



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

AGENDA

**Regular Meeting of the Board of Directors
Thursday, February 9, 2023 at 12:00 PM**

**Meeting Remote Location
via WebEx**

<https://koaconsultinginc.my.webex.com/koaconsultinginc.my/j.php?MTID=mc4c35ae88b948a720dd8e944f1382fca>

**or via phone
1-415-655-0001**

Meeting number: 2558 457 8974

Password: GatewayH2O (42839294 from phones or video systems)

(There will be no physical attendance at Progress Park)

- 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 Consent Calendar: (Acted as one item unless withdrawn by request)**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 January 12, 2023 (Enclosure).
 - b. Approve the Warrant Register for February 2023 (Enclosures).
 - c. Receive and File the Updated Expenditures for Legal Counsel Services (Enclosure).
 - d. Reconsider the circumstances of the COVID-19 state of emergency; and at least one of the following circumstances exist:
 - 1) The COVID-19 state of emergency continues to directly impact the ability of Board Members to meet safely in person; or
 - 2) State and local officials continue to recommend measures to promote social distancing.

Adriana Figueroa (Paramount), Board Chair • Kelli Pickler (Lakewood), Vice-Chair • Thomas Bekele (Signal Hill), Secretary/Treasurer
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- 6. GWMA Audit for Fiscal Year 2021-2022 (Enclosure)**
 - a. Receive and File the Annual Audited Financial Statement for Fiscal Year 2021-2022, as presented.
- 7. Discussion/Action Regarding Audit Engagement for Fiscal Year 2022-2023 (Enclosure)**
 - a. Authorize C.J. Brown & Company CPA to conduct GWMA's Fiscal Year 2022-2023 audit in an amount not to exceed \$8,800.
- 8. Closed Session**
 - a. Public Employee Performance Evaluation
Government Code Section 54957
Title: Executive Officer
 - b. Public Employee Appointment/Employment
Government Code Section 54957
Title: Executive Officer
- 9. Discussion/Action Regarding Amendment to Professional Services Agreement with Koa Consulting for GWMA Program Management, Grant Administration, and DAC Committee Services (Enclosure)**
 - a. Approve the proposed Amendment attached as Exhibit A to the Professional Services Agreement attached as Exhibit B with Koa Consulting; and
 - b. Direct the Chair to execute the proposed Amendment.
- 10. Safe Clean Water Program – Oral Report**
 - a. Lower San Gabriel River “LSGR” WASC Chair – Melissa You
 - b. Lower Los Angeles River “LLAR” WASC Chair – Gina Nila
- 11. Executive Officer’s Oral Report**
 - a. In-Person Board Meeting Schedule and Location Beginning March 2023
- 12. Directors’ Oral Comments/Reports**
- 13. Adjournment to Regular Board Meeting on March 9, 2023 at Progress Park Plaza, 15500 Downey Avenue, Paramount, CA**

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**MINUTES OF THE GATEWAY WATER MANAGEMENT AUTHORITY
LOS ANGELES GATEWAY REGION
INTEGRATED REGIONAL WATER MANAGEMENT JOINT POWERS AUTHORITY
BOARD
VIA VIDEO CONFERENCING
THURSDAY, JANUARY 12, 2023**

A regular meeting of the Board of Directors of the Gateway Water Management Authority was held on Thursday, January 12, 2023 at 12:00 p.m. via WebEx and Phone Conference.

Meeting Administrator Melissa You called the meeting to order at 12:03 p.m. Roll was called by Executive Officer Grace Kast and a quorum of the Board was declared.

BOARD MEMBERS PRESENT:

Okina Dor	Artesia
Grissel Chavez	Bell Gardens
Len Gorecki	Bellflower
Mike O’Grady	Cerritos
Gina Nila	Commerce
Victor Meza	Compton
Aaron Hernandez-Torres	Cudahy
Dan Mueller (alternate)	Downey
Cesar Roldan	Huntington Park
Mark Stowell	La Mirada
Melissa You	Long Beach
Diana Tang	Long Beach Water Department
Jerry Gomez	Maywood
Sarah Ho (alternate)	Paramount
Dylan Porter (alternate)	Port of Long Beach
Sarina Morales-Choate (alternate)	Santa Fe Springs
Cecil Looney (alternate)	Signal Hill
Esther Rojas (alternate)	Water Replenishment District
Vicki Smith	Whittier

STAFF AND GUESTS ON SIGN-IN SHEET:

Grace Kast	Executive Officer
Traci Gleason	Program Administrative Manager
Kekoa Anderson	Funding/Grants Program
Nicholas Ghirelli	Legal Counsel
Emma Sharif	Compton
Rob Beste	Water Replenishment District
Madeline Anderson	Koa Consulting
Christy Cooper	Harris & Associates
Oliver Galang	Craftwater Engineering
Brad Wardynski	Craftwater Engineering
Yoshi Andersen	Geosyntec Consultants
Martha Camacho Rodriquez	Central Basin Municipal Water District

ITEM 3 - ADDITIONS TO THE AGENDA

None.

