

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 ☐ 562.663.6850 phone 562.634.8216 fax ☐ [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

## **AGENDA**

**Regular Meeting of the Board of Directors  
Thursday, July 9, 2015 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 Consent Calendar: (Acted as one item unless withdrawn by request)**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 June 11, 2015 (Enclosure)
  - b. Warrant Register Report and List of Warrants for July 2015 (Enclosure)
- 6. Approve New JPA Membership (Enclosure)**
  - a. Water Replenishment District of Southern California
- 7. FY 2015/16 Budget (Enclosure)**
  - a. Adopt the 2015/16 Budget as Presented (Enclosure)
  - b. Adopt Member and Non-Member Administrative Fees for MOUs at 3% and 5%, Respectively
  - c. Approve the Annual Membership Appropriation of \$15,000 (Except for Board Approved Reduced Dues)
- 8. Approval of JPA Member Reduced Dues Applications for FY 2015/16 (Enclosure)**
- 9. Discussion/Action Regarding AB1217 – Governance Structure of JPAs (Enclosure)**
- 10. Approve MOU with LA County Flood Control District to Pay for IRWM Grant Application Costs (Enclosure)**
- 11. Professional Services Agreement “PSA” with Platinum Consulting Group (“Consultant”) for Accounting Transition Services and Ongoing Financial Services (Enclosure)**
  - a. Approve the PSA with Platinum Consulting Group as presented and Authorize the Chair to Execute this Agreement (Enclosure)

**Christopher Cash, Board Chair ☐ Adriana Figueroa, Vice-Chair ☐ Charlie Honeycutt, Secretary/Treasurer ☐ Kevin Wattier, Chair Emeritus**

**Proudly serving Gateway cities and agencies in Southeastern Los Angeles County**

Members: Artesia · Avalon · Bell · Bell Gardens · Bellflower · Central Basin Municipal Water District · Cerritos · Commerce · Cudahy · Downey · Hawaiian Gardens · Huntington Park · La Mirada · Lakewood · Long Beach · Long Beach Water Department · Lynwood · Maywood · Montebello · Norwalk · Paramount · Pico Rivera · Santa Fe Springs · Signal Hill · South Gate · Vernon · Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 ☐ 562.663.6850 phone 562.634.8216 fax ☐ [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

## **12. Discussion/Action Regarding Agreement with GK Consulting for Management and Administrative Consulting Services (Enclosure - Proposal only)**

- a. Approve the PSA with GK Consulting as presented and Authorize the Chair to Execute this Agreement (Available at board meeting)

## **13. Gateway Region Watershed Management Plan (WMPs) and MOU and/or Amendment Activities**

- a. Lower Los Angeles River Upper Reach 2 Watershed Group
- b. Lower Los Angeles River Watershed Group
- c. Los Cerritos Channel Watershed Group
- d. Lower San Gabriel River Watershed Group

## **14. Executive Officer's Report**

## **15. Directors' Comments/Reports**

## **16. Adjournment**

**Christopher Cash, Board Chair ☐ Adriana Figueroa, Vice-Chair ☐ Charlie Honeycutt, Secretary/Treasurer ☐ Kevin Wattier, Chair Emeritus**

**Proudly serving Gateway cities and agencies in Southeastern Los Angeles County**

Members: Artesia · Avalon · Bell · Bell Gardens · Bellflower · Central Basin Municipal Water District · Cerritos · Commerce · Cudahy · Downey · Hawaiian Gardens · Huntington Park · La Mirada · Lakewood · Long Beach · Long Beach Water Department · Lynwood · Maywood · Montebello · Norwalk · Paramount · Pico Rivera · Santa Fe Springs · Signal Hill · South Gate · Vernon · Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

**MINUTES OF THE GATEWAY WATER MANAGEMENT AUTHORITY  
LOS ANGELES GATEWAY REGION  
INTEGRATED REGIONAL WATER MANAGEMENT JOINT POWERS AUTHORITY BOARD  
AT PARAMOUNT, CALIFORNIA  
THURSDAY, JUNE 11, 2015**

A regular meeting of the Board of Directors of the Gateway Water Management Authority was held on Thursday, June 11, 2015 11:30 a.m. at the Progress Park Plaza, 15500 Downey Avenue, Paramount, CA 90723.

Chair Chris Cash called the meeting to order at 11:37 a.m. Roll was called by Ms. Penn and a quorum of the Board was declared.

**BOARD MEMBERS PRESENT:**

Okina Dor	Artesia
Al Cablay (alternate)	Bell
Chau Vu (alternate)	Bell Gardens
Bernardo Iniguez (alternate)	Bellflower
Tammy Hierlihy	Central Basin MWD
Mike O'Grady (alternate)	Cerritos
Aaron Hernandez-Torres	Cudahy
Mohammad Mostahkami	Downey
Michael Ackerman	Huntington Park
Mark Stowell	La Mirada
Lisa Rapp	Lakewood
Anthony Arevalo	Long Beach
Eric Leung (alternate)	Long Beach MWD
Danilo Batson	Montebello
Adriana Figueroa	Norwalk
Chris Cash	Paramount
Gladis Deras (alternate)	Pico Rivera
Noe Negrete (alternate)	Santa Fe Springs
Charlie Honeycutt	Signal Hill
Art Cervantes (alternate)	South Gate
Scott Rigg	Vernon

**STAFF AND GUESTS ON SIGN-IN SHEET:**

Grace Kast	Executive Officer
Toni Penn	Administrative/Accounting Assistant
Richard Watson	Richard Watson & Assoc.
Esther Rojas	WRD
Ken Farfsing	Signal Hill

### **ITEM 3 - ADDITIONS TO THE AGENDA**

Ms. Kast reported that an item arrived after the posting of the agenda that must be addressed before the end of the fiscal year on June 30, 2015. Ms. Kast recommended that the Possible Fund Transfer Agreement with Caltrans for the Los Cerritos Channel Water Capture Projects be added to the agenda as an urgency item.

Director Mostahkami moved to add, as an urgency item, the Possible Fund Transfer Agreement with Caltrans for the Los Cerritos Channel Water Capture Projects as Item No. 11C(2) on the agenda. The motion was seconded by Director Figueroa and was approved by the following voice votes:

**AYES: DOR, CABLAY, VU, INIGUEZ, HIERLIHY, O'GRADY, HERNANDEZ-TORRES, MOSTAHKAMI, ACKERMAN, STOWELL, RAPP, AREVALO, LEUNG, BATSON, FIGUEROA, CASH, DERAS, NEGRETE, HONEYCUTT, CERVANTES, RIGG**

**NOES: NONE**

**ABSTAIN: NONE**

### **ITEM 4 – ORAL COMMUNICATIONS TO THE BOARD**

None.

### **ITEM 5 – PRESENTATION: CENTRAL BASIN'S DROUGHT OUTREACH PROGRAMS**

Director Hierlihy gave a presentation to the Board outlining Central Basin MWD's drought outreach programs. She stated, that in response to Governor Brown's Executive Order to implement water restrictions to reduce water use by 25%, Central Basin MWD launched its campaign known as "In a Drought, Shut your Tap!" She stated that this campaign would utilize traditional and new media venues, press releases, printed material and they would hold outreach meetings to educate the public on the importance of conserving water and ways to conserve water.

### **ITEM 6 – CONSENT CALENDAR**

Director Figueroa moved to approve the consent calendar. The motion was seconded by Director Rapp and was approved by the following voice votes:

**AYES: DOR, CABLAY, VU, INIGUEZ, HIERLIHY, O'GRADY, HERNANDEZ-TORRES, MOSTAHKAMI, ACKERMAN, STOWELL, RAPP, AREVALO, LEUNG, BATSON, FIGUEROA, CASH, DERAS, NEGRETE, HONEYCUTT, CERVANTES, RIGG**

**NOES: NONE**

**ABSTAIN: NONE**

**ITEM 7 – APPROVE RESOLUTION NO. 15-3, A RESOLUTION OF THE GATEWAY WATER MANAGEMENT AUTHORITY “GWMA” RECOGNIZING AND COMMENDING KENNETH “KEN” C. FARFSING**

Ms. Kast recommended that the Board approve Resolution No. 15-3, recognizing and commending Kenneth “Ken” C. Farfsing for over 37 years of experience in economic development, city management, and regional issues such as stormwater and urban runoff. Ms. Kast indicated that Mr. Farfsing had spent countless hours supporting and advocating for GWMA and its members on regional issues.

Director Mostahkami moved to approve Resolution No. 15-3, A Resolution of the Gateway Water Management Authority “GWMA” Recognizing and Commending Kenneth “Ken” C. Farfsing. The motion was seconded by Director Cablay and was approved by the following voice votes:

**AYES: DOR, CABLAY, VU, INIGUEZ, HIERLIHY, O’GRADY, HERNANDEZ-TORRES, MOSTAHKAMI, ACKERMAN, STOWELL, RAPP, AREVALO, LEUNG, BATSON, FIGUEROA, CASH, DERAS, NEGRETE, HONEYCUTT, CERVANTES, RIGG**

**NOES: NONE**

**ABSTAIN: NONE**

**ITEM 8 – APPROVE 2<sup>ND</sup> AMENDMENT TO AGREEMENT WITH TONI PENN AS GWMA’S PART-TIME ADMINISTRATIVE AND ACCOUNTING ASSISTANT**

Ms. Kast reported that, in June 2013, the GWMA Board of Directors approved retaining the contract services of a part-time Administrative and Accounting Assistant. She stated that, in June 2014, the GWMA Board of Directors approved a 1<sup>st</sup> Amendment to the Agreement between GWMA and Toni Penn that extended her contract to June 20, 2015, increased her hourly rate and total hours of service.

Ms. Kast recommended that the Board approve the 2<sup>nd</sup> Amendment which would extend her agreement on a month-to-month basis with the same terms as in the 1<sup>st</sup> Amendment including the ability for either party to terminate with a 30-day notice.

Director Mostahkami moved to approve the 2<sup>nd</sup> Amendment to the Agreement with Toni Penn as GWMA’s Part-Time Administrative and Accountant Assistant. The motion was seconded by Director Cablay and was approved by the following voice votes:

**AYES: DOR, CABLAY, VU, INIGUEZ, HIERLIHY, O'GRADY, HERNANDEZ-TORRES, MOSTAHKAMI, ACKERMAN, STOWELL, RAPP, AREVALO, LEUNG, BATSON, FIGUEROA, CASH, DERAS, NEGRETE, HONEYCUTT, CERVANTES, RIGG**

**NOES: NONE**

**ABSTAIN: NONE**

#### **ITEM 9 – APPROVE NEW JPA MEMBERSHIP**

Ms. Kast reported that the City of Avalon (“Avalon”) had reached out to mainland entities to more fully participate and access benefits through more regional partnerships. She stated that Avalon had expressed its desire to join GWMA by approving the JPA agreement on June 2<sup>nd</sup>. She indicated that acceptance by the GWMA requires a super-majority vote. In closing, Ms. Kast reported that Avalon anticipated having a resolution adopted on June 16 to appoint their board member and alternate.

Director Figueroa moved to approve the City of Avalon’s membership to the GWMA. The motion was seconded by Director Ackerman and was approved by the following voice votes:

**AYES: DOR, CABLAY, VU, INIGUEZ, HIERLIHY, O'GRADY, HERNANDEZ-TORRES, MOSTAHKAMI, ACKERMAN, STOWELL, RAPP, AREVALO, LEUNG, BATSON, FIGUEROA, CASH, DERAS, NEGRETE, HONEYCUTT, CERVANTES, RIGG**

**NOES: NONE**

**ABSTAIN: NONE**

#### **ITEM 10 – FY 2015/16 BUDGET**

Ms. Kast reported that the proposed budget for FY 2015/16 reflected actual costs and projections through the end of this fiscal year.

After detailed discussions, Director Mostahkami moved to carry this agenda item over to the Board meeting in July to allow additional time to review and update the proposed budget and also authorized the payment of any demands in the interim. The motion was seconded by Director Cablay and was approved by the following voice votes:

**AYES: DOR, CABLAY, VU, INIGUEZ, HIERLIHY, O'GRADY, HERNANDEZ-TORRES, MOSTAHKAMI, ACKERMAN, STOWELL, RAPP, AREVALO,**

**LEUNG, BATSON, FIGUEROA, CASH, DERAS, NEGRETE, HONEYCUTT,  
CERVANTES, RIGG**

**NOES: NONE**

**ABSTAIN: NONE**

**ITEM 11 – GATEWAY REGIONAL WATERSHED MANAGEMENT PLANS (WMPS) AND MOU  
AND/OR AMENDMENTS**

Lower Los Angeles River Upper Reach 2 Watershed Group

None.

Lower Los Angeles River Watershed Group

None.

Los Cerritos Channel Watershed Group

Ms. Kast reported that over the course of the past several months, GWMA had been facilitating and assisting the Los Cerritos Channel Watershed Group to develop a First Amendment to their existing Memorandum of Understanding. She stated that this Amendment would add implementation of the Plans to the scope and purpose of the MOU and to provide a separate cost-share formula for the implementation of the Plans, subject to annual budget approval.

Director Figueroa moved to approve the First Amendment to the MOU and authorized the Chair to execute the MOU Amendment. The motion was seconded by Director Cablay and was approved by the following voice votes:

**AYES: DOR, CABLAY, VU, INIGUEZ, HIERLIHY, O'GRADY, HERNANDEZ-  
TORRES, MOSTAHKAMI, ACKERMAN, STOWELL, RAPP, AREVALO,  
LEUNG, BATSON, FIGUEROA, CASH, DERAS, NEGRETE, HONEYCUTT,  
CERVANTES, RIGG**

**NOES: NONE**

**ABSTAIN: NONE**

Mr. Watson, Rich Watson & Associates, reported on some potential funding available from Cal Trans for some of LCC projects. He indicated, that according to Cal Trans, Cal Trans was required to help local agencies with their stormwater projects and must do so in the following ways: 1) Cal Trans can do it themselves, or 2) Cal Trans can give the funds to local agencies such as a municipality or a JPA.

Mr. Watson reported that Cal Trans would like to obligate \$10M from the current fiscal year budget that ends June 30, 2015. He stated that he understands that GWMA had already adopted a policy that GWMA would not own and operate facilities. He indicated that ownership would be one of the municipalities involved in the project and maintenance would be handled by one of the municipalities involved.

After general discussions, Director Rapp authorized the Chair to sign an agreement with Cal Trans and to execute respective subrecipient agreements with participants, if needed, with legal review. The motion was seconded by Director Iniguez and was approved by the following voice votes:

**AYES: DOR, CABLAY, VU, INIGUEZ, HIERLIHY, O'GRADY, HERNANDEZ-TORRES, MOSTAHKAMI, ACKERMAN, STOWELL, RAPP, LEUNG, BATSON, FIGUEROA, CASH, DERAS, NEGRETE, HONEYCUTT, CERVANTES, RIGG**

**NOES: NONE**

**ABSTAIN: AREVALO**

Lower San Gabriel River Watershed Group

None.

**ITEM 12 – EXECUTIVE OFFICER'S REPORT**

None.

**ITEM 13 – DIRECTORS' COMMENTS/REPORT**

None.

The meeting was adjourned at 1:11 p.m.

---

Charlie Honeycutt, Secretary/Treasurer

---

Date



# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

July 9, 2015

SECTION NO. 5(b) Warrant Register Dated July 9, 2015

SUMMARY:

The Warrant Register is a listing of general checks issued since the prior warrant register and warrants to be released by the City of Signal Hill, serving as Treasurer of the Gateway Water Management Authority, upon Board approval.

DISCUSSION:

The Warrant Register for expenditures dated July 9, 2015 in the amount of \$169,268.04 is submitted for approval. Invoices and supporting documentation are available for review at the City of Signal Hill Department of Finance.

FISCAL IMPACT:

The Warrant Register totals \$169,268.04. Funds to cover payment are available in the Gateway Authority budget.

RECOMMENDATION:

Approve the Warrant Register as presented.

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**  
Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Maywood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

# AGENDA ITEM NO. 5B

## WARRANT REGISTER

### Disbursement Journal

July 09, 2015

Invoice Date	Vendor	Invoice Number	Description	Amount
06/29/2015	Grace J. Kast	15-GJK-GA-6	Executive Director	\$ 13,333.33
06/29/2015	Toni Penn	15-6-29	Admin/Acct. Services	\$ 9,157.50
06/01/2015	City of Paramount	3200	Rent	\$ 322.50
06/01/2015	City of Paramount	3212	Meeting Expenses	\$ 285.79
07/01/2015	City of Paramount	3226	Rent	\$ 322.50
11/07/1908	City of Paramount	3234	Meeting Expenses	\$ 382.86
05/29/2015	Anchor QEA	42458	Harbor Toxics TMDL Monitoring	\$ 41,481.93
06/17/2015	Joe. A Gonsalves & Son	25380	Legislative Advocacy Services	\$ 2,083.33
05/22/2015	John L. Hunter & Assoc.	GANPLA0415	LLAR WMP Development	\$ 34,738.40
05/22/2015	John L. Hunter & Assoc.	GANPSG0415	LSGR WMP Development	\$ 36,552.24
05/31/2015	Planimum Consulting Grp.	3449	Audit Services	\$ 1,938.75
04/30/2015	Planimum Consulting Grp.	3433	Audit Services	\$ 1,485.00
05/31/2015	Planimum Consulting Grp.	3431	Audit Services	\$ 4,710.00
05/19/2015	Richard Watson & Assoc.	15-192-003-007	LCC Watershed Management Program	\$ 7,523.91
06/15/2015	California Watershed Engineering	15643	Upper LAR Reach 2 WMP & CIMP Development	\$ 14,950.00
Total Disbursements				\$ 169,268.04

AGENDA ITEM NO. 6

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723

• 562.663.6850 phone 562-634-8216 fax

• [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

July 9, 2015

## **Section 6 – Consideration to accept the Water Replenishment District of Southern California as GWMA JPA member.**

### **Background**

The Water Replenishment District of Southern California (WRD) has expressed its desire to join GWMA by approving the JPA agreement on June 18th. For full execution, acceptance by the GWMA requires a super-majority vote. The board secretary has certified the action of the board to appoint Mr. Robb Whittaker as the Board Members and Ms. Esther Rojas as the Board Alternate.

### **Fiscal Impact:**

WRD will participate as a full-paying member which will result in additional appropriations paid to GWMA annually.

### **Recommendation:**

Approve the Water Replenishment District of Southern California's membership to the GWMA.

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**

**Proudly serving Gateway cities and agencies in Southeastern Los Angeles County**

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Maywood • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

## AGENDA ITEM NO. 6

### THE LOS ANGELES GATEWAY REGION INTEGRATED REGIONAL WATER MANAGEMENT AUTHORITY

THIS JOINT EXERCISE OF POWERS AGREEMENT ("Agreement"), dated for reference as of June 18, 2015, is entered into by the Water Replenishment District of Southern California and between the Cities of Bell Gardens, Bellflower, Cerritos, Commerce, Downey, Lakewood, Long Beach, Lynwood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, Vernon, Whittier, and the Central Basin Municipal Water District, and the Long Beach Water Department, et al., all of which are municipal corporations. Each of the foregoing are sometimes referred to herein as "Member", or collectively as "Members."

#### RECITALS

(i) Each party to this Agreement is a "local public agency", as defined in the Integrated Regional Water Management Planning Act of 2002, California Water Code Section 10530, et seq. ("IRWMPA"). As of the effective date of this Agreement, all Members function within the County of Los Angeles.

(ii) Each Member is a "public agency", as defined in the Joint Exercise of Powers Act, California Government Code Section 6500, et seq., and all are authorized to enter into this Joint Exercise of Powers Agreement in order to exercise powers common to these public agencies.

(iii) It is the intent of the Members in entering into this Agreement to create a "regional water management group", as defined in and authorized by the IRWMPA, in order to create a regional water resources management plan that will protect and enhance regional water supplies, and to otherwise further the purposes of the IRWMPA, with respect to the Members' jurisdictional areas (collectively, "Gateway Region") and can also perform other regional responsibilities for water development and management, as described herein.

#### AGREEMENT

NOW, THEREFORE, in consideration of the promises, terms, conditions and covenants contained herein, the parties agree as follows:

1. Recitals Incorporated. The recitals set forth above, are hereby incorporated by reference and made a part of this Agreement.

