnic University, Pomona

PERSONAL:

- Renée enjoys outdoor activities including boating and bike riding and is a raving fan of the UC Davis Ultimate Frisbee and UC Davis Women's Volleyball teams.

Leslie Ward-Cline, CPA

Senior Manager

PRACTICE AREAS:

- Financial and Compliance Audits
- Single Audits under Federal Circular A-133
- Tax Exempt Organization Reporting

INDUSTRY EXPERTISE:

- Joint Powers Authorities and Special Districts
- Not-for-Profit Organizations
- Water Districts
- Escrow and Title Insurance
- Charter Schools



PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 2010 as an Audit Services Manager
- Basin Water Company, Financial Reporting and Compliance, 2006-2009
- Suburban Water Systems, Financial Reporting and Compliance, 2003-2006

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- VLS Standards Committee Member
- Volunteer and Supporter, American Cancer Society

LICENSE:

- Licensed to practice as a Certified Public Accountant in the State of California since January 1988

EDUCATION:

- Bachelor of Science in Business Administration with a major in Accounting, Cum Laude, California State Polytechnic University, Pomona

PERSONAL:

- Leslie enjoys walking, scrapbooking, reading, the theater, and spending time with family

Jessie Wang, CPA, CITP Manager

PRACTICE AREAS:

- Financial and Compliance Audits
- Governmental Auditing
- Single Audits under Federal Circular A-133
- Proposition 39 Financial and Performance Audits
- Attendance Accounting Consulting
- Associated Student Body Workshops
- Management Consulting
- Business and Consulting Services
- Internal Control Review and Analysis
- Fraud Risk Assessments



INDUSTRY EXPERTISE:

- Joint Power Authorities
- Title Companies
- Governmental Agencies
- K-12 School Districts
- Colleges, Universities, and Community Colleges, including:
 - ε Associated Students, Inc.
 - ε Foundations
 - ε Auxiliary Services
 - ε Student Financial Aid
 - ε Bookstore Operations
 - ε Student Unions
 - ε Food Services
 - ε Grants & Federally Funded Programs
- Not-for-Profit Organizations

PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 2008; Promoted to Manager in 2014

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- VLS CARE Committee Co-Chair

LICENSES:

- Licensed to practice as a Certified Public Accountant in the state of California since August of 2011.
- Certified Information Technology Professional candidate

EDUCATION:

- Bachelor of Science in Business Administration with an emphasis in Accounting, California State Polytechnic University, Pomona

LANGUAGES:

- Chinese (Mandarin & Cantonese)

PERSONAL:

- Jessie enjoys traveling and spending time with family and friends

Rudy Guerrero Senior Associate

PRACTICE AREAS:

- Financial and Compliance Audits

INDUSTRY EXPERTISE:

- Special Districts
- K-12 and Community College Districts
- Joint Power Authorities
- Department of Motor Vehicle: International Registration Plan Bonded Web User Program



PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in March 2014; Promoted to Senior Associate in 2016

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- American Institute of Certified Public Accountants – Student Member
- California Society of Certified Public Accountants – Student Representative to the Board

EDUCATION:

- Bachelor of Science in Business Administration with an emphasis in Accounting, 2014 Dean's List

PERSONAL:

- Rudy enjoys camping, water sports, going to the movies, and spending time with family and friends

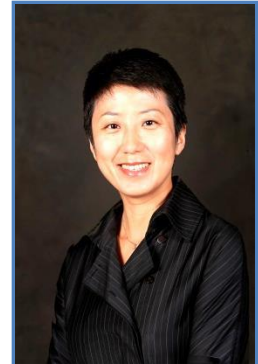
Daphne Liu Associate

PRACTICE AREAS:

- Financial and Compliance Audits

INDUSTRY EXPERTISE:

- Special Districts
- K-12 and Community College Districts
- Proposition 39 Financial and Performance Audits
- Joint Power Authorizes
- Retirement Homes



PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in July 2015
- Previously employed by Interhealth Corp. – PIH Health Hospital from June 2013 to July 2015
- Previously employed by Lucky Transportation Inc. from September 2004 to March 2012

LICENSE:

- Daphne has passed all parts of the CPA exam and has submitted her application for licensure to the California Board of Accountancy

EDUCATION:

- Bachelor of Science in Finance and International Business, Simon Fraser University, Vancouver, Canada – Simon Fraser University Open Scholarship

PERSONAL:

- Daphne likes hiking and swimming, she also enjoys travel and spending time with her husband and two children

CLIENT REFERENCES

Vicenti, Lloyd & Stutzman has been serving governmental entities for over 30 years. The following are governmental clients that we have provided similar services to in recent years. We have conducted audits or consulting engagements on various water districts, special districts and associations over the last five years. At the present time, we audit numerous governmental entities that apply standards promulgated by GASB, and we have extensive experience conducting audits that comply with OMB Uniform Administrative Requirements. Please feel free to contact all references regarding VLS.