ITEM 4 - ORAL COMMUNICATIONS TO THE BOARD

None.

ITEM 5 - CONSENT CALENDAR

Director Nila moved to approve the consent calendar.

The motion was seconded by Director Stowell and was approved by the following voice vote:

AYES: Chavez, O’Grady, Nila, Meza, Hernandez-Torres, Mueller, Roldan,
 Stowell, Porter, Morales-Choate, E. Rojas.

NOES: None.

ABSTAIN: Dor, Gorecki, You, Tang, Gomez, Ho, Looney, Smith (Minutes only).

**ITEM 6 - SAFE CLEAN WATER PROGRAM TRANSFER AGREEMENTS FOR
GATEWAY AREA PATHFINDING PHASE 2 SCIENTIFIC STUDY FOR
LOWER LOS ANGELES RIVER AND LOWER SAN GABRIEL RIVER
WATERSHED AREA STEERING COMMITTEES, RESOLUTIONS TO
AUTHORIZE EXECUTION OF THE TRANSFER AGREEMENTS, AND
NOTICE TO PROCEED FOR CRAFTWATER ENGINEERING TO
CONDUCT THE SCIENTIFIC STUDY**

In October 2020, GWMA staff submitted a regional program scientific study application to the Safe Clean Water Program (SCWP) Lower Los Angeles River (LLAR) and Lower San Gabriel River (LSGR) Watershed Area Steering Committees (WASCs) for grant funding. The objectives of the study are: Scan the landscape of the Gateway Cities region to identify the suite of known and hidden, potential project opportunities; Analyze the dynamic interactions between those potential projects; Determine the best project-by-project pathway (and timeline) to achieve compliance; and Deliver project recommendations that are ideally suited for consideration by the WASC for Safe Clean Water infrastructure funding. The scientific study, Gateway Area Pathfinding (GAP) Analysis Phase 1, was approved for funding by the Los Angeles County Board of Supervisors in September 2021. Craftwater Engineering, who was approved by the GWMA Board in November 2021 to conduct the study, will be completing the Phase 1 study in early 2023.

GWMA staff submitted a SCWP Regional Program Scientific Study application in July 2021 for the second phase of the study. scale the approach region-wide and over a longer-term planning horizon (approximately 10-50 years) in collaboration with the Watershed Coordinators and Gateway Groups, including targeted field visits to validate site-specific engineering feasibility assumptions. Outcomes will support the Gateway Groups as they adapt their WMPs over time and will provide the LLAR and LSGR WASCs with supplemental, objective information for consideration when programming future Stormwater Investment Plans. Grant funding in the

amount of \$460,000 (\$230,000 for each watershed area) for the scientific study was approved by the Los Angeles County Board of Supervisors on October 4, 2022.

GWMA staff previously received written requests from the Lower Los Angeles River (LLAR), Lower San Gabriel River (LSGR) and Los Cerritos Channel (LCC) Watershed Management Groups to retain the services of Craftwater Engineering to conduct the study. According to the request, Craftwater Engineering is “uniquely qualified to conduct this analysis because they have done substantial work in each watershed as a sub-contractor to their respective watershed consultant”. Further, the request from the LCC WMP Group stated that Craftwater Engineering was “involved with the design of a proposed future project to analyze how to use a series of flow and water quality sensors to help optimize the operation of their water capture projects”. This same type of work has been done for the LLAR and LSGR WMP Groups. Craftwater Engineering has conducted the vast majority of Feasibility Studies for the LLAR and LSGR WASC projects giving them in-depth knowledge of the projects in those watershed areas. To comply with policies and legal requirements, staff reviewed its On-Call Consulting Policy and also requested review and guidance from Legal Counsel.

GWMA must enter into a Transfer Agreement with the County for each WASC and also adopt a Resolution to approve and authorize execution of the agreements for each WASC. Additionally, staff requested approval to issue a Notice to Proceed to Craftwater Engineering to conduct the work, utilizing their On-Call Professional Services Agreement, for an amount not-to-exceed \$437,000 (\$218,500 for each WASC). As part of the process, the County has required the entity who will be doing the work to be listed.