2. Purposes. This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act, relating to the exercise of powers common to the Members. The purpose of this Agreement is to jointly exercise the powers set forth herein as to the Gateway Region, and, acting as a "regional water management group", to jointly prepare and/or adopt a "regional plan" for the management of water resources, and for implementation and operation of "qualified projects or programs", and/or the preparation of "qualified reports and studies", as those quoted terms are defined in the IRWMPA. In accordance with the IRWMPA, the regional water resources management plan may more specifically address any of the matters set forth and more fully described in California Water Code Section 10540(c) including, but not limited to, the following: ground water management planning; urban water management planning; the preparation of a water supply assessment; the planning, construction or modification of a flood

management project; the planning, construction or modification of a water recycling project; the planning, construction or modification of a domestic water supply facility to meet safe drinking water standards; the planning, construction or modification of a drainage water management unit, and/or the implementation of a water conservation program. Notwithstanding the citation of specific legal authority for the foregoing, the Joint Powers Authority may exercise any other statutory authority which may now exist or be subsequently enacted to deal with ground water, storm water, water recharge, water recycling, water supply, water drainage, water conservation or any related urban water management subject within the purview of local or regional water agencies.

3. Establishment. Pursuant to the Joint Exercise of Powers Act (Government Code Sections 6600, *et. seq.*), there is hereby established a Joint Powers Authority which shall be a regional water management group and a public entity separate from the parties to this Agreement. The name of such entity shall be the Los Angeles Gateway Region Integrated Regional Water Management Authority ("Authority"). The Authority shall carry out its functions through a Governing Board, as described in this Agreement.

4. Term of Agreement. This Agreement is effective as of the latest date by which at least three (3) Members, two of which have statutory authority over a water supply, have adopted resolutions by their legislative bodies approving joining the Authority and thereafter having executed this Agreement, and shall continue in full force and effect for so long as no less than three (3) such Members remain, or until terminated by unanimous consent, provided that all liabilities of the Authority have been satisfied and all assets of the have been distributed.

5. Restriction on Exercise of Powers. Pursuant to and to the extent required by California Government Code Section 6509, the Authority shall be restricted in the exercise of its powers to the same extent as the City of Long Beach is restricted in its exercise of powers hereunder; provided that, if the City of Long Beach shall cease to be a Member, then the Authority shall be restricted in its exercise of powers to the same extent as the City of Downey is restricted in its exercise of powers hereunder; in that the aforesaid cities are charter cities with statutory authority over a water supply.

6. Governing Board. The governing body of the Authority shall be the Governing Board which shall be made up of one representative from each Member public agency, but such representative need not be a member of the legislative body of such public agency if approved by resolution of the legislative body of the Member. The Governing Board shall oversee the activities of the Authority and shall act consistent with and in furtherance of the purposes of this Agreement and the Authority, as specified in Section 2, above.

(a) Appointment. The legislative body of each of the Member public agencies shall appoint one member of the Governing Board and one alternate Board member. If neither the Governing Board member nor the Member's alternate can attend a scheduled meeting, the Member public agency may designate in writing a representative for that meeting who may attend and participate in that meeting as if he or she was a Governing Board member.

(b) Term of Members. Each member and alternate member of the Governing Board shall serve a two-year term. Board members and alternates may be removed at any time by the appointing legislative body. Vacancies shall be filled in the same manner as the original appointment.

(c) Compensation. Governing Board members shall receive no compensation for attending required meetings.

(d) Voting. Each Governing Board member shall have one (1) vote. If a Board member cannot attend a meeting, the alternate attending shall be fully empowered to act as the Governing Board member for the meeting so attended. Voting shall require a majority or super-majority vote as provided below in Section (g).

(e) Responsibilities. It shall be the responsibility of the Policy Board to:

(1) Determine general policy for Authority activities.

(2) Act on behalf of all Members in adopting strategies to pursue the purposes of the Authority, as set forth in Section 2 of this Agreement.

(3) Approve a budget to expend funds necessary to exercise the powers and achieve the purposes of the Authority, as set forth in this Agreement, and as otherwise provided by law. A super-majority vote shall be required to adopt a budget or assess the contribution of costs or to purchase or long-term lease any real property.

(4) Ensure that projects and programs that are undertaken are in the best interest of the residents served by the Authority.

(5) Authorize expenditures of funds in accordance with budget and any purchasing procedures adopted by the Governing Board.

(6) Share costs equally among the Members, except as otherwise provided herein.

(7) Approve or deny applications from local public agencies for admission to the Authority or expel a member from the Authority, which shall require a super-majority vote of the Board and approval by the legislative bodies of the Members pursuant to Sections 13, 16 and 17.

(8) Adopt by-laws, rules and regulations governing operations of the Authority.

(9) Appoint such ad hoc or standing committees of its Members as it may deem appropriate, all in uniformity with the Ralph M. Brown Act (Sections 54950 *et seq.*)

(f) Meetings. The Governing Board shall conduct regular and special meetings in accordance with the Ralph M. Brown Act, commencing with California Government Code Section 54950, or any successor provision thereto. It shall hold at least one regular meeting in each year and such additional meetings as may be necessary to accomplish the purposes specified herein. Regular meetings shall be held at such location as the Governing Board may determine by Resolution. Minutes shall be kept of all meetings of the Authority and shall be provided to the Members and made available to the public. Meetings shall be conducted in accordance with the most current edition of "Roberts Rules of Order" unless otherwise provided by the Governing Board.

(g) Quorum. A majority of the Governing Board must be present to constitute a quorum. No action will be valid unless it has received the affirmative vote of the majority of those Governing Board members present, except where a super-majority vote is specified. Where a super-majority vote is specified herein, it shall mean the affirmative vote of three-quarters (3/4) of the Members of the entire Board.

7. Organization.

(a) Officers. The Governing Board shall elect a chair, a vice-chair, and/or such other officers as the Board shall find appropriate. Each officer shall serve for a term of one (1) year unless sooner terminated at the pleasure of the Governing Board. Upon approval by the Governing Board, all contracts, deeds and other official documents on behalf of the Authority shall be executed by the Chair or the Executive Director, and attested to by the Secretary and approved as to form by Lead Agency's legal counsel or other appropriate officer.

(b) Employees. The Governing Board may appoint an executive director, controller, clerk, legal counsel or other employees as it deems appropriate and may establish the duties and compensation of such employees. The Governing Board may choose to utilize the services of employees of the Members by appointing a Lead Agency, as described below, and, if required, compensate the Member accordingly, or may directly appoint and employ its own staff. If the Authority directly employs employees, the Governing Board shall adopt a personnel system establishing rules and regulations comparable to the public sector generally.

(c) Finances. The Controller of the Authority shall cause an independent annual audit of the Authority's finances to be made by a certified public accountant in compliance with California Government Code Section 6505 or successor authority. The Treasurer of the Authority shall be the depositor and shall have custody of all money of the Authority received from whatever source. The Controller of the Authority shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority by its authorized representative pursuant to any delegation of authority adopted by the Authority. The Treasurer and Controller shall comply strictly with the provisions of statutes relating to their duties, as set forth in the Joint Exercise of Powers Act.

(d) Consultants. In addition to hiring employees, the Authority is authorized to enter into contracts and pay consultants pursuant to the Authority's purchasing procedure to perform any work or activity it is empowered to perform hereunder, including for the provision of professional, financial, legal, administrative, technical or other services.

(e) Lead Agency. The Governing Board may select from the Members, a Lead Agency for the Authority. In such case, the City Manager or General Manager of the Lead Agency City shall be and act as the Secretary for the Authority and the Director of Finance of the Lead Agency shall be and act as the Treasurer and Auditor of the Authority, pursuant to California Government Code Section 6505.6. Pursuant to California Government Code Section 6505.1, the Secretary and Treasurer shall have charge of the property of the Authority and each shall file an official bond in the penal sum of Ten Thousand Dollars (\$10,000.00) or such additional amount as the Governing Board may establish. By majority vote, the Governing Board may change the Lead Agency at any time. In such event, the officers of the new Lead Agency shall serve as the respective officers of the Authority.

(f) Property of the Authority. Pursuant to California Government Code Section 6505.1, the Governing Board may designate an officer or employee, or officers and employees, in addition to the Secretary and Treasurer, to receive, deposit, invest, and disburse the money of the Authority pursuant to California Government Code Sections 6505.5 and 6509.5. The Governing Board shall fix the amount of the official bond to be filed by each such designee.

8. Powers and Functions as a Regional Water Management Entity. Subject to the limitations set forth herein, the Authority, acting through its Governing Board, shall have any and all powers commonly held by the Members, necessary or appropriate to fulfill the purposes set forth in Section 2, above, and to otherwise perform the functions and exercise the powers of a regional water management group pursuant to applicable law.

9. Corporate and Political Powers. For purposes of exercising its authority, and subject to the limitations set forth herein, the Authority shall have all joint powers specified in California Government Code Section 6508 including, but not limited to, any or all of the following:

- (a) To exercise the common powers of its Members pursuant to Section 2 above;
- (b) To make and enter into contracts;
- (c) To employ agents and employees;
- (d) To acquire, construct, manage, maintain or operate any building, structure, work or improvement;
- (e) To acquire, hold or dispose of real or personal property;
- (f) To incur debts, liabilities and obligations and issue bonds, notes, certificates of participation and other forms or evidence of indebtedness;
- (g) To sue and be sued in its own name;
- (h) To apply for, accept, receive and disburse grants, loans and other financial aid from any agency of the State of California or the United States of America and to receive donations of property, funds, services and other forms of assistance from persons, firms, corporations or governmental entities;
- (i) Obtain insurance for the Authority and contract for risk management services authority;
- (j) Invest money of the Authority in the same manner and on the same conditions as local agencies pursuant to California Government Code Section 53601;
- (k) To prepare and support legislation related to the purposes of this Agreement;



(l) To adopt rules, regulations, policies, bylaws and procedures for the carrying out of the foregoing powers or necessary for the governing of the operations of the Authority; and

(m) Exercise all other powers necessary and proper to carry out the provisions of this Agreement.

10. Limitations. The Authority shall not have the power of eminent domain.

11. Expenditures and Contributions. From time to time, the Governing Board may require Member contributions in order to make expenditures necessary to carry out the purposes and functions of the Authority which may include, but are not limited to, retention of consultant(s) to conduct studies and prepare plans, reports and designs, and/or provide management services. Contracts over \$100,000 shall require a super-majority vote. Contributions may be assessed against Members on an equal basis, or upon such other basis as may be determined by the Governing Board. Within thirty (30) days of such an assessment by the Governing Board becoming effective, each Member, shall make the required contribution, providing that any member not wishing to make such contribution may, in the alternative, withdraw from the Authority within said period by adopting a resolution of withdrawal by its legislative body.

12. Eligibility for Membership and Admission. Any local public agency that is a member of the Gateway Cities Council of Governments, or that has statutory authority over a water supply with the Gateway Cities Region, may apply to become a member of the Authority and may become a Member upon a super-majority vote of the Governing Board. Upon admission, each new Member shall immediately execute this Agreement. At the time of approval of admission, the Governing Board may request that the new Member make a voluntary payment of any costs incurred by the Authority to date, to the extent the benefit of those costs will be derived or will continue to be derived after the new Member agency has joined the Authority.

13. Accounts, Reports, and Audits. The following procedures shall be followed to ensure strict accountability of all funds of the Authority and to provide for accurate reporting of receipts and disbursements of said funds:

(a) The auditor of the Authority shall either prepare or contract with a certified public accountant to prepare an annual audit of the Authority's accounts and records. The minimum requirements for such audits shall be those prescribed by the State Controller for special districts under California Government Code Section 26909 or successor statute and shall conform to generally accepted accounting principles.

(b) A report of said audit shall be filed as a public record with each Member and with the County Auditor of the County of Los Angeles. Such report shall be filed within six (6) months of the end of the fiscal year or years under examination.

(c) Any additional procedures pertaining to accountability of funds and assets of the Authority, as specified in the Joint Exercise of Powers Act, shall be followed.

14. Obligation for Debts and Liabilities and Distribution of Assets. Except as otherwise provided herein, no Member shall be individually responsible for any of the debts,

liabilities or obligations of the Authority, and all such debts, liabilities and obligations shall exclusively be those of the Authority.

(a) Indemnification.

(1) Each Member agrees to indemnify, defend and hold the Authority and all other Members, and employees, officers and agents of the Authority, free and harmless with respect to any and all claims, liabilities, losses, and damages, including legal fees and expenses, to the extent arising out of or connected with the acts or omissions, or breach or default, of such Member, or any person or entity acting on behalf of such Member, in the performance of any of its obligations under this Agreement.

(2) The Authority shall indemnify, defend, and hold harmless, jointly and severally, each of its Members and the Members' officers, officials, employees, agents, and representatives with respect to any loss, damage, injury, claim, litigation, or liability, including attorney's fees and costs, arising out of or in any way related to the creation of operation, functioning, decisions, or actions of the Authority or the Authority's officers, officials, employees, agents, or representatives.

(3) The provision of indemnity set forth in this Section shall not be construed to obligate the Authority to pay any liability, including but not limited to punitive damages, which by law would be contrary to public policy or otherwise unlawful.

(b) Tort Liability. Government Code Section 895.2 imposes certain tort liability jointly upon public agencies solely by reason of such public agencies being parties to an agreement as defined in Government Code Section 895. Therefore, the Member public agencies, as among themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, each assume the full liability imposed upon it or any of its officers, agents, employees or representatives by law for injury caused by a negligent or wrongful action or inaction, or omission, occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve this purpose, each Member public agency indemnifies and holds harmless each other party and the Authority, for any loss, cost or expense, including reasonable attorney's fees and consultant fees that may be imposed upon or incurred by such other Member public agency or the Authority solely by virtue of Government Code Section 895.2.

(c) Funds for Defense. Notwithstanding the provisions of paragraphs (a) or (b), above, by a super-majority vote of the Governing Board, the Board may approve the expenditure of Authority funds to defend, indemnify and hold the Authority, members of the Governing Board, and any employee or agent of the Authority, free and harmless from claims and liabilities arising in connection with their actions taken in good faith, and while within the scope of their duties being performed on behalf of the Authority.

(d) Self Insure. The Authority may self-insure or purchase insurance, and/or-, require the Members to self-insure or purchase insurance, in order to comply with any of the defense and indemnity requirements herein.

(e) Privileges and Immunities. All of the privileges and immunities from liability, exemptions from laws, ordinances, and rules, all pension, relief, disability, worker's compensation, and other benefits which apply to the activity of officers, agents, or employees of

any Member when performing their respective functions within the territorial limits of the Member, shall apply to them to the same degree and extent while engaged in the performance on any of their functions and duties extraterritorially hereunder.

15. Withdrawal by a Member. Subject to the provisions of this section, any Member may withdraw from the Authority by providing the Governing Board no less than thirty (30) days prior written notice including a copy of the initiating resolution by the legislative body of the withdrawing Member. The withdrawing Member shall pay all unpaid contributions that were approved by the Governing Board more than thirty (30) days prior to the date of the notice of withdrawal. No Member may withdraw unless and until it has satisfied any and all outstanding contractual obligations, or other indebtedness for which such Member would otherwise be obligated, in whole or in part, to pay. "Outstanding contractual obligations" includes the obligations for payments on contracts which the Authority has entered into and are legally binding but where additional services will be performed in the future, until the contract has been fully performed.

16. Effect of Termination. Upon termination of this Agreement by the Authority, all of the existing assets shall be divided and distributed for public purposes in such manner as shall be determined by a super-majority vote of the Governing Board provided, however, that this Agreement and the Governing Board shall continue to exist for the purposes of disposing of all claims, administering the distribution of assets, and performing any other functions necessary to conclude the affairs of the Authority. This Agreement may not be terminated so long as the Authority has any outstanding contractual obligations or other indebtedness.

17. Notices. Notices permitted or required to be sent pursuant to this Agreement shall be sent by registered mail, return receipt requested, or reputable overnight delivery service, addressed as follows:

To Member public agencies at each Member public agency's official business address, personally addressed to the that agency's Governing Board member;

To the Authority at 16401 Paramount Blvd., Paramount 90723, attention: Executive Officer. This address shall be the Authority's official business address. This address may be changed by approval of the Governing Board and the giving of written notice to each Member at their official business address.

18. Amendment. This Agreement may be amended by a super-majority vote of the Governing Board and by a super-majority vote of the legislative bodies of the Members acting by resolution with all such resolutions adopted within 90 days of the action by the Governing Board.

19. Legal Actions.

(a) Remedies. The Authority is hereby authorized to take any and all legal or equitable actions, including but not limited to, seeking an injunction and/or specific performance, necessary or permitted by law, to enforce this Agreement.

(b) Applicable Law and Forum. The laws of the State of California shall govern the interpretation and enforcement of this Agreement, without regard to conflict of law principles. Legal actions must be instituted and maintained in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court in that county, or in the Federal District Court in the Central District of California.

(c) Acceptance of Service of Process. In the event that any legal action is commenced against the Authority, service of process on the Authority shall be made by personal service upon the Executive Director or Secretary of the Authority, or in such other manner as may be provided by law.

(d) Waivers. All waivers of any term or condition of this Agreement shall be in writing. No waiver of any term or same term or condition at a different time.

20. Liberal Construction; Severability. In the event of any litigation over the meaning of this Agreement or the authority of any agency of the Authority, this Agreement shall be liberally construed to effectuate its purposes. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California or federal law, or otherwise be rendered unenforceable or invalid, the validity of the remaining portions and/or provisions shall not be affected thereby.

21. Conflicts of Interest. No officers, official, or employee of the Authority shall have any financial interest, direct or indirect, in the Authority nor shall any such person participate in any decision relating to the Authority which affects his or her financial interests, in violation of any State law or regulation.

22. Books and Records. All books, records, accounts, and documents of the Authority shall be available at any reasonable time to the Directors and, to the extent provided by the California Public Records Act (Government Code Section 6250 *et. seq.*) shall be public records. This Section does not authorize the release of any confidential documents which are exempt from disclosure under the California Public Records Act or other applicable law or regulations.

23. Principal Office. The principal office of the Authority shall be that of the office of the Executive Director or as from time to time designated by the Board.

24. Successors. This Agreement shall be binding upon all Members and shall inure to the benefit of the successors of each of the Members provided, however, that no Member may assign any right or obligation under this Agreement without the written consent of the Governing Board.

25. Effectuate Counterparts. This Agreement may be executed in counterparts, which together shall constitute the same and entire agreement.

26. Filing with Secretary of State. The Secretary of the Governing Board is directed to file with the office of the California Secretary of State a notice of adoption or amendment of this Agreement within thirty (30) days after the effective date of such adoption or amendment, as required by California Government Code Section 6503.5 and shall file all other official notices as may be required by law.

IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be executed and attested by its duly authorized officers as of the dates set forth below.

MEMBER:

Dated: June 18, 2015

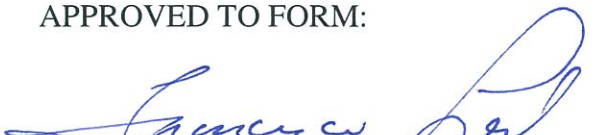
By: \_\_\_\_\_

Sergio Calderon, President

ATTEST:

  
\_\_\_\_\_  
Rob Katherman, Secretary

APPROVED TO FORM:

  
\_\_\_\_\_  
H. Francisco Leal, Interim District Counsel

AGENDA ITEM NO. 7

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

**SECTION NO. 7: Approval of FY 2015/16 Budget, Annual Membership Dues of \$15,000, 3% MOU Administrative Fee for GWMA Members and 5% MOU Administrative Fee for non-GWMA Members**

**Summary**

The Gateway Water Management Authority Board will consider adoption of the Fiscal Year 2015-16 Operating Budget.

**Background**

The proposed FY 2015-16 GWMA Budget includes available funds of \$750,500 and expenditures of up to \$509,670. The projected FY 2015-16 Ending Fund Balance is estimated at \$240,830.