Consulting Engagements:

San Gabriel Valley Council of Governments and the Alameda Corridor – East

Phil Hawkey, Executive Director	Engagement Partner: Renée S. Graves
1000 S. Fremont Ave., Unit 42	Scope of work: General consulting
Alhambra, CA 91803	Total Hours: 100 – Years of Services: 1
Tel: 626-457-1800	

Victor Valley Water Reclamation Authority

Chieko Keagy, Supervisor	Engagement Partner: Renée S. Graves
20111 Shay Road	Scope of work: General consulting
Victorville, CA 92394	Total Hours: 80 – Years of Services: 4
Tel: 760-948-9849	

Audit Engagements:

Jurupa Community Services District

Cindy Mouser, Controller	Engagement Partner: Renée S. Graves
11201 Harrel Street	Scope of work: Audit of Financial Statements
Mira Loma, CA 91752	Total Hours: 300 – Years of Services: 3
Tel: 951-685-7434	

Main San Gabriel Basin Watermaster

Lupe Artis, Controller	Engagement Partner: Tina Henton
725 N. Azusa Avenue	Scope of work: Audit of Financial Statements
Azusa, CA 91702	Total Hours: 300 – Years of Services: 15+
Tel: 626-815-1300	

San Gabriel Valley Municipal Water District

Darin Kasamoto, General Manager	Engagement Partner: Renée S. Graves
1402 N. Vosburg Drive	Scope of work: Audit of Financial Statements
Azusa, CA 91702	Total Hours: 130 – Years of Services: 2
Tel: 626-969-7911	

Valley County Water District

Lynda Noriega, General Manager	Engagement Partner: Renée S. Graves
14521 Ramona Blvd.	Scope of work: Audit of Financial Statements
Baldwin Park, CA 91706	Total Hours: 115 – Years of Services: 2
Tel: 626-338-7301	

SCOPE

UNDERSTANDING YOUR NEEDS

On-going Financial Services

- Evaluating the implementation progress and identifying areas of improvement.
- Providing ongoing financial and accounting advice on all aspects of the Accounting System to GWMA staff.
- Assist/coordinate the process for annual general and/or single audits; and potential grant audits.
- Monitoring, testing and improving internal controls.
- Review the bank reconciliations.
- Overseeing and monitoring financial transactions (Similar to an internal audit function).
- Meeting periodically with the GWMA Executive Board to report on financial status.

Single Audit

- Assist/coordinate the process for annual general and/or single audits; and potential grant audits.

PLAN

Engagement Services Activity

Evaluation of the implementation process and identify areas of improvement

Initial briefing and meeting with management designed to develop a reasonably comprehensive understanding of the Authority and your operating environment. We will regularly discuss work to be performed and any changes to the services to be provided. We will also consider any accounting issues or concerns from the annual audit and address accordingly.

Estimated to be 8 hours on an annual basis

Ongoing financial and accounting advice

We will monitor new accounting standards that pertain to GWMA, specifically new statements issued by the Governmental Accounting Standards Board. We will assist GWMA in the initial implementation and the continuing compliance with these standards as needed by GWMA staff. We can provide training and communicate with management, the Executive Committee and/or the Governing Board to the extent necessary to allow GWMA to accept responsibility for the effect of the accounting standards on the financial statements. We will keep abreast of industry trends and assist in any changes to the accounting and/or reporting of financial information.

Estimated to be 10 hours on an annual basis

Assist/coordinate the process for the annual general and/or UGG audit (formerly Single Audit)

We will review the trial balance prior to final year end closing to determine if any additional closing entries are needed prior to providing the trial balance to the external auditors. We will prepare and/or review any schedules requested by the external auditors. We will also prepare and/or review the Schedule of Federal Expenditures to be provided to the external auditors. We can reasonably determine the Federal programs likely to be tested by the external auditors and provide assistance in gathering the necessary documents so that the audit under newly issued UGG standards is efficient. We can also assist in the preparation of the financial statements in compliance with Governmental Accounting Standards, including preparation of Management's Discussion and Analysis. It is imperative to avoid the appearance of "opinion shopping", therefore we will include management in each of the services provided in this section allowing GWMA to take responsibility for the final work product.

Estimated to be 24 hours on an annual basis

PLAN (continued)

Engagement Services Activity (continued)

Monitor, test and improve internal controls

We will inquire of GWMA personnel regarding the overall internal control structure; specifically, controls over cash receipts, cash disbursements, maintenance and operations, segregation of duties, and physical safeguards. We will use a variety of methods to gain and document our understanding of your internal structure. These methods may include a review of your internal policy and procedure manuals, questionnaires, and development of narratives based on interview with various staff members and/or walk-throughs of transactions. We will provide feedback based on our work. Our work will not be sufficient to provide an opinion on internal control.

Estimated to be 12 hours on an annual basis

Review bank reconciliations

We will review bank reconciliations on a monthly basis, focusing on accuracy and timeliness. We will investigate any material reconciling items or items that do not clear the bank timely.