Director Meza motioned to: (a) Adopt Resolution No. 23-01, approving the SCWP Transfer Agreement for the LLAR GAP Phase 1 Analysis, authorizing the Chair to execute the agreement, and authorizing the Executive Officer to take all necessary actions to implement the agreement; (b) Adopt Resolution No. 23-02, approving the SCWP Transfer Agreement for the LSGR GAP Phase 1 Analysis, authorizing the Chair to execute the agreement, and authorizing the Executive Officer to take all necessary actions to implement the agreement; and (c) Authorize the Executive Officer to issue a Notice to Proceed to Craftwater Engineering to conduct the Scope of Work as presented for both Transfer Agreements, using the On-Call Consultant Professional Services Agreement on file. The Notice-To-Proceed issued to Craftwater Engineering would require an acceptance in writing to all terms and conditions specific to the Transfer Agreement requirements.

The motion was seconded by Director Chavez and was approved by the following voice vote:

AYES: Dor, Chavez, Gorecki, O’Grady, Nila, Meza, Hernandez-Torres, Mueller, Roldan, Stowell, You, Tang, Gomez, Ho, Porter, Morales-Choate, Looney, E. Rojas, Smith.

NOES: None.

ABSTAIN: None.

ITEM 7 – GWMA REGIONAL PROJECT DEVELOPMENT/GRANT WRITING UPDATES

Oliver Galang of Craftwater Engineering provided an update for Stormwater Capture and Reuse Systems. As a recap, from a survey that was conducted earlier this year, top priority projects for member agencies were: stormwater capture, green streets, and LID implementation. Programmatic projects may include biofiltration/landscape medians, parking lot, stormwater dry-well implementation, permeable concrete/sidewalk programs. Craftwater Engineering and GWMA staff met in December 2022 to discuss potentially doing a smaller scale green street demonstration program to implement green street elements (bioswales, treewells, and permeable pavement) and apply for the Clean California Local Grant Program, Round 2. The initial program budget including design would be \$4.5M. The project concept includes using standard templates for installation for various cities. Applications for the Clean California Local Grant Program is due April 23, 2023. Eligible projects must be partially or fully located in an underserved community. The next steps are to identify potential locations and develop preliminary budget and follow up with cities who have previously expressed interest in green street implementation for priority locations.

Yoshi Andersen of Geosyntec Consultants provided an update for the regional recycled water grant. Ten member agencies had expressed interest in the grant pursuit. However, Downey and Bell Gardens had developed their plans and feasibility studies enough to pursue the upcoming IRWMP Proposition 1 Round 2 Implementation Grant Program. The Los Angeles County Flood Control District (District) intends to submit a region-wide application for Proposition 1 Round 2 Implementation Program Grant funds on behalf the Greater Los Angeles County (GLAC) IRWM Group, in which GWMA is a member. The GLAC IRWM Region is part of the larger funding area which includes Ventura and Santa Clara IRWM Regions. Geosyntec has been working with the Los Angeles County Team to finalize the application, which will be submitted to Department of Water Resources at the end of January. The project total cost is estimated to be \$4M. The grant amount requested is \$3.37M.

Christy Cooper of Harris & Associates provided updates for the PFAS and New Wells. As a result of research and coordination with GWMA members, two member projects were recommended to be combined as one GWMA Regional PFAS Groundwater Treatment Project for funding through the California's State Water Resources Control Board's Emerging Contaminants Program because they are each developing similarly scoped projects to treat groundwater for PFAS and are both expected to be construction ready in early 2024. The application was submitted on November 18, 2022 for funding of \$9M. For New Wells, Harris is submitting an application to California Department of Water Resources (DWR) 2022 Urban Community Drought Relief Grant Program (UCDRG). The application is due January 31, 2023. The grant program is for drought relief, but can include treatment plants. Six member cities are participating for the grant program. The grant amount request is about \$14M. The grant will provide up to 100% funding for underrepresented communities. It is anticipated the grant package will qualify under environmental disadvantaged communities for 100% funding.

ITEM 9– SAFE CLEAN WATER PROGRAM – ORAL REPORT

Director You reported that at the last LSGR WASC Meeting met earlier in the week. Infrastructure presentations were completed at the meeting. The WASC will be deliberating the projects at the

next WASC meeting in February. The LSGR Watershed Coordinator was re-selected. The WASC also had discussed the LSGR Watershed Area Priorities which is a non-binding guidance document for selection of projects.

Director Nila reported the LLAR WASC did not meet prior to the holidays. The next WASC meeting will be held on January 24, 2023.