**Revenues**

The year end fund balance for FY 2014-15 is projected at \$231,955. Projected FY 2015-16 revenues are \$518,545 consisting of \$369,500 in GWMA membership fees, \$36,000 from grants, \$5,000 in interest earned and administrative fees charged to MOUs of \$108,045. Total available funds are \$750,500 as shown below:

Beginning Fund Balance	\$231,955
GWMA Membership Fees	\$369,500
Net MOU Admin Revenue	\$108,045
Grant Revenue	\$ 36,000
Interest	<u>\$ 5,000</u>
Total Available Funds	\$750,500

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**

**Proudly serving Gateway cities and agencies in Southeastern Los Angeles County**

Members: Artesia · Avalon · Bell · Bell Gardens · Bellflower · Central Basin Municipal Water District · Cerritos · Commerce · Cudahy · Downey · Hawaiian Gardens · Huntington Park · La Mirada · Lakewood · Long Beach · Long Beach Water Department · Lynwood · Maywood · Montebello · Norwalk · Paramount · Pico Rivera · Santa Fe Springs · Signal Hill · South Gate · Vernon · Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

AGENDA ITEM NO. 7

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

GWMA Membership fee revenue consists of 23 agencies paying the full \$15,000 annual fee and 5 agencies that have been approved for reduced fees as listed below:

Artesia	\$5,000
Bell	\$7,500
Cudahy	\$5,000
Hawaiian Gardens	\$5,000
Maywood	2,000

The participation of these cities is important to the overall objective of the GWMA. However, the reduced fees represent \$50,500 in unrealized membership fees.

The GWMA Board approved the GWMA to serve as the fiduciary agent for activities related to the Lower Los Angeles River Upper Reach 2, Lower Los Angeles River, Los Cerritos Channel and Lower San Gabriel River Watershed Groups, Harbor Toxics Watershed Group, and the Harbor Toxics TMDL Monitoring Program. The GWMA charges a 3% administrative fee for GWMA members and 5% administrative fee for non-GWMA members to provide fiduciary services to each MOU Group.

## **Expenditures:**

Expenditures include two categories: 1) General Operating Expenses; and 2) Special Projects. Proposed expenditures total \$509,670 and include \$392,670 in General Operating Expenses and \$117,000 for Special Projects.

General Operating Expenses are the routine costs incurred to operate the GWMA. These costs are covered by the annual membership fees collected from each member agency.

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**  
Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia · Avalon · Bell · Bell Gardens · Bellflower · Central Basin Municipal Water District · Cerritos · Commerce · Cudahy · Downey · Hawaiian Gardens · Huntington Park · La Mirada · Lakewood · Long Beach · Long Beach Water Department · Lynwood · Maywood · Montebello · Norwalk · Paramount · Pico Rivera · Santa Fe Springs · Signal Hill · South Gate · Vernon · Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

## AGENDA ITEM NO. 7

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

Special Projects include the line items of General Consulting Services and Accounting Transition services. The proposed budget for General Consulting Services is \$100,000 and is for one-time expenditures to retain consultant services for potential GWMA projects and grant opportunities. \$17,000 has been budgeted to support financial transition services to establish banking and accounting systems, policies, and procedures, etc.

In summary, dues from GWMA memberships are adequately supporting the operating expenses of GWMA. With the additional revenues from the MOU administrative fee and planned grant revenues in 2015/16, Special Projects can also be considered by the GWMA Board.

### **Recommendations for Next Year (FY 2016-17)**

The Executive Officers of the Board recommend that GWMA hold a budget workshop in May 2016 to present a draft budget to the GWMA for review and comment.

### **Recommendations**

- a. Adopt the FY 2015/16 Budget as presented;
- b. Approve the annual membership appropriation of \$15,000 (except for reduced dues memberships).
- c. Adopt member and non-member administrative fees for MOUs at 3% and 5%, respectively

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**  
Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Maywood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*



# AGENDA ITEM NO. 7

## Gateway Water Management Authority FY 2015/16 Budget (Schedule A)

A	B	C	D	E	F	G
DESCRIPTION	FY 15/16 Admin Budget	Current FY 14/15 Admin Budget	FY 14/15 Actuals thru 5/31/2015 & Year-End Projections	Budget to Actual Variance	FY 13/14 Actuals	NOTES
<b>REVENUES</b>						
Dues from Member Agencies	\$ 369,500	\$ 329,500	\$ 339,500	\$ 10,000	\$ 329,649	FY 15/16 Assumes Regular Membership Dues @ \$15,000/member.(21 current + 2 new members); 3 members @\$5,000; 1 member @\$7,500; and 1 member @\$2,000
Member Agency Pass-Through Funds	\$ -	\$ -	\$ 10,000	\$ -	\$ -	MS4Front Software (2 members)
Revenue from MOU Admin Fees	\$ 108,045	\$ -	\$ 49,300	\$ -	\$ 81,871	See Schedule B
Grant Revenue	\$ 36,000	\$ -	\$ 14,000	\$ -	\$ 153,146	See Schedule B
Contribution to MOUs from GWMA	\$ -		\$ 4,919		\$ 6,678	
Interest Earned	\$ 5,000	\$ -	\$ 5,000	\$ 5,000	\$ 6,764	
<b>TOTAL REVENUES</b>	<b>\$ 518,545</b>	<b>\$ 329,500</b>	<b>\$ 422,719</b>	<b>\$ 15,000</b>	<b>\$ 578,108</b>	
<b>OPERATING EXPENSES</b>						
Professional Services - Contract Executive Officer F/T	\$ -	\$ 160,000	\$ 160,000	\$ -	\$160,000	
Professional Services - Contract Administrative/Accounting Services F/T	\$ -	\$ 85,000	\$ 85,000	\$ -	\$ 40,000	
Professional Services	\$ 272,000	\$ -	\$ -	\$ -	\$ -	Executive Mgmt, Admin, Accounting & Financial Svs
General Counsel	\$ 60,000	\$ 50,000	\$ 60,000	\$ (10,000)	\$ 62,643	
Government Relations	\$ 25,000	\$ 50,000	\$ 48,000	\$ 2,000	\$ 38,000	
Meeting Expenses	\$ 5,500	\$ 5,000	\$ 5,260	\$ (260)	\$ 4,239	
Office Supplies	\$ 500	\$ 2,500	\$ 500	\$ 2,000	\$ 3,228	
Office Rent	\$ 3,870	\$ 4,000	\$ 3,870	\$ 130	\$ -	
Website Services	\$ 2,000	\$ 3,000	\$ 1,000	\$ 2,000	\$ -	
Postage, notices, misc.	\$ 100	\$ 1,000	\$ -	\$ 1,000	\$ -	
Insurance	\$ 12,000	\$ 8,500	\$ 11,318	\$ (2,818)	\$ 8,443	
Authorized Conferences, Travel & Sponsorships	\$ 1,000	\$ 5,000	\$ 5,000	\$ -	\$ 1,586	
Organization Memberships	\$ 700	\$ -	\$ 10,700	\$ (10,700)	\$ 11,700	Approved GWMA Memberships to CCEFB & SCWC
Audit	\$ 10,000	\$ 6,000	\$ 11,600	\$ (5,600)	\$ 2,900	2 year (FY 12/13 & 13/14) general audit paid in FY 14/15;
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 392,670</b>	<b>\$ 380,000</b>	<b>\$ 402,248</b>	<b>\$ (22,248)</b>	<b>\$ 332,739</b>	
<b>NET INCOME BEFORE SPECIAL PROJECTS</b>	<b>\$ 125,875</b>		<b>\$ 20,471</b>		<b>\$ 245,369</b>	
<b>SPECIAL PROJECTS</b>						
Accounting Transition Services	\$ 17,000	\$ -	\$ -	\$ -	\$ -	
General Project/Grant Consulting Services	\$ 100,000	\$ 300,000	\$ 188,500	\$ 111,500	\$ 211,199	
<b>TOTAL SPECIAL PROJECTS</b>	<b>\$ 117,000</b>	<b>\$ 300,000</b>	<b>\$ 188,500</b>	<b>\$ 111,500</b>	<b>\$ 211,199</b>	
<b>NET INCOME AFTER ALL OPERATING EXPENSES AND SPECIAL PROJECTS</b>	<b>\$ 8,875</b>	<b>\$ (350,500)</b>	<b>\$ (168,029)</b>	<b>\$ (74,252)</b>	<b>\$ 34,170</b>	
<b>BEGINNING FUND BALANCE</b>	<b>\$ 231,955</b>	<b>\$ 536,915</b>	<b>\$ 399,984</b>		<b>\$ 365,814</b>	FY 13/14 Actual as Carryover is a Reconciled Fund Balance From Previous Lead Agencies
<b>ENDING FUND BALANCE</b>	<b>\$ 240,830</b>	<b>\$ 186,415</b>	<b>\$ 231,955</b>		<b>\$ 399,984</b>	

## GWMA REIMBURSEMENT SCHEDULE - SCHEDULE B

### FY 2015/16 Projected

<b>Professional Services</b>	Total Gross	Reimbursements/Admin Costs			Net To Budget
	<u>Cost</u>	Grant			
		<u>Projects</u>	<u>MOUs</u>	Total	
Professional Services	\$272,000	\$6,000	\$64,000	\$70,000	\$208,000
Legal	\$60,000	-	\$23,000	\$23,000	\$37,000
Consultants	\$50,000	\$30,000	-	\$30,000	\$50,000
<b>TOTAL</b>	<b>\$382,000</b>	<b>\$36,000</b>	<b>\$87,000</b>	<b>\$123,000</b>	<b>\$259,000</b>
Total Admin Fee					
Collected from MOUs		\$108,045			
Variance		\$21,045			

### FY 2014/15 Actual & Projected

<b>Professional Services</b>	Total Gross	Reimbursements/Admin Costs			Net Admin Cost
	<u>Cost</u>	Grant			
		<u>Projects</u>	<u>MOUs</u>	Total	
Kast	\$160,000	\$6,000	\$16,924	\$22,924	\$137,076
Penn	\$85,000	\$2,000	\$23,295	\$25,295	\$59,705
Legal	\$60,000	\$0	\$14,000	\$14,000	\$46,000
Consultants	\$188,500	\$6,000	\$0	\$6,000	\$182,500
<b>TOTAL</b>	<b>\$493,500</b>	<b>\$14,000</b>	<b>\$54,219</b>	<b>\$68,219</b>	<b>\$425,281</b>
Total Admin Fee					
Collected from MOUs		\$49,300			
Variance		-\$4,919			

### FY 2013/14 Actual

<b>Professional Services</b>	Total Gross	Reimbursements/Admin Costs Actual			Net Admin Actual Cost
	<u>Actual Cost</u>	Grant			
		<u>Projects</u>	<u>MOUs</u>	Total	
Kast	\$160,000	-	\$36,248	\$36,248	\$123,752
Penn	\$40,000	-	\$12,213	\$12,213	\$27,787
Legal	\$62,643	-	\$40,088	\$40,088	\$22,555
Consultants	\$211,199	\$153,146	-	\$153,146	\$58,053
<b>TOTAL</b>	<b>\$473,842</b>	<b>\$153,146</b>	<b>\$88,549</b>	<b>\$241,695</b>	<b>\$232,147</b>
Total Admin Fee					
Collected from MOUs		\$81,871			
Variance		-\$6,678			

## AGENDA ITEM NO. 8

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723

• 562.663.6850 phone 562-634-8216 fax

• [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

July 9, 2015

### **SECTION 8: Approval of JPA Member Reduced Dues for FY2015/16 (Hawaiian Gardens)**

**BACKGROUND:** In May 2012, the GWMA Board directed the Executive Officer to offer applications for full memberships with reduced dues. Further, they directed staff to utilize the same criteria and application format adopted by the Board for Ex-Officio Participants. As part of the application and approval process, the Board authorized the Executive Officer to contact the requesting city or agency to discuss and then recommend an annual membership due level for that particular entity.

**DISCUSSION:** Currently, GWMA has 5 memberships with reduced dues. They are as follows: Artesia (\$5,000); Bell (\$7,500); Cudahy (\$5,000); Hawaiian Gardens (\$5,000); and Maywood (\$2,000). At the last board meeting, the Board approved annual reduced dues applications for Artesia, Bell, Cudahy and Maywood and recommend that the board approve Hawaiian Gardens' annual reduced dues application.

### **Current Members with Reduced Dues**

***Artesia*** – submitted request for reduced dues for FY 2015/16; same criteria apply from FY 2012/13, FY 2013/14 and FY 2014/15 (see application attached)  
Recommended Dues: \$5,000

***Bell*** – submitted request for reduced dues for FY 2015/16; same criteria apply from FY 2012/13, FY 2013/14 and FY 2014/15 (see application attached);  
Recommended Dues: \$7,500

***Cudahy*** – submitted application for reduced dues for FY 2015/16; same criteria apply from FY 2013/14 and FY 2014/15 (see application attached).  
Recommended Dues: \$5,000

***Hawaiian Garden*** – submitted application for reduced dues for FY 2015/16; same criteria apply from FY 2013/14 and FY 2014/15 (see application attached).  
Recommended Dues: \$5,000

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**

**Proudly serving Gateway cities and agencies in Southeastern Los Angeles County**

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Maywood • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

AGENDA ITEM NO. 8

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

**Maywood** – submitted request for reduced dues for FY 2015/16; same criteria apply from FY 2013/14 and FY 2014/15 (see application attached);  
Recommended Dues: \$2,000

**FISCAL IMPACT:** GWMA has sufficient funds to carry reduced dues memberships funds.

**RECOMMENDATIONS:**

1. Approve reduced dues for FY 2015/16 for Hawaiian Gardens as presented. This amount would be granted for one year to Hawaiian Garden and would be re-considered for the next fiscal year.

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**

**Proudly serving Gateway cities and agencies in Southeastern Los Angeles County**

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Maywood • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

# GATEWAY WATER MANAGEMENT AUTHORITY

Los Angeles Gateway Region Integrated  
Regional Water Management Joint  
Powers Authority

16401 Paramount Blvd., Paramount, CA 90723

• 562.663.6850 phone 562.634.8216 fax

• [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

## APPLICATION FOR CITY/WATER AGENCY TO PAY REDUCED DUES FOR GWMA JPA MEMBERSHIP

To: GWMA Board of Directors

From: Ernesto Marquez (individual's name)

City Manager (individual's title)

Date: June 24, 2015

The city of/water agency Hawaiian Gardens (print  
organization name) is submitting this application for consideration of reduced dues. Our city/water  
agency meets one  
or more of the following criteria (please check all that apply):

☐ Has less than 10 full time employees

☐ Has a 2010 population of less than 10,000

☐ Has eliminated 10% of the city/water agency workforce in the last two years

☒ Has General Fund revenues that have not returned to FY2009-2010

☒ Is less than 2 square miles in area

Other: \_\_\_\_\_

Annual Membership Dues Amount Requested for FY 2015 /2016 : \$ 5,000.00

I certify that the information used to determine the criteria indicated above is true and accurate. (If  
available, please provide evidence).

  
Signature

6/24/2015  
Date

Please submit your application to Grace Kast at the above address or via e-mail to: [tonipenn.gateway@gmail.com](mailto:tonipenn.gateway@gmail.com).  
For questions, please call Toni at 626-484-6876 (cell)

Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus

Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Huntington Park • Hawaiian Gardens • La  
Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon  
• Whittier

ASSEMBLY THIRD READING  
 AB 1217 (Daly)  
 As Introduced February 27, 2015  
 Majority vote

Committee	Votes	Ayes	Noes
Local Government	5-2	Gonzalez, Alejo, Chiu, Cooley, Holden	Maienschein, Waldron

**SUMMARY:** Restructures the governing board of the Orange County Fire Authority (OCFA). Specifically, **this bill:**

- 1) Requires, notwithstanding any other law and notwithstanding the provisions of the joint powers agreement governing the OCFA, on and after January 1, 2018, the Board of Directors (Board) of the OCFA to be composed of 13 members, as follows:
  - a) Three members of the Board of Supervisors (BOS) of the County of Orange (County), selected by the BOS, to serve a term of two years;
  - b) One member from each of the five supervisorial districts of the County, elected by the OCFA City Selection Committee (as described by this bill) on a population weighted voting basis; and,
  - c) One member from each of the five supervisorial districts of the County, elected by the OCFA City Selection Committee on a "one city, one vote" basis.
- 2) Requires a city that is within more than one supervisorial district to be considered part of the district where the highest percentage of the city's population resides. Under this circumstance, the entire city's population shall be used for population-weighted voting purposes.
- 3) Provides that OCFA Board members elected by the OCFA City Selection Committee shall be a mayor or a city council member of a city within the County, and shall serve for a term of two years. An OCFA Board member elected in this manner whose term on the city council or as mayor ends shall also cease to serve as a member of the OCFA Board.
- 4) Requires the OCFA City Selection Committee to consist of either the mayor or a member of the city council of each city that contracts with the OCFA for fire protection services.
- 5) Requires any member of the OCFA Board serving as of the effective date of this bill to continue to serve until January 1, 2018, or until the expiration of his or her term, whichever is sooner.
- 6) Finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of California Constitution Article IV, Section 16 because of the challenges faced as a result of the current governance structure of the OCFA.

**EXISTING LAW:**

- 1) Authorizes two or more public agencies, by agreement, to form a joint powers authority (JPA) to exercise any power common to the contracting parties, as specified.

- 2) Authorizes the joint powers agreement to set forth the manner by which the JPA will be governed.
- 3) Authorizes the BOS of any county to contract with any local agency within the county or with the state for services relating to the prevention and suppression of fires.

**FISCAL EFFECT:** None

**COMMENTS:**

- 1) **Bill Summary.** This bill restructures the composition of the OCFA Board by reducing the current, 25-member Board to 13 members, most of whom would be selected by an as-yet-to-be-created OCFA City Selection Committee. The existing OCFA Board – comprised of two members from the County BOS and one member from each of the cities that are a party to the JPA that created the OCFA – would be eliminated. Instead, the OCFA Board would be comprised of the following:
  - a) Three members of the County BOS, selected by the BOS;
  - b) One member from each of the five supervisorial districts of the County, elected by the OCFA City Selection Committee on a population weighted voting basis; and,
  - c) One member from each of the five supervisorial districts of the County, elected by the OCFA City Selection Committee on a “one city, one vote” basis.

This bill is sponsored by the author.

- 2) **Author's Statement.** According to the author, "The Orange County Fire Authority was created through a Joint Powers Agreement enacted in 1995. Since then, the OCFA has enlarged its membership, with a current board of directors consisting of 25 members, representing the 23 municipal agency (city) partners plus the County of Orange. This is the largest JPA board of directors providing fire services in the State of California.

"After 20 years, it is appropriate for the current OCFA governing board structure be reviewed and updated. In fact, last year the OCFA board performed a self-survey as part of a larger review of the agency. That survey found a general consensus of the board that its current size 'increases bureaucracy, redundancy from work already done in committees, and makes decision making more difficult.' Furthermore, there is a more than a 30% turnover every two years on the board, leading to an average of only two-four years of experience per board member. This outdated structure makes consensus and governing difficult for a dynamic agency serving over 1.7 million residents."

- 3) **Background.** The OCFA is a regional fire service agency that serves 23 cities in Orange County and all unincorporated areas. The OCFA protects over 1.68 million residents from its 71 fire stations located throughout the County. OCFA Reserve Firefighters work 10 stations throughout the County.

The OCFA was formed in 1995 to provide regional fire protection and related services to the County of Orange and 18 member cities. Subsequent to formation, five additional cities have become members of the OCFA. The original JPA agreement was amended in 1999 and renewed



in 2010. The term of the JPA runs through 2030, though member cities currently have the option to withdraw in 2020.

The OCFA Board has 25 members and sets policy according to its adopted Rules of Procedure. Twenty-three of the members represent partner cities, and two members represent the County's unincorporated area. The OCFA Board meets bimonthly, usually on the fourth Thursday of the month. The Board established an Executive Committee and a Budget and Finance Committee, both of which meet monthly. The Board also has a Claims Settlement Committee. The Chair of the Board makes appointments to the Committees on an annual or as-needed basis.

The OCFA provides fire services for the following cities: Aliso Viejo, Buena Park, Cypress, Dana Point, Irvine, Laguna Hills, Laguna Woods, Laguna Niguel, Laguna Woods, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda.