Estimated to be 12 hours on an annual basis

Oversee and monitor financial transactions

We will consider risk and materiality to evaluate the reasonableness of account balances and to determine the level of work and/or analysis required. We will review board minutes, agreements, contracts and other correspondence. If deemed necessary, we will communicate with legal counsel or government officials to gain an understanding of the laws and regulations that have a direct and material effect on the financial statements.

Estimated to be 24 hours on an annual basis

Meet periodically with GWMA Executive Board regarding financial status

Quality control procedures will occur throughout the engagement and are designed to identify issues as they arise. We will also schedule various meetings with management to discuss the consulting engagement or related accounting matters.

Estimated to be 8 hours on an annual basis

COST BID

SCHEDULE OF PROFESSIONAL FEES & EXPENSES – ON-GOING FINANCIAL SERVICES

Our fees are based on a time and material basis and will include performing the services outlined in the request for proposal, telephone consultation between our team and your staff, and reasonable research into new standards or accounting issues during the normal course of the engagement. The proposed annual fee is based on the ability of GWMA staff to carryout tasks assigned to them in order to complete the tasks noted in the Scope Section of this proposal. We estimate the annual hours to fulfill the on-going financial services will take 80 to 100 hours per year. We will utilize staff members at various levels based on our assessment of the expertise needed, keeping in mind economic efficiency. The annual fee noted below is based on a blended hourly rate of \$170. The annual fee is based on the estimated hours; if less time is needed, we will bill only for actual time spent on your engagement.

	Standard Hourly Rates
Partner	\$ 285
Senior Manager/Manager	210
Supervisory Staff	125
Associate Staff	100
Clerical	45
 Cindy Byerrum	 165
 Annual Fee first 24 months	 \$13,600 - \$17,000
Annual Fee months 25-36	\$14,000 - \$17,500
Annual Fee months 37-48	\$14,400 - \$18,000
Annual Fee months 48-60	\$14,800 - \$18,500

Out-of-Pocket expenses, including mileage at the current Internal Revenue Service rate will not exceed \$800 annually.

If additional services are required beyond the on-going financial services included in the request for proposal or if tasks cannot be completed by GWMA staff, we will immediately discuss with the Executive Director. If you choose to have us perform additional services, then such work will be performed at the above hourly rates and set forth in an addendum to the contract between GWMA and VLS.

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*Los Angeles Gateway Region
 Integrated Regional Water Management
 Joint Powers Authority*

October 13, 2016

SECTION 7 Status of Private Companies MOU

In August, John Hunter, the lead consultant for the Lower Los Angeles River Watershed (LLAR) Group, was contacted by a private company regarding their NPDES monitoring requirements, which are similar to those required for the Lower Los Angeles River for the Harbor Toxics TMDL. The Regional Board is offering these private companies the option to participate with an existing monitoring group to comply with their permit requirements.

GWMA has previously worked with requests from other industries and has established Agreements with several industries discharging into the Greater (downstream) Los Angeles Harbor. The Agreement allows for cost sharing for the implementation of a coordinated compliance monitoring and reporting plan as required by the Regional Board. This new request may involve a much larger number of industrial permittees.

At the September Board meeting, the Board discussed this request and directed staff and legal counsel to analyze GWMA's risk factors, how many private companies would be involved, cost factors, staffing requirements, how monies collected from private companies would be allocated and bring a proposal before the Board for consideration. Staff has made numerous attempts to obtain more information from both the private company that contacted GWMA and also Regional Board staff regarding the role that private parties would take in existing monitoring groups, such as the watershed groups involved with GWMA, but have not been able to obtain the desired information. Practically speaking, staff and legal counsel need additional information to be able to complete meaningful analysis for the Board's consideration of the practical and legal issues associated with the request. It is essential for GWMA to understand the Regional Board's views (or those of its staff) on private party participation in monitoring groups before proceeding.

Staff continues to work on obtaining this information, and what may be needed to ensure risks are fully addressed. Assuming staff obtains all necessary information, it is anticipated that all of the information and legal analysis will be brought to the Board in November for consideration.

Christopher Cash (Paramount), Board Chair • Adriana Figueroa (Norwalk), Vice-Chair • Steve Myrter (Signal Hill), Secretary/Treasurer
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Section 8 – Consideration to accept the Pico Water District as GWMA JPA member.

Background

The Pico Water District has expressed its desire to join GWMA by approving the JPA agreement on October 5, 2016. At the time of the posting of this agenda, GWMA has not yet received the executed JPA Agreement from Pico Water District. For full membership acceptance, GWMA requires a super-majority vote. If approved, Pico Water District's membership will be effective upon GWMA's receipt of the executed JPA Agreement.

Fiscal Impact:

Pico Water District will participate as a full-paying member, which will result in additional appropriations paid to GWMA annually. For FY 2016/17, their dues are \$15,000.

Recommendation:

- a. Approve the Pico Water District membership to the GWMA.

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