ITEM 9 – EXECUTIVE OFFICER’S ORAL REPORT

The Executive Officer reported that a couple of months ago, staff had requested the Board’s authorization to enter into a Professional Services Agreement with Clifton Larson Allen, who was re-selected to provide accounting support services. Unfortunately, an agreement could not be reached on PSA language. After consultation with the GWMA Chair, a second Request for Proposal process will be done. GWMA will obtain its own subscription for Quickbooks Online in lieu of relying on any accounting firms.

In 2021, the Governor of California signed Assembly Bill 361 into law that allows legislative bodies governed by the Brown Act to meet virtually without complying with some provisions of the Brown Act as long as there is a declared State of Emergency. It is anticipated that the Governor will declare an end to the State of Emergency at the end of February, which would result in returning to in-person meetings. Options for scheduling in-person board meetings are being considered and will be further discussed in February.

ITEM 10 – DIRECTORS’ ORAL COMMENTS/REPORTS

None.

The meeting adjourned at 12:52 p.m.

The next regular Board Meeting of the Directors of the Gateway Water Management Authority will be on Thursday, February 9, 2023 at 12:00 p.m. The meeting will be held via video conference to meet social distancing recommendations or will be held in person at its regular location at Progress Park in Paramount, depending on recommendations from local and State officials. The physical location or video conference information will be posted with each Board Agenda which can be found at www.gatewaywater.org 72 hours in advance of the meeting.

Melissa You, Meeting Administrator

Date



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

February 9, 2023

AGENDA ITEM 5b – Approve the Warrant Register for February 2023

SUMMARY:

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

DISCUSSION:

The Warrant Register for expenditures dated February 2023 in the amount of \$140,417.19 is submitted for approval by the Board. Invoices and supporting documentation are available for review at the office of the GWMA.

FISCAL IMPACT:

The Warrant Register totals \$140,417.19. Funds to cover payment are available in the GWMA budget.

RECOMMENDATION:

Approve the Warrant Register for February 2023.

Adriana Figueroa (Paramount), Board Chair • Kelli Pickler (Lakewood), Vice-Chair • Thomas Bekele (Signal Hill), Secretary/Treasurer
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WARRANT REGISTER
DISBURSEMENT JOURNAL
February 2023

Invoice Date	Vendor	Invoice Number	Description	Amount	
1/1/2023	City of Paramount	4938	Office Lease (January 2023)	\$ 390.72	✓
1/27/2023	C.J. Brown & Company CPAs	1-27-23	Audit (January 2023). Note: C.J. Brown & Company is formerly Fedak & Brown	\$ 2,135.00	✓
1/17/2023	Clifton Larson Allen	3540612	Accounting Support and Quickbooks Online Software (November and December 2022)	\$ 3,085.00	✓
1/24/2023	Craftwater Engineering	21-055-4	GWMA Grant Writing Support (December 2022)	\$ 2,110.00	✓
1/20/2023	CWE	23009	LARUR2 CIMP FY 21-22 Tasks (December 2022)	\$ 17,077.55	✓
1/24/2023	CWE	23019	LARUR2 CIMP FY 22-23 Tasks (December 2022)	\$ 16,346.14	✓
1/9/2023	Fairview Web Design	303	GWMA Website Support	\$ 450.00	✓
1/31/2023	Gateway Cities Council of Governments	1-31-23	Office Supplies & FedEx (January 2023)	\$ 119.39	✓
1/6/2023	Geosyntec Consultants	497010	GWMA Grant Funding (Through 12/31/22)	\$ 3,089.09	✓
1/12/2023	Harris & Associates	55791	GWMA Grant Funding (Nov 27-Dec 31, 2022)	\$ 4,050.00	✓
1/30/2023	Koa Consulting, Inc.	K114-01-63	COG Water-Related Coordination Activities and Executive Officer Services, DAC Chair and DACIP Co-Chair (Jan 2023)	\$ 36,873.00	✓
1/30/2023	Koa Consulting, Inc.	K114-01-64	Expense Reimbursement for: Quickbooks Online for January, File Hosting Server (annual), and Website Domain (annual)	\$ 1,092.40	✓
1/19/2023	Richards Watson Gershon	240821	Legal Services - General (through Dec 31, 2022)	\$ 475.00	✓
1/18/2023	Richard Watson & Associates	23-192-003-001	LCC WMP CIMP (December 2022)	\$ 52,123.90	✓
1/20/2023	Southern California Water Coalition	1705	Annual Basic Membership	\$ 1,000.00	✓
Total				\$ 140,417.19	✓

Reviewed and Approved by:


Thomas Bekele, Signal Hill



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

February 9, 2023

AGENDA ITEM 5c – Status of Total Legal Expenditures for General Legal Counsel Services for Fiscal Year 2022-2023

SUMMARY:

At the Board meeting in June 2022, the Board approved the budget for legal counsel services of \$30,500 for Fiscal Year (FY) 2022-2023 to address legal issues. The Board has previously directed staff to provide monthly updates on total expenditures for legal counsel services.