- 4) **Joint Exercise of Powers Act.** JPAs have existed in California for nearly 100 years, and were originally created to allow multiple local governments in a region to pool resources to meet common needs. The Act authorizes federal, state and local agencies to create and use a joint powers agreement, which is a legal document that allows the contracting parties to exercise powers that are common to all of the contracting parties.

A joint powers agreement can be administered by one of the contracting agencies, or it can be carried out by a new, separate public entity called a joint powers authority (JPA). Joint powers agreements are an attractive tool for local governments because they facilitate more efficient service provision through collaboration, and they allow local entities to issue bonds without voter ratification. Public officials have created about 700 JPAs statewide.

The OCFA is not a special district, but was formed as a JPA and is, therefore, governed by California's JPA laws. Its agreement allows OCFA's member agencies to change the OCFA Board by a two-thirds vote.

- 5) **Policy Considerations.** The Legislature may wish to consider the following:

- a) **Changes to OCFA's Board.** Supporters of this bill contend that reducing the size of the Board will make it more efficient. They also contend that it will stabilize the composition of the Board by creating more certainty among Board members. Currently, there are 25 members and 24 alternates, which means any combination of those 49 people could be present for any Board meeting. Supporters note that this is especially critical when issues are debated over several meetings.

Opponents, however, raise a number of concerns with this bill. First, they point out that this bill eliminates direct representation among all member cities in contravention of the JPA that created the OCFA. According to the OCFA website, a JPA model was selected as the governance structure for the OCFA specifically because there was a need for "more direct oversight by all participating agencies." Prior to the formation of the JPA, fire services for the County were provided by the Orange County Fire Department under the oversight of the County BOS. The Web site notes, "Its initial service area included the unincorporated portions of the County and nine cities. However, over time with the incorporation of five new cities and four other cities joining the Department, the percentage of the total service



population that resided in the Department's member cities grew from 48% in 1980 to 83% in 1995." OCFA's member agencies joined the JPA with the agreement that each contracting city has a seat on the Board, and the County has two. The Legislature may wish to consider whether it is appropriate for the Legislature to dictate the terms of an already-existing JPA.

This bill also creates a disadvantage for some cities currently represented on the Board, while favoring others. Five cities will have virtually guaranteed seats (Buena Park, Irvine, Placentia, Santa Ana, and Westminster). The other 18 cities would have to jockey for the remaining five seats. The 10 OCFA cities in south Orange County would only have two seats, losing a combined eight seats. Thirteen OCFA cities in the central and north parts of the County would have eight seats, losing a combined five seats. The Legislature may wish to consider whether it wishes to pick winners and losers on the re-configured Board.

- b) **Survey Recommendations.** The author's office has cited a survey conducted by the OCFA as justification for changing the Board's composition. However, while the survey contained a number of recommendations for improving management generally at OCFA and specifically for expanding training for Board members, it contained no recommendations to alter the structure of the Board.
  - c) **OCTA as a Model.** Supporters also cite the successful operation of the Orange County Transportation Authority (OCTA), which has 17 directors on its Board and features population-based weighted voting as well as representation by the County's City Selection Committee. However, the OCTA is not a JPA. It is a special district, which garners its authority directly from the Legislature. As such, it is appropriate for the Legislature to exercise this authority over OCTA's governance structure.
- 6) **Prior legislation.** AB 1104 (Maddox) of the 2001 – took several forms, the last of which provided that, when the proceeds of taxes levied by a county pursuant to the Shade Tree Law of 1909 are allocated to an agency formed pursuant to JPA law for the purpose of providing fire protection services, those proceeds may not be appropriated by that agency in a manner that provides a financial advantage to any city that participates in the agency over the other participating cities. AB 1104 was generally panned in local press articles as an effort by the author to gain favor with OCFA's firefighters' union, which favored a smaller Board for the ease of lobbying it would have provided. AB 1104 was referred to the Assembly Local Government Committee, but was never heard.
- 7) **Arguments in Support.** The City of Santa Ana, in support, writes, "Assembly Bill 1217 proposes a smaller, streamlined board of 13 members. Modeled after the Orange County Transportation Authority, this structure will ensure that the City of Santa Ana has a stronger voice on policy matters considered by the OCFA Board of Directors. A smaller board also facilitates consensus and governing for a crucially important agency serving over 1.7 million residents.
- "In 2012, the Santa Ana City Council joined the Orange County Fire Authority. This decision has saved Santa Ana millions of dollars annually while maintaining all ten of our city's fire stations. The Orange County Fire Authority has provided great service to the city – in fact, one out of residents served by OCFA lives in Santa Ana."
- 8) **Arguments in Opposition.** The Orange County Fire Authority, in opposition, states, "We oppose any legislation that preempts local authority and this bill seeks to impose a State solution

to a perceived problem that the proponents have grossly exaggerated... The Orange County Professional Firefighters Association has stated in public meetings that the genesis of this bill is to address long since resolved issues with oversight and governance. [We] have worked collaboratively over the past year to put in place new management and processes to ensure a more engaged Board. In contrast, this bill would remove many Directors who have been active in transforming the OCFA.

"Sacramento should not dictate the form, size, and structure of local governance especially when it impacts the delivery of fire and emergency medical service... One should ask if this bill does become law what is to prevent other efforts to remake local legislative bodies?"

**Analysis Prepared by:** Angela Mapp / L. GOV. / (916) 319-3958

FN: 0000419

AMENDED IN SENATE JUNE 9, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1217**

---

**Introduced by Assembly Member Daly**

February 27, 2015

---

An act to add Section 6538 to the Government Code, relating to joint powers.

LEGISLATIVE COUNSEL'S DIGEST

AB 1217, as amended, Daly. Orange County Fire Authority.

Existing law authorizes 2 or more public agencies, by agreement, to form a joint powers authority to exercise any power common to the contracting parties, as specified. Existing law authorizes the agreement to set forth the manner by which the joint powers authority will be governed. Existing law authorizes the board of supervisors of any county to contract with any local agency within the county or with the state for services relating to the prevention and suppression of fires.

This bill would, as of January 1, ~~2018~~, 2017, require the Board of Directors of the Orange County Fire Authority, a joint powers agency, to consist of 13 members, each serving a term of 2 years. The bill would create the Orange County Fire Authority City Selection Committee to select ~~10~~ 11 of those board members from cities that contract with the authority for fire protection services, as specified. The bill would additionally require ~~3~~ 2 of the members of the Board of Directors of the Orange County Fire Authority to be members of the board of supervisors of the County of ~~Orange~~. *Orange, as specified.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the Orange County Fire Authority.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6538 is added to the Government Code,  
2 to read:  
3 6538. (a) Notwithstanding any other law and notwithstanding  
4 the provisions of the joint powers agreement governing the Orange  
5 County Fire Authority, on and after January 1, ~~2018~~, 2017, the  
6 Board of Directors of the Orange County Fire Authority shall be  
7 composed of 13 members, as follows:  
8 ~~(1) (A) (i) One member from each of the five supervisorial~~  
9 ~~districts of the County of Orange, elected by the Orange County~~  
10 ~~Fire Authority City Selection Committee on a population weighted~~  
11 ~~voting basis.~~  
12 ~~(ii) One member from each of the five supervisorial districts of~~  
13 ~~the County of Orange, elected by the Orange County Fire Authority~~  
14 ~~City Selection Committee on a “one city, one vote” basis.~~  
15 ~~(B) A city that is within more than one supervisorial district~~  
16 ~~shall be considered part of the district where the highest percentage~~  
17 ~~of the city’s population resides. Under this circumstance, the entire~~  
18 ~~city’s population shall be used for population-weighted voting~~  
19 ~~purposes.~~  
20 ~~(C) Members elected pursuant to this paragraph shall be a mayor~~  
21 ~~or a city council member of a city within the County of Orange,~~  
22 ~~and shall serve for a term of two years. A member elected pursuant~~  
23 ~~to this paragraph whose term on the city council or as mayor ends~~  
24 ~~shall also cease to serve as a member of the board.~~  
25 ~~(D) The Orange County Fire Authority City Selection~~  
26 ~~Committee shall consist of either the mayor or a member of the~~  
27 ~~city council of each city that contracts with the Orange County~~  
28 ~~Fire Authority for fire protection services.~~  
29 *(1) Four members from cash contract cities selected as follows:*  
30 *(A) One member appointed by the legislative body of the cash*  
31 *contract city with the largest population.*  
32 *(B) One member selected by the Orange County Fire Authority*  
33 *City Selection Committee on a one-city-one-vote basis determined*  
34 *by votes cast by cash contract cities only.*

1 (C) Two members selected by the Orange County Fire Authority  
2 City Selection Committee on a population weighted election basis  
3 by votes cast by cash contract cities only.

4 (2) Seven members from structural fire fund cities selected as  
5 follows:

6 (A) One member appointed by the legislative body of the  
7 structural fire fund city with the largest population.

8 (B) Two members elected by the Orange County Fire Authority  
9 City Selection Committee from votes cast by representatives from  
10 the following cities:

11 (i) The City of Cypress.

12 (ii) The City of La Palma.

13 (iii) The City of Los Alamitos.

14 (iv) The City of Villa Park.

15 (v) The City of Yorba Linda.

16 (C) Two members elected by the Orange County Fire Authority  
17 City Selection Committee from votes cast by representatives from  
18 the following cities:

19 (i) The City of Aliso Viejo.

20 (ii) The City of Dana Point.

21 (iii) The City of Laguna Hills.

22 (iv) The City of Laguna Niguel.

23 (v) The City of San Juan Capistrano.

24 (D) Two members elected by the Orange County Fire Authority  
25 City Selection Committee from votes cast by representatives from  
26 the following cities:

27 (i) The City of Laguna Woods.

28 (ii) The City of Lake Forest.

29 (iii) The City of Mission Viejo.

30 (iv) The City of Rancho Santa Margarita.

31 ~~(2) Three~~

32 (3) Two members of the board of supervisors of the County of  
33 Orange, selected by the board of supervisors, to serve a term of  
34 two years. The board of supervisors shall also select an alternate  
35 member.

36 (b) (1) A city shall not have more than one member on the board  
37 at any time, and shall not have a member on the board for more  
38 than two consecutive terms.

39 (2) The members selected pursuant to subparagraphs (B) and  
40 (C) of paragraph (1) of, and subparagraphs (B), (C), and (D) of

1 *paragraph (2) of, subdivision (a) shall be selected by the Orange*  
2 *County Fire Authority City Selection Committee, which shall be*  
3 *comprised of one representative from each city that contracts with*  
4 *the Orange County Fire Authority for fire services. A representative*  
5 *shall be appointed by the legislative body of the city the*  
6 *representative serves.*

7 ~~(b)~~

8 *(c) (1) Any member of the board serving as of the effective*  
9 *date of this section shall continue to serve until January 1, 2018,*  
10 *2017, or until the expiration of his or her term, whichever is sooner.*

11 *(2) Commencing January 1, 2017, and thereafter, the members*  
12 *of the board shall each serve a term of two years.*

13 *(3) The board shall select a chair and a vice chair from within*  
14 *the membership of the board.*

15 *(d) For purposes of this section, the following terms have the*  
16 *following meanings:*

17 *(1) "Cash contract city" means a city that contracts for fire*  
18 *services with the Orange County Fire Authority and utilizes funds*  
19 *from that city's general fund to pay for those services.*

20 *(2) "Structural fire fund city" means a city that contracts for*  
21 *fire services with the Orange County Fire Authority and utilizes*  
22 *funds from that city's structural fire fund to pay for those services.*

23 SEC. 2. The Legislature finds and declares that a special law  
24 is necessary and that a general law cannot be made applicable  
25 within the meaning of Section 16 of Article IV of the California  
26 Constitution because of the challenges faced as a result of the  
27 current governance structure of the Orange County Fire Authority.

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

July 9, 2015

## **SECTION 10: Approve MOU with LA County Flood Control District to Pay for Integrated Regional Water Management “IRWM” Grant Application Costs**

**BACKGROUND:** As a member of the Lower SG and Lower LA IRWM Steering Committee, GWMA solicited projects for inclusion in the Greater LA IRWM grant application in April of this year. After several reviews by the Steering Committee as well as the Greater LA IRWM Leadership Committee, four GWMA projects were selected to move forward as part of the Greater LA IRWM grant application.

**DISCUSSION:** In May, the Leadership Committee voted to support all of the sub-region’s selected projects including the Lower SG and Lower LA projects. To ensure all projects were solidly competitive, a final detailed analysis was performed by the consultant retained by the Leadership Committee for each project from every sub-region.

The total cost of the Leadership Consultant’s services is estimated to be \$323,315.00. Based on the cost allocation formula contained in Exhibit A of the attached MOU, the total cost per project when divided equally among the 20 projects in the application is estimated at \$16,165.75.

**FISCAL IMPACT:** GWMA’s FY 2015/16 Budget Line Item “General Project/Grant Consulting Services” of \$100,000 includes the amount to pay for all four applications.

## **RECOMMENDATIONS:**

Approve MOU with the LA County Flood Control District as presented.

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**

**Proudly serving Gateway cities and agencies in Southeastern Los Angeles County**

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Maywood • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
**LOS ANGELES GATEWAY REGION INTEGRATED REGIONAL WATER  
MANAGEMENT AUTHORITY**  
AND THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT  
REGARDING THE PROPOSITION 84  
2015 INTEGRATED REGIONAL WATER MANAGEMENT GRANT PROGRAM

This Memorandum of Understanding (MOU) is made and entered into between the **Los Angeles Gateway Region Integrated Regional Water Management Authority (GWMA)** and the Los Angeles County Flood Control District (DISTRICT), a body corporate and politic. Collectively, these entities shall be known herein as "PARTIES" or individually as "PARTY."

RECITALS

WHEREAS, the Greater Los Angeles County (GLAC) Integrated Regional Water Management (IRWM) Region is seeking grant funding through the Department of Water Resources' (DWR) Proposition 84 - 2015 Integrated Regional Water Management Implementation Grant Program; and

WHEREAS, GWMA is a member of the GLAC IRWM Region and desires to have its **Advanced Water Meter Replacement Project, Southeast Water Efficiency Program, Gateway Cities Regional Recycled Water System Expansion Project, and Paramoun Blvd. Turf Replacement Project** (PROJECTS) included in the GLAC IRWM Region's application (APPLICATION) to DWR for Proposition 84 - 2015 Integrated Regional Water Management Implementation Grant Program funding; and

WHEREAS, the DISTRICT has retained the services of RMC Water and Environment (CONSULTANT) to prepare the APPLICATION on behalf of the GLAC IRWM Region; and

WHEREAS, CITY and the other members of the GLAC IRWMP Region that wish to have their projects included in the APPLICATION (collectively, APPLICANTS) have agreed to share in the cost of hiring the CONSULTANT to prepare the APPLICATION (CONSULTANT COST) by reimbursing the DISTRICT through this MOU, which will be executed separately between the DISTRICT and each APPLICANT. Each APPLICANT's share of the CONSULTANT COST is calculated according to the formula set forth in Exhibit A, incorporated herein by reference; and

WHEREAS, the total cost of the CONSULTANT's services is estimated to be **\$323,315.00**. Based on the cost allocation formula set forth in Exhibit A, the total cost per project when divided equally among the 20 projects in the APPLICATION is estimated at **\$16,165.75**.



## AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the PARTIES, and of the promises contained in this MOU, the PARTIES hereby agree as follows:

Section 1. Recitals: The recitals set forth above are fully incorporated as part of this MOU.

Section 2. Purpose: The purpose of this MOU is to reimburse the DISTRICT for the cost of retaining the CONSULTANT to prepare the APPLICATION.

Section 3. Cooperation: The PARTIES shall fully cooperate with one another to attain the purpose of this MOU.

Section 4. Term: This MOU shall become effective on the latest date of execution by a PARTY, and shall remain in effect until CONSULTANT has been paid in full for its preparation of the APPLICATION, and DISTRICT has received payment from GWMA for its proportionate share of the CONSULTANT COST.

Section 5. COUNTY Agrees:

- a. To invoice GWMA in the amount of \$64,663.00 upon execution of this MOU. This amount represents GWMA's proportionate share of the CONSULTANT COST, as calculated pursuant to the cost allocation formula set forth in Exhibit A.
- b. To contract with CONSULTANT and to be responsible for coordinating the activities of CONSULTANT. DISTRICT agrees to use the funds received from GWMA only for the preparation and submission of the APPLICATION.
- c. To provide an accounting at the termination of the MOU or cancellation thereof and to return to GWMA its proportional share of the unused portion of all funds deposited with the DISTRICT, if any, in accordance with the cost allocation formula set forth in Exhibit A.
- d. To notify GWMA in writing if the CONSULTANT's actual total cost of preparing the APPLICATION will exceed the cost estimate set forth above, and obtain written approval of the increase from the GWMA. Upon written approval of the increased costs by the GWMA, the DISTRICT will invoice

GWMA for the GWMA's proportionate share of the increased costs according to the cost allocation formula set forth in Exhibit A.

Section 6: GWMA agrees:

- a. To pay the DISTRICT the amount invoiced pursuant to Section 5 within 45 days from receipt of the invoice.
- b. To cooperate in good faith with DISTRICT and CONSULTANT in the preparation of the APPLICATION.

Section 7: Indemnification

- a. To the fullest extent permitted by law, each PARTY shall indemnify, defend, and hold harmless each other PARTY, including its special districts, elected and appointed officers, employees, agents, attorneys, and designated volunteers from and against any and all liability, including, but not limited to demands, claims, actions, fees, costs, and expenses (including reasonable attorney's and expert witness fees), arising from or connected with the respective acts of each PARTY arising from or related to this MOU; provided, however, that no PARTY shall indemnify another PARTY for that PARTY's own negligence or willful misconduct.
- b. In light of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement (as defined in Section 895 of such Code), each of the PARTIES hereto, pursuant to the authorization contained in Section 895.4 and 895.6 of such Code, shall assume the full liability imposed upon it or any of its officers, agents, or employees, by law for injury caused by any act or omission occurring in the performance of this MOU to the same extent such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above-stated purpose, each PARTY agrees to indemnify, defend, and hold harmless each other PARTY for any liability, cost, or expense that may be imposed upon such other PARTY solely by virtue of Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if incorporated herein.

Section 8. General Provisions

- a. Notices. Any notices, bills, invoices, or reports relating to this MOU, and any request, demand, statement or other communication required or permitted hereunder shall be in writing and shall be delivered to the Representative of

the PARTY at the address set forth in Exhibit B. PARTIES shall promptly notify each other of any change of contact information, including personnel changes, provided in Exhibit B. Written notice shall include notice delivered via email, reader notification requested, or fax. A notice shall be deemed to have been received on (a) the date of delivery, if delivered by hand during regular business hours, or by confirmed facsimile or by email; or (b) on the third (3rd) business day following mailing by registered or certified mail (return receipt requested) to the addresses set forth in Exhibit B.

- b. Administration. For the purpose of this MOU, the PARTIES hereby designate as their respective PARTY representatives the persons named in Exhibit B. The designated PARTY representatives, or their respective designees, shall administer the terms and conditions of this MOU on behalf of their respective PARTY. Each of the persons signing below on behalf of a PARTY represents and warrants that they are authorized to sign this MOU on behalf of such PARTY.
- c. Relationship of Parties. The PARTIES are and shall remain at all times as to each other, wholly independent entities. No PARTY to this MOU shall have power to incur any debt, obligation, or liability on behalf of another PARTY unless expressly provided to the contrary by this MOU. No official, employee, agent, or officer of a PARTY shall be deemed for any purpose whatsoever to be an official, agent, employee or officer of another PARTY. Each PARTY shall have no financial obligation to the other PARTIES of this MOU, except as herein expressly provided.
- d. Binding Effect. This MOU shall be binding upon and inure to the benefit of each PARTY to this MOU and its respective heirs, administrators, representatives, successors and assigns.
- e. Amendment. The terms and provisions of this MOU may not be amended, modified, or waived, except by an instrument in writing signed by all PARTIES who have not terminated their interests herein or whose involvement has not terminated by reason of non-payment or default.
- f. Waiver. Waiver by any PARTY to this MOU of any term, condition, or covenant of this MOU shall not constitute a waiver of any other term, condition, or covenant. Waiver by any PARTY to any breach of the provisions of this MOU shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this MOU.
- g. Law to Govern; Venue. This MOU shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the PARTIES, venue in the state trial courts shall lie exclusively in the County of Los Angeles.