Legal Counsel Services Update:

\$ 30,500.00	FY 2022-2023 Budget amount for Legal Counsel services
<u>\$ 2,850.00</u>	Expenditures for Legal Counsel services through December 31, 2022
\$ 27,650.00	Remaining budget amount available through June 30, 2023

FISCAL IMPACT:

The total expenditures for Legal Counsel services for FY 2022-2023 through December 31, 2022 total \$2,850.00. Sufficient funds to cover payment for legal counsel services are remaining in the GWMA FY 2022-2023 budget.

RECOMMENDATION:

Receive and file the status the updated expenditures for Legal Counsel Services.

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*Los Angeles Gateway Region
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February 9, 2023

AGENDA ITEM 6 – GWMA Audit for Fiscal Year 2021-2022

SUMMARY:

The responsibility of an auditing firm is solely to express an opinion as to whether GWMA's financial statements are fairly represented in all material respects and in conformity with generally accepted auditing standards.

The opinion expressed by the auditors for Fiscal Year 2021-2022 was that the financial statements were presented fairly, in all material respects, as of June 30, 2022. The respective statement of activities for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

The auditor noted no deficiencies in internal controls that could cause the financial statements to be materially misstated. In addition, the auditor's tests did not disclose any instances of non-compliance or other matters that were required to be reported under *Government Auditing Standards*.

The auditors issued their required communication to the Board based on their professional standards. The purpose of this communication is to communicate significant and relevant audit matters to those charged with governance in overseeing the financial reporting process. The communication letter addresses both qualitative and quantitative information regarding the audit process. The auditor encountered no significant difficulties or disagreements in dealing with management in performing and completing these audits.

The disclosures in the basin financial statements are neutral, consistent and clear.

There were no audit adjustment and/or reclassification entries to be made as described in the Management Report attached herein.

RECOMMENDATION:

- a. Receive and file the Annual Audited Financial Statement for Fiscal Year 2021-2022, as presented.

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

Management Report

June 30, 2022

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

Management Report

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Board of Directors
Los Angeles Gateway Region Integrated Regional
Water Management Joint Powers Authority
Paramount, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority (Authority) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Current Year Comment and Recommendation

None Noted

Prior Year Comment and Recommendation

None Noted

Board of Directors

Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority

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This communication is intended solely for the information and use of management and the Board of Directors of the Authority. This restriction is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company CPAs

Cypress, California

February 9, 2023

DRAFT

APPENDIX

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

Audit/Finance Committee Letter

June 30, 2022

Board of Directors
Los Angeles Gateway Region Integrated Regional
Water Management Joint Powers Authority
Paramount, California

We have audited the financial statements of the business-type activities of the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority (Authority) for the year ended June 30, 2022, and have issued our report thereon dated February 9, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 16, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated February 9, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards

As auditors of the Authority, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority’s financial statements relate to:

The disclosure of fair value of cash and cash equivalents in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. There was no material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 9, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Authority's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Other Information Included in Annual Reports, continued

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Conclusion

We appreciate the cooperation extended us by Grace Kast, Executive Officer, and Traci Gleason, Program Manager, in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Authority.

C.J. Brown & Company CPAs

Cypress, California

February 9, 2023



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

Annual Financial Report

For the Fiscal Year Ended June 30, 2022



Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority

Board of Directors as of June 30, 2022

Name	Area	Position	Alternates (if applicable)
Adriana Figueroa	Paramount	Chair	Sarah Ho Wendy Macias
Kelli Pickler	Lakewood	Vice-Chair	Konya Vivanti Derwin Dy
Thomas Bekele	Signal Hill	Treasurer/Secretary	Hannah Shin-Heydorn Cecil Looney
Okina Dor	Artesia	Member	Ernesto Sanchez
Alicia Romero	Bell	Member	Alan Perdomo Gabino Luna
Grissel Chavez	Bell Gardens	Member	Veronica Sanchez
Len Gorecki	Bellflower	Member	Bernardo Iniguez
Alex Rojas	Central Basin MWD	Member	Isabelle Guido Madeline Chen
Mike O'Grady	Cerritos	Member	Robert Lopez
Gina Nila	Commerce	Member	Vacant
Vacant	Compton	Member	Emma Sharrif
Aaron Hernandez-Torres	Cudahy	Member	Andres Rangel
Vacant	Downey	Member	Dan Mueller
Vacant	Hawaiian Gardens	Member	Vacant
Cesar Roldan	Huntington Park	Member	Whitford Marin
Mark Stowell	La Mirada	Member	Marlin Munoz



Board of Directors as of June 30, 2021, continued

Name	Area	Position	Alternates (if applicable)
Melissa You	Long Beach	Member	Colin Averill
Diana Tang	Long Beach Water Department	Member	Chris Garner B. Anatole Falagan Tai Tseng
Vacant	Lynwood	Member	Lorry Hempe
Vacant	Maywood	Member	(vacant)
Vacant	Montebello	Member	(vacant)
Vacant	Norwalk	Member	(vacant)
Vacant	Pico Rivera	Member	Luis Osuna Kenner Guerrero
James Vernon	Port of Long Beach	Member	Dylan Porter Janna Morimoto Matthew Arms
Noe Negrete	Santa Fe Springs	Member	Jesse Sira Sarina Morales-Choate
Art Cervantes	South Gate	Member	Gladis Deras Chris Castillo
Daniel Wall	Vernon	Member	Margarita Beltran
Vicki Smith	Whittier	Member	Kyle Cason
Rob Beste	Water Replenishment District	Member	Esther Rojas Aimee Zhao

Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Grace J. Kast, Executive Officer
16401 Paramount Boulevard
Paramount, California 90723
(562) 663-6850
www.gatewaywater.org

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

Annual Financial Report

For the Fiscal Year Ended June 30, 2022

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Annual Financial Report
For the Fiscal Year Ended June 30, 2022**

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Financial Section

Independent Auditor's Report

Governing Board
Los Angeles Gateway Region Integrated Regional
Water Management Joint Powers Authority
Paramount, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority (Authority) as of and for the year ended June 30, 2022, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7, and the required supplementary information on page 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated , on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance. That report can be found on pages 26 and 27.

C.J. Brown & Company CPAs

Cypress, California

February 9, 2023

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
With Comparative Amounts as of June 30, 2021**

As management of the Los Angeles Gateway Region Integrated Regional Water Management Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities and performance of the Authority for the fiscal year ended June 30, 2022. Please read it in conjunction with additional information that we have furnished in the accompanying basic financial statements, which follow this section.

Financial Highlights

- The Authority's net position increased 11% or \$643,376 from \$5,850,377 to \$6,493,753 as a result of ongoing operations.
- The Authority's total revenues decreased 48.03% or \$4,573,784 from \$9,523,052 to \$4,949,268, primarily due to a decrease of \$4,583,475 in program revenues; which was offset by an increase of \$9,691 in general revenues.
- The Authority's total expenses decreased 57.09% or \$5,728,957 from \$10,034,849 to \$4,305,892, primarily due to decreases of \$4,976,185 in contract services, and \$899,054 in grant expenditures.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the Authority using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the Authority's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities) and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenue and expenses are accounted for in the Statements of Activities. This statement measures the success of the Authority's operations over the past year and can be used to determine the Authority's profitability and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the Authority's finances is, "Is the Authority better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the Authority in a way that helps answer this question.

These statements include all assets and liabilities, using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Authority's *net position* and changes in them. One can think of the Authority's net position – the difference between assets less liabilities – as one way to measure the Authority's financial health, or *financial position*. Over time, *increases or decreases* in the Authority's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors, however, such as changes in the Authority's organizational agreements to assess the *overall health* of the Authority in future periods.

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022
With Comparative Amounts as of June 30, 2021**

Government-wide Financial Statements, continued

Statement of Net Position and Statement of Activities, continued

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 12 through 24.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's budgetary information and compliance.

Government-wide Financial Analysis

Condensed Statement of Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Assets:			
Current assets	\$ 7,385,580	8,079,926	(694,346)
Total assets	<u>7,385,580</u>	<u>8,079,926</u>	<u>(694,346)</u>
Liabilities:			
Current liabilities	891,827	2,229,549	(1,337,722)
Total liabilities	<u>891,827</u>	<u>2,229,549</u>	<u>(1,337,722)</u>
Net position:			
Restricted	7,372,292	6,567,092	805,200
Unrestricted (deficit)	<u>(878,539)</u>	<u>(716,715)</u>	<u>(161,824)</u>
Total net position	<u>\$ 6,493,753</u>	<u>5,850,377</u>	<u>643,376</u>

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022
With Comparative Amounts as of June 30, 2021**

Government-wide Financial Analysis, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets of the Authority exceeded liabilities by \$6,493,753 as of June 30, 2022. At the end of fiscal year 2022, the Authority shows a deficit in its unrestricted net position of \$(878,539).