- h. No Presumption in Drafting. The PARTIES to this MOU agree that the general rule that an MOU is to be interpreted against the PARTY drafting it, or the PARTY causing it to be prepared, shall not apply.
- i. Interpretation. All PARTIES have been represented by counsel in the preparation and negotiation of this MOU. Accordingly, this MOU shall be construed according to its fair language.
- j. Entire MOU. This MOU constitutes the entire agreement of the PARTIES with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, whether written or oral, with respect thereto.
- k. Severability. If any term, provision, condition or covenant of this MOU is declared or determined by any court or competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and this MOU shall be read and constructed without the invalid, void, or unenforceable provision(s).
- l. Counterparts. This MOU may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute but one and the same instrument, provided, however, that such counterparts shall have been delivered to all PARTIES to this MOU.

IN WITNESS WHEREOF, the PARTIES hereto have caused this MOU to be executed by their duly authorized representatives and affixed as of the date of signature of the PARTIES:

**LOS ANGELES COUNTY FLOOD CONTROL DISTRICT**

By \_\_\_\_\_  
GAIL FARBER  
Chief Engineer  
Date \_\_\_\_\_

APPROVED AS TO FORM:

MARY C. WICKHAM  
Interim County Counsel

By \_\_\_\_\_  
Deputy  
Date \_\_\_\_\_

**LOS ANGELES GATEWAY REGION INTEGRATED REGIONAL WATER  
MANAGEMENT AUTHORITY**

ATTEST:

By \_\_\_\_\_  
CHRISTOPHER S. CASH, CHAIR  
Date \_\_\_\_\_

APPROVED AS TO FORM:

By \_\_\_\_\_  
CANDICE LEE  
LEGAL COUNSEL  
Date \_\_\_\_\_

## EXHIBIT A

### Cost Allocation Formula

#### Cost Allocation Formula

$$\begin{array}{ccccc} \text{Per Project Cost} & & & & \\ \text{Share} & = & \text{Total Consultant} & \div & \text{Total Number of Projects} \\ & & \text{Fee} & & \text{Included in Application} \end{array}$$

#### Estimated cost share for one (1) project based on a total of 20 projects

$$\begin{array}{ccccc} \text{Per Project Cost} & & & & \\ \text{Share} & = & \$323,315.00 & \div & 20 \text{ Projects} \\ \$16,165.75 & & & & \end{array}$$

#### Estimated cost share for the four (4) project based on a total of 20 projects

$$\begin{array}{ccccc} \text{Project Cost Share} & & & & \\ \text{For All 4 Projects} & = & \$16,165.75 & \times & 4 \text{ Projects} \\ \$64,663.00 & & & & \end{array}$$

## EXHIBIT B

### Party Representatives

1. Los Angeles County Flood Control District  
Department of Public Works  
Watershed Management Division, 6<sup>th</sup> Floor  
900 South Fremont Avenue  
Alhambra, CA 91803-1331

Angela R. George  
E-mail: AGEORGE@dpw.lacounty.gov  
Phone: (626) 458-4300  
Fax: (626) 457-1526

2. Los Angeles Gateway Region Integrated Regional Water Management Authority  
16401 Paramount Blvd.  
Paramount, CA 90723

Party  
Representative: Grace Kast

E-mail: [gracekast.gateway@gmail.com](mailto:gracekast.gateway@gmail.com)

Phone: (626) 485-0338

Fax: (562) 634-8216

# GATEWAY WATER MANAGEMENT AUTHORITY

Los Angeles Gateway Region  
Integrated Regional Water Management  
Joint Powers Authority

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

July 9, 2015

## **SECTION NO. 11 Professional Services Agreement “PSA” with Platinum Consulting Group (“Consultant”) for accounting transition services and ongoing financial consulting services**

### **BACKGROUND AND SUMMARY:**

In March, GWMA released a Request for Qualifications (RFQ) to establish a contract with a qualified individual or firm to provide the Gateway Water Management Authority assistance with accounting transition services. Beginning in July 2013, GWMA staff assisted Signal Hill (Lead Agency) by taking over the day to day accounting duties such as A/R and A/P tasks because of GWMA’s growth. As the agency has grown even more over the past 2 years with multiple MOUs, contracts, grants, invoices, so has the accounting. The focus of this firm would be to assist with the full transition of all of the accounting tasks from Signal Hill to GWMA. This transition includes banking, investments, accounting/investment policies and procedures, etc.

In May, GWMA appointed an Ad Hoc Committee to review the Statement of Qualifications received and recommend the selection of an Accounting Transition Firm from those received.

After reviewing the RFQ’s received, the Ad Hoc Committee recommends that the board retain Platinum Group Consulting to assist GWMA in transitioning accounting services from the City of Signal Hill to GWMA and also provide GWMA with ongoing accounting consulting services on an as-needed basis.

### **FISCAL IMPACT**

*Transitional Services –* Up to a maximum of \$17,000

*Ongoing Assistance -* Year One: Up to a maximum of \$12,000  
Year Two: Up to a maximum of \$10,000

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**  
Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Maywood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*



# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

## **RECOMMENDATION**

1. Approve the PSA with Platinum Consulting Group as presented and authorize the Chair to execute this agreement.

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**  
Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Maywood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*

## **PROFESSIONAL SERVICES AGREEMENT**

This Professional Services Agreement (“Agreement”) is dated and effective JULY 9, 2015, and is between the Los Angeles Gateway Region Integrated Regional Water Management Authority also referred to as the Gateway Water Management Authority (“GWMA”) and PLATINUM CONSULTING GROUP, (“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 (Exhibit A) 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 JULY 9, 2017, 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 as reflected in Exhibit A.

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: Platinum Consulting Group, P.O. Box 10246, Fullerton, CA 92838.

## **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 Grace Kast, or such other person designated in writing by the Executive Officer ("Project Manager"). Consultant's representative for administration of this Agreement is Cindy Byerrum ("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: Toni Penn  
16401 Paramount Blvd.  
Paramount, CA 90723  
Email: [gracekast.gateway@gmail.com](mailto:gracekast.gateway@gmail.com)

If to Consultant: Platinum Consulting Group  
Attn: Cindy Byerrum, CPA  
P.O. Box 10246  
Fullerton, CA 92838  
Email: [cindy@pcgclient.com](mailto:cindy@pcgclient.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

Platinum Consulting Group

By: \_\_\_\_\_  
Name: Christopher S. Cash  
Title: Chair

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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



## Exhibit A

Exhibit A



Bringing the financial pieces together

## Platinum Consulting Group

### Proposal for Accounting Services

---

**Prepared for the Gateway Water Management Authority**

**4/24/15 – Original**

**6/18/15 – Revised**

**6-25-15 - Revised**

**Cindy Byerrum, CPA**

**P.O. Box 10246**

**Fullerton, CA 92838**

**909-204-8858**

**[cindy@pcgclient.com](mailto:cindy@pcgclient.com)**

## Company Background

*Platinum Consulting Group (PCG)* was founded by Cindy (Navaroli) Byerrum as an alternative to large corporate type CPA firms that try to “specialize” in everything. After working at Ernst & Young and another regional CPA firm, Cindy wanted to start a boutique accounting and consulting firm with a more personalized and specialized focus in the government and non-profit sector that provides exceptional customer service at a reasonable price.

Unlike most CPA firms, PCG does not perform audits or reviews, prepare individual or corporate taxes, provide investment/insurance advice, or any other services commonly provided by CPA firms; instead we focus exclusively on providing Project, External and Interim CFO/Finance Director services to our clients. Our specialty is serving as the Part-Time Finance Director or Project Consultant for smaller governmental organizations (special districts and cities) that do not need full-time high level finance services but need periodic management support that a CPA and a firm with our experience can provide.

To offer our services at a competitive rate, we keep our overhead low and our client list limited. We are very selective in whom we accept for clients, recognizing that as Interim and External CFOs and consultants we need to be available and accessible to our clients on their timetable.

PCG currently serves the following clients as part-time External CPA/CFO and Treasurer to the San Gabriel Valley Council of Governments and Trabuco Canyon Water District. PCG is the permanent Contract CPA to the Orange County and LA County LAFCO, City of Signal Hill and City of Bellflower (Water department), Twentynine Palms Water District, East Orange County Water District, La Puente Valley County Water District, and Pico Water District.

PCG also serves as the part-time External CPA/CFO for the following non-profit organizations: California Utilities Executive Management Association, the CA-NV Section of AWWA, Bellflower-Somerset Mutual Water Company, and Trabuco Canyon Financing Authority.

PCG staff are currently assisting the City of Signal Hill with a financial and utility billing system implementation, project accounting, and banking and investment services RFP preparation and proposal evaluation.

## Cindy Byerrum, MPA, CPA, Managing Principal

The firm is led by Cindy Byerrum, who has a Bachelor’s Degree in Accounting, a Master’s Degree in Public Administration (MPA), and is a Certified Public Accountant (CPA). Cindy is an expert in non-profit and governmental finance and accounting and has been a leader in the finance profession for over 15 years.

Cindy’s past experience in the accounting and finance profession also includes:

- Financial Consultant to the Cities of San Bernardino, Avalon, Desert Hot Springs, and Glendora
- Extensive assistance to the City of Avalon’s Successor Agency and RDA dissolution.

- Interim Financial Director for the San Diego County Water Authority, Yorba Linda Water District, La Habra Heights Water District, Lake Arrowhead Community Services District, and Rosamond Community Services District
- Finance department assessments for many utilities and governments, including most recently La Puente Valley County Water District, Elsinore Valley Municipal Water District, Scotts Valley Water District, Running Springs Water District, and the City of Avalon
- Chief Financial Officer for Three Valleys Municipal Water District and Six Basins Watermaster
- Project consultant to various governments such as the Jurupa Community Services District, Coachella Valley Water District, San Bernardino Valley Resource Conservation District, Walnut Valley Water District, Rancho California Water District, Chino Basin Watermaster, Goleta Sanitary District, American Water Works Association, and California Domestic Water Company
- Senior auditor for Ernst & Young (client focus was governmental and non-profit organizations); Supervisor at Vicenti, Lloyd & Stutzman (clients included various non-profit and governmental agencies)

Cindy has audited over 50 governmental and non-profit entities including cities, counties, schools, special districts and various non-profit organizations, where she has performed financial audits, single audits, and special compliance audits.

Cindy has also been a full-time tenured faculty member and department chair at Chaffey College, a Becker CPA Review instructor, and a professor of governmental and non-profit accounting professor at Cal State Fullerton, Cal Poly Pomona, and Cal State San Bernardino.

#### Certifications, Accreditations and Memberships

- Certified Public Accountant (CPA), #77918
- Certified QuickBooks ProAdvisor since 2007
- Co-Founder of the Utility Finance Officer's Group of Orange County
- Frequent presenter at the semi-annual AWWA and ACWA conference
- Speaker for various organizations such as the AGA, IAAP, IMA
- Member of the California State Municipal Finance Officers Association (CSMFO)

## OTHER PLATINUM CONSULTING GROUP STAFF

### ***Cheryl Jubrey, BS***

Cheryl Jubrey has a Bachelor's degree in Business with extensive coursework in accounting and finance. Cheryl has over 30 years of experience in the profession, serving a wide variety of non-profit and governmental clients. Her expertise is in management and training of accounting staff, systems conversions and implementation (New World, PeopleSoft, Great Plains, Caselle), accounting clean up and catch up, reconciliations, audit preparation, and other complex accounting issues.

### ***Joshua Byerrum, BA, CPA pending education review***

Joshua (Josh) Byerrum has a Bachelor's degree in Business Management (CPA license pending), with extensive accounting coursework at various universities after his undergraduate degree. Josh has over seven years of experience working with non-profit and governmental agencies providing audit preparation and coordination, financial statement and board package completion, monthly banking and account reconciliations, and budget preparation. He has performed all accounting functions including accounts payable, accounts receivable, grant compliance and billing, fixed asset maintenance, and vendor management. Josh has also performed multiple systems conversions at several PCG clients, and is also in charge of overseeing all Form 990 and State Controller's report preparation (Financial Transactions and Employee Compensation report). Josh is also the Assistant Treasurer for the Trabuco Canyon Water District.

## **Specific Qualifications for Gateway Water Management Authority**

### ***Transition Services:***

We have helped several agencies create their organization, as described in the Transition Services section of the RFQ. We are often hired by organizations that are small and do not have professional staff to manage their finances and accounting. They often have no internal controls in place, and no financial policies or guidelines. PCG sets up the financials processes and internal control system, and then develops monthly and quarterly reporting that is tailored to management and governing board needs.

### ***Fully Outsourced Accounting:***

At some of our clients there is no other administrative staff - we complete all of the accounting functions, including accounts payable, receivable, cash management and long range financial planning, payroll, human resources, audit and budget preparation, and governing board reporting. To ensure proper internal controls for these clients, Platinum Consulting Group staff prepare bank reconciliations and Cindy reviews and approves all bank and investment account reconciliations.

### ***Partial Service Accounting/Contract CPA***

Many of our clients have their own accounts payable and cash receipting staff, and we provide the other accounting and finance services required.

We serve as the primary liaison to the auditors for all of our clients, and we prepare monthly financial statements, reconciliations and financial statements/board packages for all of our External CFO clients. We are well versed in the board package process and provide timely and accurate reports for management and the Board. Platinum Consulting Group also prepares and files the federal and state tax returns, 1099s, State Controller's Reports, and other regulatory filings for all clients as needed. We regularly attend finance and board meetings as needed.

### ***QuickBooks:***

Cindy Byerrum has been a QuickBooks Pro Advisor for over seven years, and has taught QuickBooks at the university level. All of Platinum Consulting Group's associates use QuickBooks at various clients and are well versed in the optimal use of QuickBooks. We are also

experienced in many other financial softwares, however, QuickBooks is the most commonly used program by our smaller clients.

***Payroll Set Up:***

We have set up payroll systems for several clients. We serve as the payroll, benefits, and 401k administrator for several clients. Most clients utilize a contract payroll provider and we work with them to ensure payroll is processed and is correct. Cindy has successfully navigated through two IRS employment taxation audits and conducts regularly training for clients on the various rules in employment taxations.

**Benefits of Using Platinum Consulting Group**

When comparing our capabilities and proposed solutions to that of competitors, the benefits of choosing Platinum Consulting Group are:

- We are very experienced in evaluating and then assisting non-profit and governmental agency finance departments, and with our extensive background we are able to hit the ground running with little guidance or direction.
- We have vast expertise in governmental finance - we know the business model and the best practices for governmental organizations, which gives us an edge over our competitors who often spend half the year preparing income tax returns. All we do is government accounting and finance – all year round.
- We are a relatively small company that provides very personalized and responsive services. Unlike larger firms, we are available at your convenience on *your* timetable.
- We limit the amount of clients we have at any one time to ensure that we have more than enough time to serve each client successfully.
- We have extensive governmental accounting, finance and human resources experience, and a wide range of administrative experience as well.

**Partial List of Current Clients with Similar Needs to the GWMA**

San Gabriel Valley Council of Governments:

- We serve as the Treasurer of the COG, and have trained staff to enter accounts payable and cash receipts; we provide all other accounting and finance services for the COG's primary government, including cash management, accounting, budgeting, quarterly financial and investment reporting, and full audit preparation. We prepare the State Compensation reports, and all IRS and State filings, including 1099s. The COG uses QuickBooks as its financial system.

Bellflower Mutual Water Company:

- The staff at Bellflower enter in cash receipts; we provide all other accounting services including cash management, accounting, biweekly payroll reporting, budgeting, monthly financial and investment reporting, and full audit preparation. Bellflower uses QuickBooks as its financial system, however, we are assisting them in implementing Caselle for financial and utility billing.

#### East Orange County Water District & Twenty-nine Palms Water District

- District staff enter accounts payable, cash receipts, and process payroll & PERS; we provide all other accounting and finance services for both Districts, including cash management, accounting, budgeting, monthly financial reporting, and full audit preparation. We prepare the annual State Financial Transactions reports and Compensation reports, and all IRS and State filings, including 1099s. The East Orange County Water District uses QuickBooks as its financial system. Twenty-nine Palms Water District recently implemented Springbrook for its financial and utility billing system.

#### Trabuco Canyon Water District

- We serve as the Treasurer of the District. We trained District staff to prepare all the accounting, which we review every month. We prepare the annual budget, monthly financial reporting, and full audit preparation. We prepare the annual State Financial Transactions reports and we review the State Compensation report, and all IRS and State filings, including 1099s. The District uses Microsoft Great Plains as its financial system.

#### Pico Water District & La Puente Valley County Water District/City of Industry Water Department

- We assist management in financial planning and with complex issues when needed. At La Puente Valley Water District we recently prepared a complex financial model to determine the viability of a recycled water project that would require multiple funding sources and partners.

#### California Utility Executive Management Association

- We helped set up the Association in its formation in 2010 by preparing their accounting and creating relevant board reports in QuickBooks. We prepare all the accounting and reporting, including the annual tax returns (Form 990) and 1099 preparation.

#### Orange County and Los Angeles County LAFCO

- We perform quarterly reviews of their bookkeeper's accounting, assist with the budget preparation, prepare for the annual audit; and prepare any state and federal filings needed.

#### Chino Basin Watermaster & Walnut Valley Water District (past clients)

- Although we create policies and procedures for all of regular clients, we are sometimes hired exclusively for this service, as we were at Walnut and Chino Basin. Chino Basin involved a complete policy manual for Board/Committee procedures, financial policies, and staff personnel policies. The Board/Committee procedures were particularly challenging because they had to adhere to the court judgement guidelines when applicable. For Walnut Valley Water District we created a complete set of financial policies, including a purchasing policy, investment policy, and internal control policies.

#### Various Clients/Services

- We have created record management policies for most of our clients. We also prepare personnel policies and employee handbooks, however, we recommend our handbook be reviewed by legal counsel before adoption.

- We perform finance department assessments on all of our permanent clients. We have performed specific financial department policy and procedures assessments also for the Rancho California Water District (IRS audit risk assessment) Elsinore Valley Municipal Water District, Running Springs Water District, Scotts Valley Water District, and the City of Avalon.

PCG staff regularly attends trainings from PIHRA (Professionals in Human Resources Association), CalPERS, the IRS, GFOA and CSMFO. We also attend the annual employment tax training and GASB updates offered by various auditing firms.

### **SERVICES NOT PROVIDED**

Please note that Platinum Consulting Group staff will not be auditing the GWMA's accounting records or any documents. We will do our best to ensure the information is accurate, however, we are not auditors. We cannot be relied upon to detect fraud or errors; however, if we become aware of any we will immediately notify management.



## Fees for our Services

---

Our billing is based on a time and materials basis, and is billed on a monthly basis. Travel above one hour each way is billed at our normal hourly rates. We encourage you to call us and keep in proactive contact. For that reason, we do not charge for short, routine phone calls or emails.

### *Our hourly rates are as follows:*

Cindy Byerrum, Managing Consultant	\$165 per hour
Cheryl Jubrey, Associate	\$ 95 per hour
Josh Byerrum, Associate	\$ 90 per hour
Accounting Staff	\$ 50-65 per hour

We strive to utilize the lowest cost staff whenever possible to keep overall costs low. We anticipate that most of the Transitional Services needed by GWMA would be performed by Josh Byerrum and Cindy Byerrum.

***Transitional Services*** – approximately \$15,000 - \$17,000: This cost allows for 80 hours of reconciling records with the City of Signal to determine a proper cash balance transfer, assuming considerable assistance from Gateway and Signal Hill staff.

Following is our anticipated costs. Please note that actual costs may be higher or lower depending upon needs of the Authority and we will bill only for hours actually worked. If we believe we may exceed the annual costs quoted below we will notify management immediately before proceeding, and will obtain express consent to continue. Additionally, all costs quoted are assuming the same level of activity that the Authority currently has. Additional grants, particularly ones that may trigger a Single Audit, may require increased assistance.

### ***Ongoing Assistance:***

Year 1 – Should be less than \$12,000 to prepare and train staff on the following: QuickBooks set up and training; audit preparation, including receivables/payables/deferred revenue clean up; budget preparation; and annual 1099 and state controller's financial transactions report.