Condensed Statement of Activities

<i>Governmental Activities</i>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Expenses:			
Authority operations	\$ 4,305,892	10,034,849	(5,728,957)
Total expenses	<u>4,305,892</u>	<u>10,034,849</u>	<u>(5,728,957)</u>
Revenues:			
Program revenues	4,936,996	9,520,471	(4,583,475)
General revenues	<u>12,272</u>	<u>2,581</u>	<u>9,691</u>
Total revenues	<u>4,949,268</u>	<u>9,523,052</u>	<u>(4,573,784)</u>
Change in net position	643,376	(511,797)	1,155,173
Net position, beginning of period,	<u>5,850,377</u>	<u>6,362,174</u>	<u>(511,797)</u>
Net position, end of period	<u>\$ 6,493,753</u>	<u>5,850,377</u>	<u>643,376</u>

The statements of activities show how the Authority's net position changed during the fiscal year. In fiscal year 2022, the Authority's net position increased 11% or \$643,376 to \$6,493,753 from ongoing operations.

A closer examination reveals that:

The Authority's total revenues from all sources decreased 48.03% or \$4,573,784 to \$4,949,268. Program revenues decreased 48.14% or \$4,583,475, due to decreases of \$3,669,343 in grant revenue, \$851,027 in intergovernmental revenue, and \$33,105 in general membership fees. General revenues increased 375.47% or \$9,691, due to an increase in interest earnings.

The Authority's total expenses decreased 57.09% or \$5,728,957 to \$4,305,892, due to decreases of \$4,976,185 in contract services, and \$899,054 in grant expenditures; which were offset by increases of \$100,607 in professional fees and \$45,675 in general and administrative.

Governmental Funds Financial Analysis

The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Authority's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022
With Comparative Amounts as of June 30, 2021**

Governmental Funds Financial Analysis, continued

As of June 30, 2022, the Authority's General Fund reported a fund balance of \$6,493,753. Of the fund balance reported, an amount of \$7,308 is designated as *non-spendable* as it has already been spent towards prepaid insurance. The amount of \$7,372,292 is designated as restricted for grant and watershed projects. The Authority has an unassigned fund balance deficit of \$885,847. See Note 3 for further information.

General Fund Budgetary Highlights

At fiscal year-end, actual expenditures for the General Fund were \$3,775,746 more than final budgeted expenditures and actual revenues were \$4,409,759 more than final budgeted revenues. This was principally due to more than anticipated grant funding from the state, county and private agency sources.

Conditions Affecting Current Financial Position

The COVID-19 pandemic in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the Authority and the duration cannot be estimated at this time.

Management is unaware of any other conditions which could have a significant impact on the Authority's current financial position, net position or operating results based on past, present and future events.

Requests for Information

The Authority's basic financial statements are designed to present users with a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have any questions about the report or need additional information, please contact the Authority's Executive Officer, Grace J. Kast at Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority, 16401 Paramount Boulevard, Paramount, CA, 90723 or (562) 663-6850.

Basic Financial Statements

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Statement of Net Position
June 30, 2022**

	<u>2022</u>
Assets:	
Cash and cash equivalents - restricted (note 2)	\$ 6,860,051
Interest receivable	5,980
Grants receivable	512,241
Prepaid expenses	<u>7,308</u>
Total assets	<u>7,385,580</u>
Liabilities:	
Accounts payable	891,827
Grants payable	<u>-</u>
Total liabilities	<u>891,827</u>
Net Position: (note 4)	
Restricted	7,372,292
Unrestricted	<u>(878,539)</u>
Total net position	<u><u>\$ 6,493,753</u></u>

See accompanying notes to the basic financial statements

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Statement of Activities
For the Fiscal Year Ended June 30, 2022**

	<u>2022</u>
Expenses:	
Regional water management	
Professional fees	\$ 536,313
Grant expenditures	1,032,529
Contract services	2,670,005
General and administrative	<u>67,045</u>
Total expenses	<u>4,305,892</u>
Program revenues:	
General membership fees	421,850
Intergovernmental revenues	3,202,150
Grant revenues	<u>1,312,996</u>
Total program revenues	<u>4,936,996</u>
Net program revenues	<u>631,104</u>
General revenues:	
Interest earnings	<u>12,272</u>
Total general revenues	<u>12,272</u>
Change in net position	643,376
Net position, beginning of period	<u>5,850,377</u>
Net position, end of period	<u>\$ 6,493,753</u>