Year 2 and on – Anticipated ongoing services ranging from \$5,000 - \$10,000 depending on the ability of GWMA staff to assume tasks performed by us.

Anticipated ongoing services:

1. Quarterly review of the accounting and account reconciliations
2. Quarterly budget update assistance as needed
3. Annual budget preparation assistance
4. Audit preparation and coordination with the auditors

We agree to enter into the Professional Services Agreement attached to the GWMA Request for Qualifications.

## **References** – *we encourage you to call our references*

### ***Hector Ruiz***

General Manager  
Trabuco Canyon Water District  
32003 Dove Canyon Drive  
Trabuco Canyon, California 92679  
Work: (949) 858-0277, ext. 107  
[hruiz@tcwd.ca.gov](mailto:hruiz@tcwd.ca.gov)

### ***Lisa Ohlund***

General Manager  
East Orange County Water District  
185 N McPherson Rd  
Orange, CA 92869  
714-538-5815  
[lohlund@eocwd.com](mailto:lohlund@eocwd.com)

### ***Ray Kolisz***

Interim General Manager  
Twenty-nine Palms Water District  
72401 Hatch Roach  
Twenty-nine Palms, CA 92227  
760-367-7546  
[rkolisz@29palmswater.org](mailto:rkolisz@29palmswater.org)

### ***Ken Deck***

Executive Director  
Bellflower-Somerset Mutual Water Company  
10016 Flower Street  
Bellflower, CA 90706  
562-866-9980  
[Ken@bsmwc.com](mailto:Ken@bsmwc.com)

### ***Greg Galindo***

General Manager  
La Puente Valley County Water District  
112 North First Street  
La Puente, CA 91744  
[ggalindo@lapuentewater.com](mailto:ggalindo@lapuentewater.com)  
626-330-2126

## **Cindy (Navaroli) Byerrum, MPA, CPA**

### **PROFESSIONAL EXPERIENCE**

#### **July 2001 – present: Managing Principal, Platinum Consulting Group**

- External Finance Director for the *Twentynine Palms Water District*
- External Treasurer for the *Trabuco Canyon Water District*
- External Treasurer for the *San Gabriel Valley Council of Governments*
- External CFO for *East Orange County Water District*
- External CFO for *Bellflower-Somerset Mutual Water Company*
- Financial Consultant to the *City of Signal Hill, Orange County and Los Angeles County LAFCOs, Rowland Water District, La Puente Valley County Water District, and Bellflower-Somerset Mutual Water Company, Pico Water District, and Sunny Slope Mutual Water Company.*
- Contract CPA for the *California-Nevada Section of the American Water Works Association, and the California Utility Executive Management Foundation (CUEMA).*

#### **Platinum Consulting Group past positions and projects:**

- Interim Controller for *San Diego County Water Authority*, Interim Director of Finance for *Yorba Linda Water District* and Interim CFO for *Rosamond Community Services District and California Domestic Water Company*. Responsibilities involved restructuring the finance department; revising job descriptions; supervising the finance, customer service staff, and meter reading staff; recruiting and selected a new Controller/Director of Finance; preparation of monthly financial statements and mid-year budget revisions; identifying and correcting internal control weaknesses; reporting to the Board, implementation of a major systems conversion; rating agency liaison.
- **External CFO and Contract CPA** responsibilities for various other public companies include the preparation of the annual budget, accounting clean-up of general ledger, cash management and forecasting, reconciliation of billing records, creation of new accounting positions and restructuring of the customer service and finance department, design and monitoring of effective internal controls, various special consulting projects, and presentations at finance committee meetings and board meetings. Most positions involved strategic planning, hiring and training of senior financial management, human resources oversight, and board reporting and presentations.

#### **2007 –2008: Chief Financial Officer, Three Valleys Municipal Water District and Six Basins Watermaster**

- Responsible for the completion of the annual audit and preparation of the inaugural CAFR which received the CSMFO and GFOA awards for excellence for FY 07 and 08
- Reorganized budget and financial reports into separate funds and sources/uses structure
- Responsible for collaborating with department heads, water treatment plant staff, member agencies, and board members to coordinate the preparation and presentation of the annual operating and capital budgets
- Preparation of cash flow analysis and projections; analysis of funding proposals, review of monthly financial reports, cost analysis, and project updates
- Responsible for management of the District's \$24 million investment portfolio and all banking and debt financing functions
- Coordination of RFPs, vendor contracts, customer billing, and project accounting
- Oversee in-house payroll functions, as well as pension and retirement plan compliance testing; all benefits administration and human resource functions
- Primary liaison to seven member board for monthly Finance Committee and Board meetings

### **1999 to present: Various part-time professional teaching positions**

- Associate Professor at Cal State Fullerton, Cal Poly Pomona, Cal State San Bernardino, and Chaffey College; Becker CPA Review course instructor (Auditing and Governmental Accounting)
- Classes include Governmental and Nonprofit Accounting, Auditing, Financial Accounting, Managerial Accounting, Computer Information Systems in Accounting, and Payroll Accounting

### **2001 –2006: Department Chair of Accounting, Financial Services, and Real Estate, and Professor of Accounting (fully-tenured), Chaffey College**

- Responsibilities included organizing and communicating with Advisory Boards; managing, scheduling, and evaluating all adjunct and new faculty in the department (over 30 instructors); implementing new curriculum and programs; various management duties
- Frequent participation in committee meetings, union negotiations, and accreditation committee co-chair. Created the *Accounting for Governments* certificate program, curriculum, and Advisory Board.

### **1999 - 2001: Supervisor, *Vicenti, Lloyd & Stutzman, LLP***

- Supervised various audits of governmental agencies and non-profit organizations
- Main audit clients included Upper San Gabriel Valley MWD, Three Valleys Municipal Water District, San Gabriel Basin Water Quality Authority, and other water related districts and entities.
- Responsibilities also included the supervision, training, and development of senior and staff accountants

### **1997 –1999: Auditor, *Ernst & Young LLP***

- Audit Senior for various cities and other governmental and non-profit clients, such as the County of Riverside, Riverside Redevelopment Agency, County of Riverside Asset Leasing Corporation, Riverside County Transportation Commission, and other types of governmental agencies
- Supervised financial statement audits, single audits and various special compliance audits

### **ADVISORY AND LEADERSHIP ROLES**

- Frequent presenter for the California-Nevada Section. of AWWA Association conferences and Board Meetings and ACWA conferences
- Active member of the AICPA, GFOA, CSMFO, AWWA and Association of Government Accountants

### **EDUCATION**

**Master's in Public Administration (MPA), *California State University, San Bernardino, GPA 4.0***

**BS in Business Administration (BS), Accounting concentration, *California State University, San Bernardino, June 1997, College of Business and Public Administration Undergraduate Valedictorian, GPA 3.9***

### **SOFTWARE SKILLS**

Certified QuickBooks Pro Advisor, New World, PeopleSoft 9.1, Eden, Springbrook, Mas 90, ACS, Municipal Organizations Management System (MOMS), Great Plains, FrX, QuickBooks Enterprise, Pro & Basic 2015, Peachtree, Access, Word, Excel, Outlook and PowerPoint

## Insurance

### **INSURANCE**

*Platinum Consulting Group (PCG) provides and maintains at all times during the performance of this Agreement the following insurance: (1) Commercial General Liability (“CGL”) insurance; (2) Automobile Liability insurance; (3) Workers’ Compensation and Employer’s Liability insurance; and (4) Errors and Omissions (“E&O”) liability insurance.*

#### **Commercial General Liability**

*Our policy identifies Covered Parties as additional insured, or are endorsed to identify Covered Parties as additional insured. Coverage for additional insured is not limited to vicarious liability. Each policy has liability coverage limits of at least \$2,000,000 per occurrence for bodily injury, personal injury and property damage, and either at least (a) \$4,000,000 aggregate total bodily injury, personal injury and property damage applied separately to the Project/Client; or at least (b) \$5,000,000 general aggregate limit for all operations. PCG insurance and endorsements are kept in force at all times during the performance of this Agreement and all coverage required herein is maintained after the term of this Agreement so long as such coverage is reasonably available.*

#### **Automobile Liability**

*PCG maintains Automobile Liability coverage for “any auto” and with limits of at least \$1,000,000 for bodily injury and property damage, each accident, including owned, non-owned and hired autos, or the exact equivalent. Automobile Liability insurance and endorsements are kept in force at all times during the performance of this Agreement and all coverage is maintained after the term of this Agreement so long as such coverage is reasonably available.*

#### **Workers’ Compensation/Employer’s Liability**

*PCG covers or insures the existence of coverage under the applicable laws relating to Workers’ Compensation insurance, all employees employed directly by us or through subconsultants at all times in carrying out the Work contemplated under this Agreement, in accordance with the “Workers’ Compensation and Insurance Act” of the California Labor Code and any amendatory Acts. PCG provides Employer’s Liability insurance with limits of at least \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.*

#### **Errors and Omissions**

*PCG’s E&O policy has limits of at least \$1,000,000 per claim and \$2,000,000 aggregate. E&O insurance and endorsements shall be kept in force at all times during the performance of this Agreement and all coverage required herein shall be maintained after the term of this Agreement so long as such coverage is reasonably available.*



## San Diego County Water Authority

4677 Overland Avenue • San Diego, California 92123-1233  
(858) 522-6600 FAX (858) 522-6568 [www.sdcwa.org](http://www.sdcwa.org)

March 21, 2011

### MEMBER AGENCIES

Carlsbad  
Municipal Water District

City of Del Mar

City of Escondido

City of National City

City of Oceanside

City of Poway

City of San Diego

Fallbrook  
Public Utility District

Helix Water District

Lakeside Water District

Olivenhain  
Municipal Water District

Otay Water District

Padre Dam  
Municipal Water District

Camp Pendleton  
Marine Corps Base

Rainbow  
Municipal Water District

Ramona  
Municipal Water District

Rincon del Diablo  
Municipal Water District

San Dieguito Water District

Santa Fe Irrigation District

South Bay Irrigation District

Vallecitos Water District

Valley Center  
Municipal Water District

Vista Irrigation District

Yuima  
Municipal Water District

### OTHER REPRESENTATIVE

County of San Diego

To whom it may concern:

The following is an unqualified letter of recommendation for Ms. Cindy Navaroli.

In September, 2010 I retained Ms. Navaroli as the Interim Controller for the San Diego County Water Authority. The Water Authority is the wholesale water supplier of 24 retail member agencies within San Diego. We sell approximately 600,000 acre-feet of water annually, have a biennial budget of \$1.65 billion, and have 267 permanent employees. As Interim Controller, Ms. Navaroli was responsible for managing 12 of the 21 positions in the Finance Department for a six-month period.

She took over a section which was in need of strong leadership and had a high volume of unfinished and important work. During this time she organized and motivated her team to successfully complete the following projects:

***Preparation of the Water Authority's Comprehensive Annual Financial Report (CAFR).***

Ms. Navaroli worked effectively with the Water Authority's staff and auditor to complete the annual financial statements during a very short period of time and to present the CAFR to the Water Authority's Audit Committee and Board of Directors. In addition, she helped enhance the Water Authority's monthly financial reports to the Board of Directors.

***Conversion and upgrade of the Water Authority's ERP system.*** Ms. Navaroli worked very effectively with the Water Authority's IT staff to develop a schedule for final testing of the upgrade from PeopleSoft 8.9 to 9.1. The upgrade occurred at the beginning of the calendar year and required precise execution in order to meet tax reporting deadlines for W2's and 1099's. The upgrade was executed smoothly with only a few minor problems.

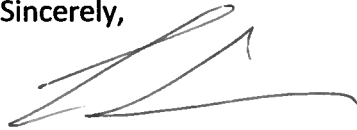
***Completion of an IRS employer tax audit.*** Ms. Navaroli worked closely with the IRS to successfully conclude an employer tax audit for calendar years 2008 and 2009. Some findings required complex changes in Water Authority procedures. Ms. Navaroli coordinated very well with stakeholders throughout the Water Authority to implement these changes with very little disruption.

*A public agency providing a safe and reliable water supply to the San Diego region*

***Effective leadership of the accounting section.*** In addition to completing specific projects, Ms Navaroli was extremely effective at leading and managing the accounting section. She helped re-organize the section for increased effectiveness, addressed difficult disciplinary issues, and improved overall morale. She also provided excellent assistance in the recruitment, selection and integration of the permanent Controller, who is working out very well.

Ms. Navaroli is extremely well-qualified to address a wide range of issues you may have within a finance department. She is well organized, has a broad range of technical abilities, and takes initiative. Moreover, she displays organizational savvy and political acumen, and I have seen her work very well with a range of stakeholders including direct reports, representatives of other departments, executive management and the Board of Directors. I cannot recommend her more highly. Perhaps the most meaningful recommendation comes from the staff whom she led to high levels of performance during a challenging time. To a person, they were sad to see her go.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Eric Sandler', with a stylized, sweeping flourish at the end.

Eric Sandler  
Director of Finance/Treasurer  
San Diego County Water Authority



STAFF MEMBERS

Don Chadd, General Manager  
Hector Ruiz, District Engineer  
Michael Perea, District Secretary  
Cindy Navaroli, District Treasurer  
Robert Anslow, District Legal Counsel



BOARD OF DIRECTORS

Edward Mandich, President  
James Haselton, Vice President  
Michael Safranski, Director  
Glenn Acosta, Director  
Stephen Dopudja, Director

December 10, 2012

To whom it may concern:

Please allow this letter to serve as our strong recommendation regarding the superior service provided by Platinum Consulting Group (PCG), and specifically, Ms. Cindy Navaroli.

This District contracted with PCG in July of 2010 to serve as the District's accounting firm. Since that time, Platinum Consulting, guided primarily by Ms. Navaroli has performed financial and accounting functions that have far exceeded our contractual expectations. Specifically, Ms. Navaroli's prior experience as an auditor, combined with her experience with special districts, provides her with a keen understanding of the accounting and financial demands of a special district. Specifically, these areas include extraordinary efforts in monthly financial reconciliations, monthly committee finance report and packages, annual budget preparation, audit preparation and review, and rate analysis as required.

Ms. Navaroli is currently this District's Treasurer. The Board of Directors of this District regularly commends Ms. Navaroli, and the employees of Platinum Consulting, for the superior work they perform on behalf of this District. Simply put, the efforts of Ms. Navaroli and Platinum Consulting has this district's financial house in exceptional order. This District has saved money as a result of the contract accounting services, and continues to save money as a result of the ongoing services provided; this may be the best contract hire this District has ever made.

This letter of recommendation is jointly authored by Don Chadd (outgoing General Manager, retiring December 31, 2012) and Hector Ruiz, District Engineer (General manager effective January 1, 2013).

Please call if we may provide further information that will guide you in your decision.

Sincerely,

A handwritten signature in blue ink, appearing to read "Don Chadd".

Don Chadd  
Retiring General Manager

A handwritten signature in blue ink, appearing to read "Hector Ruiz".

Hector Ruiz  
District Engineer/Acting General Manager



# Yorba Linda Water District

*Reliable and Trusted Service  
for More Than 100 Years*

April 30, 2010

Cindy Navaroli, MPA, CPA  
Principal Consultant  
Platinum Consulting Group

RE: Interim Finance Director

Dear Ms. Navaroli,

*Cindy*

I want to personally thank you on behalf of the management team, staff and Board of Directors of the Yorba Linda Water District, for your dedication and strong financial guidance over the past nine months, as our Interim Finance Director. Your willingness to take on the multitude of challenges we faced through this period, and your leadership in assisting to develop and implement solutions to those challenges, have earned our sincere respect and deepest gratitude.

In a struggling economic climate, with unprecedented water supply restrictions and skyrocketing costs, you helped YLWD develop a strategy to firm up our finances, establish financial controls and convince our Board to adopt a difficult, albeit responsible rate increase. These efforts would insure our continued commitment to maintaining a high level of service to the community and reestablish acceptable indicators for meeting our debt obligations. Your recent assistance in convincing Fitch Ratings, through their surveillance review process, to maintain the "AA-" rating for the Yorba Linda Water District's outstanding debt, was a tremendous accomplishment considering prior year performance indicators. These efforts will provide continued economic benefits to our customers well into the future.

Once again, I'd like to express our gratitude for your professional commitment, organized approach to problem solving, ability to integrate quickly into our management team, and most importantly, for your strong desire to insure the District succeeds in all our endeavors.

If you ever need a professional reference, please feel free to have potential clients call me at (714) 701-3020.

Regards,

*Kenneth R. Vecchiarelli*

Kenneth R. Vecchiarelli  
General Manager





August 23, 2012

To whom this may concern:

In January 2012, Ms Navaroli was contracted to provide financial management and services to Sunny Slope Water Company, a mutual private water company in the LA county Unincorporated area of Pasadena. Sunny Slope services approximately 6200 meters spreading over four cities with annual revenue of four million dollars.

Prior to hiring Ms Navaroli, Sunny Slope's Office Manager served as the company's bookkeeping. Much of the financial analysis and management was accomplished by me and members of the board of directors. However, we relied heavily on our external audit firm for financial advice and compliance matters. We switched audit firms this year and hired Ms. Navaroli to serve as the External CFO to provide in house direction.

We seek out Ms Navaroli because of her vast financial knowledge and background. Specifically, we selected her because she brings with her extensive non-profit and water industry experiences and networks.

Ms. Navaroli's performances have been outstanding. She assessed the company's financial operations and provided immediate recommendations for improvements. As the General Manager, I was extremely pleased to have Ms Navaroli handle Sunny Slope Water Company Accounting and Financial Management matters with confidence.

- 1) Year-end closing - Ms. Navaroli helped close our books at year-end within 3 weeks of our year-end (we have a 12/31 year end and our audit report is dated February 18<sup>th</sup>). She prepared complex year-end estimates and ensured that all accruals were made with a better level of precision and accuracy.
- 2) Month end closing - Ms. Navaroli has revamped our monthly reporting to the Board to ensure that objects are met without unnecessary detail and burden in the reports. These reports are being incorporated into system generated reports so that the financial statements are automatically prepared each month for the Board, saving us much time. She presents the financial information to the Board each meeting in a clear, concise manner that lends confidence in our numbers and in the financial guidance she is providing.

1040 EL CAMPO DRIVE, PASADENA, CALIFORNIA 91107-5506  
(626) 795-4163 • (626) 287-5238 • FAX: (626) 795-7061



September 21, 2011

Sita Ramakrishnan  
CA-NV Section, AWWA  
10574 Acacia Street, Suite D6  
Rancho Cucamonga, CA 91730

To whom it may concern:

I have known Cindy Navaroli as an Accountant since I joined the Section in September of 2006. She was responsible for hiring and training me who is now the Director of Finance for the Section.

When I started here she helped me create departmental financial statements and worked with the Board and the Executive Committee to educate them on the financial reports and involve them in budgeting and financial analysis process. She is great at presentations and is capable of portraying the financial results in a way that non-accountants can understand.

She has the analytical skill to diagnose problems and devise viable solutions. She is our Section's CPA and she has implemented internal controls to safeguard the assets and ensure proper financial reporting. Her ability to remain unflustered during frenzied periods proves her capacity to work well under pressure.

She has an excellent rapport with a lot of utilities who are members of the Section. Last but not the least she is an excellent teacher and has personally taught me a lot. Her communication and written skills are exceptional and she will be an asset to any organization that hires her.

Sincerely

Sita Ramakrishnan  
Director of Finance  
CA-NV Section AWWA

- 3) Audit – Ms. Navaroli served as the liaison between staff and the auditors, ensuring all schedules were prepared, auditor adjustment were appropriate, and reviewed the audit report and tax returns.
- 4) New FA module – Ms. Navaroli and her staff are in the process of revamping our fixed asset schedules which included many unrecorded disposals and repair and maintenance items. She is transitioning the fixed asset listing from the auditor's possession to our MAS 90 system so we can more accurate track our fixed asset and pay the lowest property tax possible.
- 5) Financial Negotiation (Microvi) – Ms. Navaroli has assisted me in complex financial calculations and negotiations regarding the purchase or lease of a new technological process to help us purify our water in a more costly manner. She has been very helpful since the company we are negotiating with is a start-up company that has no proven history and little financial or cost data available.
- 6) Ms. Navaroli has excellent communication skills and is able to work with staff at a detailed level during the day and then switch to a big picture focus for board meetings at night. She has made significant changes to our financial reporting and rate setting process, all with Board buy-in and approval. Her changes with staff have been well-received and she continues to train and work with staff to improve our processes and strengthen our internal controls.

Ms Navaroli is extremely well-qualified to address a wide range of issues. She is well organized, has a broad range of technical abilities, and takes initiatives. Moreover, she displays organizational savvy and political acumen while working with staff, board directors, and business partners. Please do not hesitate to call me if you would like to discuss Ms. Navaroli's qualifications.

Sincerely,



Ken Tcheng  
General Manager

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

## **SECTION: 12 – Professional Services Agreement for GK Consulting**

**TO: GWMA Board of Directors**

**FROM: Christopher S. Cash, Chair**

**DATE: July 9, 2015**

**RE: AGREEMENT WITH GK CONSULTING FOR MANAGEMENT AND  
ADMINISTRATIVE CONSULTING SERVICES**

---

In 2011, the Board of Directors retained Grace Kast to serve as the GWMA's Executive Officer. Since that time, the duties of the Executive Officer have grown as the agency has retained more members, assumed more responsibilities from its lead agency, and taken on additional regional obligations. GWMA has also greatly increased its administrative functions, primarily as a result of the various fiduciary responsibilities that the agency has assumed for various storm water groups within the region.

GWMA has retained our Executive Officer as a full time contract employee for the past several years. We have also retained Toni Penn as a ¾ time contract employee since 2013 to assist with various administrative and accounting functions which the agency handles directly. Based on the extensive staff needs that GWMA now has, Grace Kast was asked to explore the option of transitioning her service and that of Toni Penn to a consulting contract that would be handled through Ms. Kast's consulting firm, GK Consulting. Agency Counsel has also advised that GWMA assumes some potential tax liability from contracting with individuals, which would greatly be reduced utilizing a consultant firm for services. GK Consulting was established in 2011 and provides a variety of specialized services in water resource management. GK Consulting will be established as an S Corp under California Law. Grace Kast will be President of GK Consulting and will personally provide executive management and oversight services to GWMA. Transitioning from a direct contract service to a consultant contract gives GWMA more staffing flexibility and reduces any potential tax liability from directly employing contract employees.

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**

**Proudly serving Gateway cities and agencies in Southeastern Los Angeles County**

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Maywood • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*



## AGENDA ITEM NO. 12

# GATEWAY WATER MANAGEMENT AUTHORITY

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

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • [www.gatewayirwmp.org](http://www.gatewayirwmp.org)

Under the terms of the proposed contract, GK Consulting would provide all management and administrative services that are currently handled through contracts with Grace Kast and Toni Penn. GK would also assume additional duties relating to the transition of some of the financial duties from our Lead Agency Signal Hill to GWMA. GK Consulting has proposed an initial term of 30 months. At 24 months of the initial term, either party may agree to extend or renegotiate the contract for an additional term or provide a notice to terminate at the end of 30 months. If notice is not given by either party under the conditions above, the contract will renew for a 1-year term at the same terms and conditions. After the initial term, either party may terminate the contract with written notice no less than 90 days. The annual not to exceed amount of the contract is \$260,000, unless the Board approves additional services. Currently, GWMA pays \$245,000/year for the existing contract services that will be absorbed by GK Consulting.

### RECOMMENDATION:

That the Board approves the contract with GK Consulting for Management and Administrative Services and authorizes the Chair to execute the agreement.

**Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus**

**Proudly serving Gateway cities and agencies in Southeastern Los Angeles County**

Members: Artesia • Avalon • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Maywood • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

*With Technical Support From The Sanitation Districts Of Los Angeles County*



## **Proposal for Management, Accounting and Administrative Consulting Services**

Prepared for:

**Gateway Water Management Authority**

Prepared by:  
Grace J. Kast  
GK Consulting

Revised and Submitted on June 29, 2015



## **Table of Contents**

<b><u>Section</u></b>	<b><u>Page</u></b>
Introduction	3
Services and Clients of GK Consulting	3
GWMA Background	3
Scope of Services	4
Response to RFQ for Transition and On-Going Financial Services	5
Fees and Terms	8
Other	10
Insurance	10
Current Personnel	11
Conclusion	12
Exhibit A – Detailed Duties of Services	13
Exhibit B – Resume of Grace J. Kast	15
Exhibit C – Letters and Emails of Recommendation	18

## **INTRODUCTION**

GK Consulting was established in 2011 and provides a variety of specialized services in water resource management. Ms. Grace J. Kast is the sole proprietor of GK Consulting. Prior to forming GK Consulting, Ms. Kast served the San Gabriel Basin Water Quality Authority for 20 years in a variety of positions ending in the position of Executive Director from 2000 to 2010. In combination with Ms. Kast's past employment experience and the services provided by GK Consulting since 2011, it is with great confidence that GK Consulting will provide the services needed to support GWMA now and into the future. Therefore, GK Consulting is pleased to provide this proposal to the Gateway Water Management Authority ("GWMA") for executive management, administrative, clerical and accounting services.

## **SERVICES AND CLIENTS OF GK CONSULTING**

GK Consulting is a firm focused on providing support to water agencies. Ms. Kast's vast experience in all facets of water resource management allows GK Consulting to provide a wide range of services to its clients. These services include:

- Executive management
- Public administration
- Transition and growth services
- Program development and implementation
- Workshops and public outreach
- Report writing
- Grant management
- Grant invoice processing and reconciliation;
- Develop regional conference materials and sponsorships
- General accounting services
- Multi-party negotiations and consensus building

Current and past clients are:

- Gateway Water Management Authority
- San Gabriel Basin Water Quality Authority
- Central Basin Water Rights Panel
- San Gabriel Water Forum Partners (coalition of 5 water agencies)
- Covina Irrigating Company

We keep our client list limited so we can be flexible, available and accessible to clients. In doing so, we offer rates that are competitive but still ensure attentiveness to client needs.

## **GWMA BACKGROUND**

In 2007, the GWMA was formed with 11 cities and the Southeast Water Coalition to create an Integrated Regional Water Management "IRWM" group. From 2007 to 2011, with all of the administrative and accounting support donated by the City of Downey (Lead Agency) and a part-

time Executive Officer, the agency was successful in establishing itself as regional entity through a \$10M catch basin retrofit grant award and the award of a \$950k IRWM planning grant.

In March 2011, GWMA retained the part-time services of Ms. Kast to serve as the new Executive Officer. At the same time, the then Lead Agency, city of Downey had voluntarily provided significant administrative support to GWMA since 2007 which ceased with the departure and promotion of two Downey administrative-support individuals in May of 2011. Therefore, the scope of the new Executive Officer now included all management, administrative, clerical, budget, and accounting coordination.

Beginning on July 1, 2011 Signal Hill volunteered to take assume the accounting functions for GWMA as the new Lead Agency. Since then, GWMA experienced rapid growth in terms of membership and activities. This drastically increased the activities of the Executive Officer and Signal Hill's finance department resulting in the board retaining the services of a part-time Administrative/Accounting Assistant, Ms. Toni Penn on July 1, 2013. She was tasked with taking over all of the day-to-day accounting and setting up the accounting software for GWMA internally. From that point on, Ms. Penn did the coding, recording, invoicing, and coordinating with Signal Hill for deposits and check disbursements made by the city.

GWMA's current membership totals 25 cities and 2 large water agencies. It is anticipated that at least 1 additional agency will join within the year. In reference to increased activities, the GWMA now has five (5) multi-member watershed group MOUs and/or Amendments and more than sixty (60) individual MOUs with L.A. cities and LA County agencies, and/or individual companies (Harbor Toxics/Dominguez Channel). The GWMA also now administers 4 multi-party grants (federal and state). Each of these MOUs and grants encompass daily coordination with numerous individuals, consultants, state agencies, GWMA members. They also require management of numerous contracts, A/P invoices and A/R invoices, progress reports, etc. More recently, the GWMA board voted to become a member of the Greater LA IRWM which has added more coordination and interaction.

### **SCOPE OF SERVICES**

As a full-service firm, the scope of this proposal includes staffing to support all of the current and anticipated needs of GWMA for executive management, administrative, clerical and accounting (Exhibit A – itemized job duties by job position). It is designed to sustain the current level of need and also prepare GWMA for anticipated growth in membership, projects and programs. Keeping the current two individuals who have already been trained and have substantive experience with GWMA will provide a seamless transition and reduce costs for training of new personnel.

In general, GK Consulting will provide all personnel to support and manage the current and increasing level of the following:

- Manage over 80 MOUs between various groups or individual entities and GWMA;
- Multiple Professional Services Agreements approved by the GWMA Board;
- Multiple grants between various sub-recipients, outside entities, State and Federal agencies;
- Solicitations and contracts for Bids, Proposals and/or Qualifications;
- IRWM activities and grants (Gateway Region and Greater LA Region);

- Budget preparation;
- Accounts Payable which includes Receiving, Reviewing and Processing payments for approximately 300 invoices annually;
- Accounts Receivable which includes preparing and distributing over 150 invoices annually for \$4.5 million and managing grant reimbursements annually of \$2 million;
- Coordination/consultation with outside accounting firm for transition and oversight purposes;
- Board member and stakeholder communications;
- Board meetings, committee meetings, conflict of interest forms, correspondence, Brown Act, and all other tasks assigned by GWMA Board and/or Chair;
- Gateway website coordination;
- Grant solicitations and applications; and
- Policy development for board approval.

GK Consulting will also offer the following services in support and coordination with a 3<sup>rd</sup> party retained by GWMA for the following services:

- Support for auditor;
- Consultation with Lead Agency/Treasurer regarding investments, bank reconciliations, and any other financial matters as necessary.

In addition, the scope includes services to represent GWMA as requested/appointed by the Chair and/or the Board to various boards or committees. This includes, but is not limited to the following:

- Gateway Cities COG Sustainability Committee;
- Southern California Water Committee – Stormwater Task Force;
- Greater LA IRWM (Steering Committee and Leadership Committee);
- CCEEB Water Quality Task Force (CA Council for Environmental & Economical Balance;
- Conferences and meetings, as approved or assigned by GWMA;
- GCCOG/GWMA Joint Ad Hoc Coordinating Committee;
- Prop 1/Grant Policy Ad Hoc Committee; and
- Implement internal procedures and policies developed and/or approved by GWMA or independent firm retained by GWMA.

## **RESPONSE TO RFQ FOR TRANSITION AND ON-GOING FINANCIAL SERVICES**

On June 1, 2015, GWMA released a Request for Qualifications “RFQ” for transition and on-going financial services. Upon reviewing the RFQ, GK Consulting has determined that: 1) several services outlined in the RFQ are currently being done by the Administrative/Accounting Assistant for GWMA; 2) many listed services not currently included in Administrative/Accounting Assistant job duties can be provided by GK Consulting and are included with this proposal; 3) several duties can be deleted in their entirety; and 4) an independent 3<sup>rd</sup> party should also be retained by GWMA to provide several of the services in the RFQ or augment GK Consulting duties in order to ensure appropriate checks and balances are in place moving forward.

Each of the duties/services contained in the RFQ are addressed below.

### TRANSITION SERVICES SCOPE

The services and/or duties from the RFQ for TRANSITION SERVICES are listed below. The entity or entities that are responsible for each task are identified as “GKC” for GK Consulting and “3<sup>rd</sup> Party” represents an independent accounting/financial firm retained by GWMA.

1. Evaluating and refining the Quick Books Accounting system now in place for tracking budgets, processing billings, recording revenues and producing reports.

***Responsibility: GKC & 3<sup>rd</sup> Party***

2. Setting up written accounting procedures providing for separation of duties and internal control.

***Responsibility: 3<sup>rd</sup> Party***

3. Establishing a bank account and procedures for receipt and deposit of monies received by the agency.

***Responsibility: 3<sup>rd</sup> Party***

4. Developing written procedures for reconciling the GWMA bank account(s).

***Responsibility: 3<sup>rd</sup> Party***

5. Providing for training of GWMA personnel on the accounting and payroll system.

***Responsibility: GKC & 3<sup>rd</sup> Party for accounting system training; Payroll system training deleted from scope-NO LONGER REQUIRED***

6. Developing the format and procedure for a monthly revenue and expense report for the board.

***Responsibility: GKC and 3<sup>rd</sup> Party***

7. Implementing a contract payroll system that interfaces with the general ledger and includes all tax and state and federally required reports.

***Responsibility: Item deleted from scope-NO LONGER REQUIRED***

8. Developing written policies and procedures for securing and backing up financial records consistent with state law (Records Management Program).

***Responsibility: 3<sup>rd</sup> Party***

9. Developing written policies and procedures for Investment of GWMA funds with the Local Agency Investment Fund (LAIF). Establish a monthly investment report format for the Board of Directors.

***Responsibility: 3<sup>rd</sup> Party***

10. Establishing an Audit Committee with guidelines consistent with the Government Finance Officers Association (GFOA) best practices recommendations.

***Responsibility: GKC and 3<sup>rd</sup> Party***

11. Developing a personnel system including written rules and regulations comparable to a public agency (this is a requirement of the JPA agreement). This should include an employee handbook and ethics, conflict of interest, harassment, discrimination, public property, cell phone provisions.

***Responsibility: Item deleted from scope-NO LONGER REQUIRED***

12. Develop and adopt a purchasing policy and procedures including such provisions as petty cash, minor and major purchase, construction contract, professional services, procurement methods, informal competitive procurement, negotiation, formal competitive (RFP, RFQ), sole source, short listing, conflicts of interest, etc.

***Responsibility: GKC***

In summary, this proposal deletes the need for several tasks (payroll/personnel-related) or includes several items from the Transition Services portion of the RFQ. Additionally, current personnel have the experience with GWMA which will greatly reduce time and money spent on bringing personnel up to speed.

---

## ON-GOING FINANCIAL SERVICES SCOPE

The services and/or duties from the RFQ which are included as part of this proposal from the On-Going Financial Services scope are listed as:

1. Evaluating the implementation progress and identifying areas of improvement.

***Responsibility: GKC and 3<sup>rd</sup> Party***

2. Providing ongoing financial advice and training on all aspects of the Accounting System to GWMA staff.

***Responsibility: 3<sup>rd</sup> Party***

3. Monitoring, testing and improving internal controls.

***Responsibility: 3<sup>rd</sup> Party***

4. Reconciling the bank account monthly.

***Responsibility: GKC and 3<sup>rd</sup> Party***

5. Overseeing and monitoring financial transactions (Similar to an internal audit function).

***Responsibility: GKC and 3<sup>rd</sup> Party***

6. Meeting periodically with the GWMA Executive Board to report on financial status.

***Responsibility: GKC and 3<sup>rd</sup> Party***

In summary, this proposal includes several items from the On-Going Financial Services portion of the RFQ. Additionally, current personnel have the experience with GWMA which will greatly reduce time and money spent on bringing personnel up to speed.

After GWMA retained the services of Ms. Toni Penn as an independent consultant in July 2013, she established the Quick Books Accounting system. Her expertise has resulted in two independent firms confirming GWMA's internal accounting to be properly established and maintained. It is important to note that several services contained in GWMA's RFQ would be deleted because of this proposal. While some services are included in whole or in part in this proposal, GK Consulting is committed to working as a team with the 3<sup>rd</sup> party selected by GWMA for certain services. The 3<sup>rd</sup> party will provide the needed checks and balances as part of the transition services and on-going financial services.

Specific accounting duties included in this proposal are listed in Exhibit A under "Accounting Services". The itemized duties highlight the additional duties not currently within the scope of the current Administrative/Accounting Assistant duties but would be added as part of this proposal.

## **FEES AND TERMS**

This proposal is for an initial term of 30 months. At 24 months of the initial term, either party may agree to extend or renegotiate the contract for an additional term or provide a notice to terminate at the end of 30 months. If notice is not given by either party under the conditions above, the contract will renew for a 1-year term at the same terms and conditions. After the initial term, either party may terminate the contract with written notice no less than 90 days.

While it is difficult to predict how many hours will be needed in a given month or year, GK Consulting has provided a monthly average estimate with hourly rates by scope of duties. **The estimates are based on averages for duties under each level of service and are not maximums. Actual monthly costs will go up or down in any given month depending on the level of activity and work assignments at the specified rates (see Exhibit A for detailed scope of services). Time will be billed for actual hours worked. At no time will the annual not-to-exceed amount be exceeded unless given prior approval by GWMA.**

Positions included in Average Month Estimates (figures do not represent maximums)	Hourly Rate	Average Hours/Month	Estimated Monthly Cost
Executive Management Services	\$110	<b><u>88 – Total</u></b> 11 – Paid by MOUs 77 – Membership Dues	<b><u>\$9,680 – Total</u></b> \$1,210 – Paid by MOUs \$8,470 – Paid by Membership Dues
Administrative Services	\$55	<b><u>75 – Total</u></b> 27 – Paid by MOUs 48 – Paid by Membership Dues	<b><u>\$4,125 – Total</u></b> \$1,485 – Paid by MOUs \$2,640 – Paid by Membership Dues
Accounting Services*	\$55	<b><u>87 – Total</u></b> 32 – Paid by MOUs 55 – Paid by Membership Dues	<b><u>\$4,785 – Total</u></b> \$1,760 – Paid by MOUs \$3,025 – Paid by Membership Dues
Clerical Services	\$35	<b><u>58 – Total</u></b> 21 – Paid by MOUs 37 – Paid by Membership Dues	<b><u>\$2,030 – Total</u></b> \$ 735 – Paid by MOUs \$1,295 – Paid by Membership Dues
Intern – General Services	\$20	<b><u>25 – Total</u></b> 5 – Paid by MOUs 20 – Paid by Membership Dues	<b><u>\$500 – Total</u></b> \$100 – Paid by MOUs \$400 – Paid by Membership Dues
Total Monthly Average			<b><u>\$21,120 – Total</u></b> \$ 5,290 – Paid by MOUs \$15,830 – Paid by Membership Dues

**\* It is important to note that the accounting services scope represents all day-to-day accounting duties including current in-house duties and new duties listed in Exhibit A.**

As a matter of comparison, using the breakdown above, the following two charts provide information regarding added-value under the new proposal.

#### **CHART 1: CURRENT GWMA CONSULTANT STAFFING**

Current GWMA Positions	Average Monthly Charge Per Contract	Annual Charge Per Contract
Equivalent to 2 Full-time positions	<b><u>\$20,233 – Total</u></b> \$ 2,428 – Paid by MOUs \$16,903 – Paid by Membership Dues	<b><u>\$242,796 – Total</u></b> \$ 49,007 – Paid by MOUs \$193,789 – Paid by Membership Dues

#### **CHART 2: GK CONSULTING PROPOSAL**

GK Consulting Proposal	Average Monthly Estimated Charge	Annual Estimated Charge
Scope of duties equivalent to 5 part-time and full-time positions (see breakdown by levels of services above)	<b><u>\$21,120 – Total</u></b> \$ 5,290 – Paid by MOUs \$15,830 – Paid by Membership Dues	<b><u>\$253,440 – Total</u></b> \$ 63,480 – Paid by MOUs \$189,960 – Paid by Membership Dues



This proposal is offered with an annual not-to-exceed amount of \$260,000 at the rates listed above.

---

***GK Consulting Responsibilities:*** GK Consulting will be solely responsible for complying with state and federal laws pertaining to business ownership and employer/employee laws and regulations. Invoices will be itemized and submitted monthly for payment within 45 days by GWMA.

***GWMA Responsibilities:*** GWMA headquarters with mailing address, conference and board room space, 2 computers and desk, nominal office supplies, use of large-scale copier/printer and website/domain hosting, webmaster services, accounting/office software purchases and annual dues will be provided by GWMA. Additionally, pre-approved expenses will be reimbursed by GWMA with detail and backup documentation. These expenses include meals, travel and hotel, and GWMA-specific supplies, equipment, and meeting arrangements. Reimbursed expenses are not included in the annual not-to-exceed proposal amount.

## **OTHER**

This proposal includes a provision that GK Consulting will be established as an S Corp under California Law. Grace J. Kast will be President of GK Consulting and will personally provide executive management and oversight services to GWMA. If this proposal is accepted and a contract is awarded, GK Consulting will have up to 90 days to transition from the current contract with Grace J. Kast.

GK Consulting will submit an application to be registered as a minority, woman owned business in the State of California. Accounting personnel will be certified as a “QuickBooks Certified User” as well as a “QuickBooks ProAdvisor”. During set up of the S Corp, it is the intent to use GK Consulting as the name of the corporation. However, if unavailable, a similar name will be used and established.

## **INSURANCE**

GK Consulting (S Corp), at its own expense, will provide and maintain at all times during the performance of this Agreement the following insurance:

- 1) Commercial General Liability insurance with limits of at least \$1,000,000/occurrence and \$2,000,000 aggregate;
- 2) Automobile Liability insurance with limits of at least \$1,000,000;
- 3) Workers’ Compensation in accordance with State law; and
- 4) Errors and Omissions liability insurance with limits of at least \$1,000,000/claim and \$2,000,000/aggregate.

## **CURRENT PERSONNEL**

### ***BIOGRAPHY OF GRACE J. KAST (Resume attached as Exhibit B)***

Grace J. Kast is a sole proprietor of her own company. Her vast experience as a former computer specialist, administrator, manager and executive in the private and public sector make her uniquely qualified to understand and analyze multi-faceted issues from different perspectives

Ms. Kast's primary focus and experiences have been in the public sector serving large and small water policy boards, committees, coalitions and water agencies. She has provided a variety of services including multi-million grant report writing, project reconciliation and invoice management for grants and contracts. Her most recent experience has been to assist in the development of a first of its kind program under the 3<sup>rd</sup> Amended Central Basin Judgment called the Central Basin Regional Disadvantaged Communities Incentive Program. This program was written to provide accessibility to water storage and projects that benefit disadvantaged communities in the Central Basin. Ms. Kast has also been retained to develop conferences and forums for several public water agencies.

Ms. Kast has a Master of Science Degree in Business Management, a Bachelor of Arts Degree in Organizational Management and a Certificate in Conflict Resolution from MIT-Harvard Public Disputes Program.

### ***BIOGRAPHY OF MS. TONI PENN***

Ms. Toni Penn is currently under contract with the GWMA as an Administrative/Accounting Assistant. She is a proficient user of QuickBooks Pro. Her services include day-to-day accounting of A/P and A/R to support numerous MOUs, contracts and grants. In addition, she provides all of the administrative support necessary to write, compile, manage, and distribute all in-coming, out-going correspondence, reports, minutes for various meetings and contracts/agreements with consultants and State and Federal agencies.

Before her tenure with GWMA, Ms. Penn worked in the public and private sector for over 20 years. Her experience includes working in the financial, accounting and management fields as well as overseeing all administrative, personnel and financial systems. More specifically, over the past 10 years, Ms. Penn worked for an international, multi-million dollar transportation company where she was instrumental in establishing and implementing a personnel and financial management system that helped reduce overhead costs by 25%. Prior to this, Ms. Penn worked for a public agency with a large regional area, elected board members and numerous multi-million dollar projects. Her tenure included a variety of duties including administrative and accounting oversight. She also served on the board as the Treasurer of Forever Wild Exotic Animal Sanctuary, a non-profit organization, where she generated all financial statements and conducted record audits for the past four years. As Vice-President and Treasurer of Pro-Tech Property Inspections, Inc., she has been in charge of all of the accounting using QuickBooks since 2001.

Ms. Penn has a Master of Science Degree in Business Administration, a Bachelor of Science in Business Administration, a Bachelor of Arts in Organizational Management and is Certified as a Human Resources Generalist.

## **CONCLUSION**

GK Consulting is pleased to submit this proposal to GWMA for executive management, administrative, clerical and accounting support services. We are confident that we will surpass expectations and provide a high level of priority service to meet GWMA's needs now and into the future. Thank you for your consideration.

EXHIBIT A  
**DETAILED SCOPE OF SERVICES**

The following provides a detailed list of essential duties provided within the scope of services to meet the current and future needs of the GWMA.

*Executive Management Services*

- Plan, organize, direct and coordinate the general affairs of the GWMA including legislative, personnel, public relations, and legal matters
- Represent and advocate for GWMA at various local and regional meetings, conferences and events
- Negotiate and oversee multi-party MOUs, contracts, consultant contracts, and grant agreements
- Serve as representative on various committees and meetings as assigned by the Board
- Manage various special projects assigned by the Board or the Chair
- Encourage and solicit continued membership growth
- Travel as necessary to represent GWMA
- Coordinate activities of and provide direction to personnel and GWMA consultants
- Oversee RFPs, NIBs, RFQs processes
- Oversee and manage grant and project administration
- Prepare and coordinate correspondence or reports for variety of political and technical issues as assigned by the Board and/or the Chair

*Administrative Services*

- Oversees the preparation of Board and Committee agendas and prepares associated enclosures
- Maintains constant communication with the Chair, Executive Committee and Board Members
- Ensures timely responses to requests and emails from members, stakeholders, consultants, Federal and State Agencies, and the public
- Administers and manages multiple MOUs with multiple agencies and cities
- Initiates and oversees special events and meetings
- Creates, writes, assists with spreadsheets, reports, presentations, memos, transmittals, scheduling, meeting arrangements, and resolutions
- Answers inquiries, conducts research, and provides follow-up
- Copies and distributes correspondence, documents and reports to the Executive Officer, the Chair of the Board, the Executive Committee, and the Board
- Prepares minutes of Board meetings for approval by the Board
- Coordinates and manages annual, assuming office, and leaving office Form 700s, as required by law
- Coordinates and submits documents, reports, and general information to State and Federal agencies as required by grant agreements, other projects or as authorized by the Board
- Develops, manages and updates the GWMA's website

- Represents GWMA at various local and regional meetings, conferences and events
- Assists the Board and/or Executive Officer as assigned

#### Accounting Services (***\*New duties as per RFQ in bold, italic***)

Conducts accounting functions including invoice generation, receipt of revenues from multiple sources from MOUs , Federal and State Grant reimbursements, membership dues, etc.

- Prepares, coordinates and manages grant reimbursement requests
- Prepares annual budget
- Manages in-house accounting of accounts payables and accounts receivables to be coded, approved, ***\*processed, paid and/or deposited***
- Prepares, distributes and manages invoices to GWMA members and other groups or individual entities as authorized and approved by the Board
- Assists GWMA auditor
- ***\*Prepares financial reports and statements for the Executive Officer, GWMA Board and Executive Committee***
- ***\*Performs follow-up and reconciliation on accounts payables, accounts receivables, and fund balances, budgets, etc.***
- ***\*Provides financial reports to the State Controller or other regulatory agency, as necessary***
- ***\*Prepares list of demands and write board letters regarding financial activities***
- ***\*Develops and prepares Revenue and Expenses Reports for GWMA and all MOU & grant activities***
- ***\*Evaluates and refines accounting software and processes for improvements***
- ***\*Meets with GWMA Executive Committee to discuss, review and report on financial status and issues***
- ***\*Meets with and provides support to 3<sup>rd</sup> party firm retained by GWMA under remainder of RFQ Scope***

#### Clerical Services

- Prepares correspondence for mailings and deliveries
- Prepares routine correspondence
- Assists with development of Board agendas
- Ensures public notices have been posted in accordance with State law
- Organizes and maintains agency physical files
- Maintains digital agency filing system
- Provides support to personnel

#### Intern – General Services

- Creates and maintains large contacts and many categorized distribution lists
- Assists with agency files and electronic files

EXHIBIT B  
Resume of  
**Grace Jannette Kast**

1186 5<sup>th</sup> Street, Norco, 92860  
626.485.0338 [grace.gkconsult@gmail.com](mailto:grace.gkconsult@gmail.com)

**PROFESSIONAL EXPERIENCE**

**2011 to Present – Executive Officer for Gateway Water Management Authority**

**GK Consulting**

The Gateway Water Management Authority (“GWMA”) headquartered in Paramount, is a Joint Powers Authority (“JPA”) representing the Gateway region in the Southeastern portion of Los Angeles County. Currently, members include 24 cities and 2 large water agencies, many of which include disadvantaged communities. Activities and responsibilities include the following:

- Managed and coordinated the successful completion of a \$10M catch basin retro-fit project with 8 cities funded by an ARRA grant administered by the State Water Resources Control Board;
- Organized and filed a 20x2020 Regional Conservation Alliance Report with the State on behalf of 10 cities and water agencies;
- Entered into a \$950,000 contract with the State to develop an integrated regional watershed plan;
- Managed and conducted several bidding and proposal processes;
- Managed several state grant applications for regional multi-partner projects within the Gateway region;
- Act as fiduciary on behalf of 2 watershed groups formed by Memorandums of Agreement;
- Manage the diversity and divergence of stakeholders;
- Plan, organize, direct, and coordinate the general affairs of the GWMA including legislative, personnel, public relations, legal matters, and all management and administrative services;
- Facilitate, coordinate, manage and/or implement projects, including grant reporting and invoicing;
- Research, develop and prepare recommendations on a variety of issues, as requested by the Board;
- Manage and/or prepare Board agendas, staff reports and analytical reports for Board meetings, assist the Board Chair as needed and ensure meetings comply with the Ralph M. Brown Act provisions;
- Implement directives, policies, and goals of the Board;
- Prepare and manage annual budgets and manage annual audits;
- Represent GWMA before local, regional, state, and federal agencies, as necessary;
- Serve as a spokesperson for the GWMA with the media, community-based organizations, civic and business groups;
- Negotiate and administer agreements with other agencies and consultants as authorized by the Board of Directors;
- Perform other duties as assigned by the Board.

**2011 to Present**

**Management and Special Projects Consultant**

**GK Consulting**

Provides a variety of consulting services to the San Gabriel Basin Water Quality Authority “SGBWQA”, San Gabriel Valley Water Forum Partners (5 agencies), Central Basin Water Rights Panel, and the Covina Irrigating Company. These services range from development of conferences, forums, sponsorships, budget preparation, report writing, grant processing and staff transition services.

**2000 – 2010     Executive Director**

**San Gabriel Basin Water Quality Authority, West Covina, CA**

- Agency successfully brought in and distributed more than \$444 million from Potentially Responsible Parties (polluters) and more than \$90 million from the federal government to help facilitate programs while minimizing the burden to local rate payers;
- Agency established strategic goals and priorities for the agency;
- Built relationships with legislators, administrators, regulators and many polluters to implement programs that achieved project successes;
- Managed a staff team which included a Professional Engineer, Water Quality Chemist, a Certified Public Accountant and a Government Relations Specialist, Administrative Staff;
- Managed a consulting team of general and specialized legal counsels, hydro-geologists, engineers, water experts;
- Successfully managed a number of long, tedious and complicated legal settlement negotiations with polluters, regulatory agencies and water providers;
- Worked with court-appointed Special Master to facilitate complex settlements throughout the basin;
- Achieved more than 50 settlements with a variety of small- to large-sized businesses responsible for the contamination and cleanup;
- In 2002, developed and implemented the Federal Funding Program Administration (“FFPA”) to solicit projects and objectively rank more than 60 projects designed to address groundwater quality and supply issues while ensuring agency objectives were being met (still in use today);
- Developed state bond two-level criteria ranking system designed to prioritize project applications that met agency’s mission and secondly to ensure projects with highest state ranking moved forward for funding;
- Participated at local and regional level in development of the Greater Los Angeles Integrated Regional Water Management Planning and Implementation process;
- Responsible for development and implementation of administrative and project budgets;
- Maintained assessment at same low level of \$7.25 per acre-foot for seven consecutive years while project activities increased.

**1991 – 2010     Held Several Positions (see below)**

**San Gabriel Basin Water Quality Authority, Covina, CA**

**Assistant Executive Director/Director of Administration/Finance and Board Secretary**

- Worked closely with Executive Director, elected officials, Potentially Responsible Parties and affected water providers to develop funding strategies, implement complex, multi-million dollar projects and negotiate settlements;
- Developed general and project budgets;
- Assisted in project development;
- Participated as a member of the executive team;
- Responsible for all staff, including administration, human resources, finance and engineering;
- Performed many other duties as assigned by the Executive Director.
- Responsibilities included general budget preparation, forecasting, human resources, computer support, Brown Act compliance, etc.;
- Managed administrative staff;
- Managed and/or wrote status reports, agenda submittals, state-mandated plans, reports and applications, minutes, and agendas;

- Developed first San Gabriel Valley water-related website and created working group of water agencies to work collaboratively on individual and a common website.

## **EDUCATION AND TRAINING**

**Master of Arts in Organizational Management**, University of Phoenix, Diamond Bar - 1998

**Bachelor of Science in Business/Management**, University of Phoenix, Diamond Bar – 1996

**Certificate in Conflict/Dispute Resolution**, Harvard/MIT, Boston, MA 1995

**Fluent in Conversational Spanish**

**Member of Southern California Water Utilities Association since 1995**

**Past Member of ACWA/JPIA Liability Sub-Committee**

**Past Member of ACWA Communications Committee**

**Founding Member of San Gabriel Valley Public Affairs Network**



## EXHIBIT C

---

# COVINA IRRIGATING COMPANY

---



June 30, 2015

To Whom It May Concern.

I am pleased to write this letter of recommendation for Grace Kast. I have known Grace for many years and I have learned to rely on her significant expertise in working with the State of California Proposition 84 Funding requirements for Covina Irrigating Company.

Over the last few years, as part of our Proposition 84 requirements, Grace has played a significant role in assuring we are in compliance with all reporting and required submittals for the funding. Grace's expertise has allowed Covina Irrigating Company to stay in compliance without any issues.

The skills shown by Grace are invaluable to Covina Irrigating Company as we have staff constraints and are in need of capable individuals to follow through as Grace has shown in her implementation of various reports and correspondences.

Grace's expertise in these areas as well as efficiency, attention to detail, and thoroughness are all seen in the work she performs.

I therefore recommend Grace highly for any project that requires her expertise and attention.

Sincerely,

David De Jesus  
President / CEO  
Covina Irrigating Company

# **Central Basin Watermaster Water Rights Panel**

5050 Clark Ave., Lakewood, California 90712

June 30, 2015

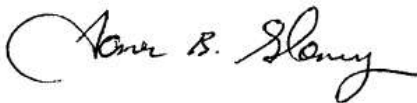
It is with pleasure that I write this letter of recommendation for Grace Kast. I have known Grace for many years and I have learned to rely on her significant expertise in California water issues.

Over the last year, as part of the recently established Central Basin Water Rights Panel, Grace has headed up the development of our Regional Disadvantaged Communities Incentive Program (RDCIP). A component of the Court approved Central Basin Third Amended Judgment, the RDCIP is a brand new groundwater storage program that is a first for California water basins. Grace's expertise took this requirement from a blank sheet of paper to a fully developed groundwater storage program that was approved by the Water Rights Panel and has been submitted to the Court of Adjudication for approval.

The skills shown in developing the RDCIP; including design of the initial program concept, guiding it through a series of public workshops, working with a program review committee, and bringing forth a complete, ready to implement program are representative of the expertise that Grace brings to all her work. Expertise, efficiency, attention to detail, and thoroughness are all hallmarks of her work.

I give Grace my highest recommendation.

Sincerely,

A handwritten signature in black ink, appearing to read "James B. Glancy". The signature is fluid and cursive, with a large initial "J" and "G".

James B. Glancy  
Chair, Water Rights Panel  
Central Basin Watermaster  
C/O City of Lakewood  
5050 Clark Ave.  
Lakewood, CA 90712  
(562) 866-9771, ext. 2700

----- Forwarded message -----

From: **Ken Farfsing** <kfarfsing@cityofsignalhill.org>

Date: Tue, Jun 30, 2015 at 8:41 AM

Subject: Recommendation for Grace Kast - Professional Services

To: GKast Consulting <grace.gkconsult@gmail.com>

Cc: James Glancy <JGlancy@lakewoodcity.org>, Christopher Cash

<ccash@paramountcity.com>, Charlie Honeycutt <CHoneycutt@cityofsignalhill.org>

Dear Grace:

Please accept this e-mail as recommendation of Grace Kast in her consultant role to the Central Basin Water Rights Panel in preparing the Regional Disadvantaged Communities Incentive Program (RDCIP). As a member of the water rights panel, I volunteered to chair the subcommittee developing the RDCIP. The RDCIP was part of the negotiated settlement in the 3<sup>rd</sup> Amended Judgment which created the a water storage program for the Central Basin in Southeast Los Angeles County.

The panel retained Ms. Kast to assist in developing the RDCIP, along with Ms. Tracy Egosque to assist in the legal issues. The most difficult aspect of the assignment was that no similar program existed in the State or from our research nationwide. This was the first type of program to assist disadvantage communities in water storage issues.

Ms. Kast was very responsive to the subcommittee and to the Water Rights Panel, including preparing the program outline and conducting pumper and public meetings on the new program. Since the program needed structure, Ms. Kast worked to build consensus with the pumpers, the public, the subcommittee and the panel in the development of the program. Throughout the entire process she demonstrated a high degree of professionalism and was an great asset to the panel. During the entire multi-month process she stayed on schedule and within the budget.

I would not hesitate to recommend Ms. Kast for future similar assignments and the panel is currently retaining Ms. Kast to develop the RDCIP application materials, including forms and fact sheets.

Please do not hesitate to contact me if you have any questions. I can be reached at [562-989-7302](tel:562-989-7302) or a [kfarfsing@cityofsignalhill.org](mailto:kfarfsing@cityofsignalhill.org)

Ken Farfsing  
Signal Hill City Manager

--



## San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

June 29, 2015

To Whom It May Concern,

Ms. Grace J. Kast was retained by the San Gabriel Basin Water Quality Authority to conduct special projects, including transition services and the full development and implementation of a groundwater quality speaker's forum in 2011.

In 2013 and 2014, Ms. Kast was retained by the San Gabriel Valley Water Forum partners to manage all of the sponsorship development for the annual San Gabriel Valley Water Forums. In 2015, the partners chose to go on hiatus. However, it is likely that we will ask Ms. Kast to participate in the future. The San Gabriel Valley Water Forum partners are a coalition of 5 large water agencies including 3 MWD member agencies, the WQA and the Main San Gabriel Basin Watermaster.

She was chosen for this work based on her excellent communication and management skills. She is comfortable at all levels of meetings and represented us very well. In all cases, Ms. Kast provided exceptional professional services and demonstrated her "can do" attitude.

Sincerely,

A handwritten signature in black ink, appearing to be 'KR Manning', is written above the printed name.

Kenneth R. Manning  
Executive Director  
San Gabriel Basin Water Quality Authority



From: **Tracy J. Egoscue** <Tracy@egoscuelaw.com>  
Date: Tue, Jun 30, 2015 at 10:14 PM  
Subject: To Whom It May Concern:  
To: GKast Consulting <grace.gkconsult@gmail.com>  
Cc: "Tracy J. Egoscue" <tracy@egoscuelaw.com>

To Whom It May Concern:

Please accept this email as my written recommendation of Ms. Grace Kast. In 2009, I met Ms. Kast during my tenure as the Executive Officer of the Los Angeles Regional Water Quality Control Board ("Regional Board"). At the time, she was the Executive Director of the San Gabriel Basin Water Quality Authority. Our first meeting occurred when she initiated a meeting at my office in an effort to reach out and open a dialogue with the Regional Board on the complex issue of potable water discharges from groundwater remediation projects.

In 2014, Ms. Kast and I were granted the opportunity to build a ground-breaking program called the Central Basin Water Rights Panel Regional Disadvantaged Communities Incentive Program. After considerable public outreach and input led by Ms. Kast, the program was successfully written and adopted by the Central Basin Water Rights Panel as well as the Court-appointed judge on June 25, 2015.

Based upon my personal experience and knowledge of Ms. Kast as the Executive Director of the San Gabriel Basin Water Quality Authority as well as an independent consultant, I enthusiastically recommend Ms. Kast for work in areas of water-related management, projects, and strategies.

Please feel free to contact me directly with any questions.

Tracy J. Egoscue  
Egoscue Law Group  
[562-988-5978](tel:562-988-5978) office  
[562-981-4866](tel:562-981-4866) cell

--