See accompanying notes to the basic financial statements

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Reconciliation of the Balance Sheet of Governmental
Type Funds to the Statement of Net Position
June 30, 2022**

	<u>General Fund</u>	<u>Reclassifications & Eliminations</u>	<u>Statement of Net Position</u>
Assets:			
Cash and cash equivalents - restricted	\$ 6,860,051	-	6,860,051
Interest receivable	5,980	-	5,980
Grants receivable	512,241	-	512,241
Prepaid expenses	7,308	-	7,308
Total assets	<u>7,385,580</u>	<u>-</u>	<u>7,385,580</u>
Liabilities:			
Accounts payable	891,827	-	891,827
Grants payable	-	-	-
Total liabilities	<u>891,827</u>	<u>-</u>	<u>891,827</u>
Fund balance: (note 3)			
Non-spendable	7,308	(7,308)	-
Restricted	7,372,292	(7,372,292)	-
Unassigned	(885,847)	885,847	-
Total fund balance	<u>6,493,753</u>	<u>(6,493,753)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 7,385,580</u>		
Net position:			
Restricted		7,372,292	7,372,292
Unrestricted (deficit)		(878,539)	(878,539)
Total net position		<u>6,493,753</u>	<u>6,493,753</u>
Reconciliation:			
Net position of governmental activities			<u>\$ 6,493,753</u>

See accompanying notes to the basic financial statements

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Type Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Reclassifications & Eliminations</u>	<u>Statement of Activities</u>
Expenditures/Expenses:			
Regional water management			
Professional fees	\$ 536,313	-	536,313
Grant expenditures	1,032,529	-	1,032,529
Contract services	2,670,005	-	2,670,005
General and administrative	67,045	-	67,045
Total expenditures/expenses	<u>4,305,892</u>	<u>-</u>	<u>4,305,892</u>
Program revenues:			
General membership fees	421,850	-	421,850
Intergovernmental revenues	3,202,150	-	3,202,150
Grant revenues	1,312,996	-	1,312,996
Total program revenues	<u>4,936,996</u>	<u>-</u>	<u>4,936,996</u>
Net program revenue			<u>631,104</u>
General revenues:			
Interest earnings	12,272	-	12,272
Total general revenues	<u>12,272</u>	<u>-</u>	<u>12,272</u>
Total revenues	<u>4,949,268</u>	<u>-</u>	<u>4,949,268</u>
Excess of revenues over expenditures	643,376	(643,376)	-
Change in net position	-	(511,797)	643,376
Fund balance/Net position, beginning of period	<u>6,362,174</u>	<u>-</u>	<u>5,850,377</u>
Fund balance/Net position, end of period	<u>\$ 7,005,550</u>	<u>(1,155,173)</u>	<u>6,493,753</u>
Reconciliation:			
Changes in net position of governmental activities			\$ <u>643,376</u>

See accompanying notes to the basic financial statements

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

In July 2007, the Southeast Water Coalition and the Cities of Cerritos, Downey, Lakewood, Long Beach, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, et al. entered into a joint powers agreement creating the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority (Authority). The purpose of the agreement is to create a regional water management group, as defined in and authorized by the Integrated Regional Water Management Powers Authority (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 Members' jurisdictional areas. The Authority can also perform other regional responsibilities for water development and management.

The Authority will prepare and/or adopt a regional plan for the management of water resources, and for the 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. The regional water resources management plan may more specifically address any of the matters set forth 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, water recycling project, domestic water supply facility to meet safe drinking water standards, or a drainage water management unit; and/or the implementation of a water conservation program. The Authority may also 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.

The agreement has since been amended to add new members. The Authority's current members are the Central Basin Municipal Water District, Long Beach Water Department, Water Replenishment District, WRD of Southern California and the Cities of Artesia, Bell, Bell Gardens, Bellflower, Cerritos, Commerce, Compton, Cudahy, Downey, Hawaiian Gardens, Huntington Park, La Mirada, Lakewood, Long Beach, Lynwood, Maywood, Montebello, Norwalk, Paramount, Pico Rivera, Port of Long Beach, Santa Fe Springs, Signal Hill, South Gate, Vernon, and Whittier.

The term of the agreement continues until no less than three members remain, or until terminated by unanimous consent, provided that all liabilities of the Authority have been satisfied and all assets have been distributed. Upon termination of the agreement, the assets shall be distributed in a manner determined by a super-majority vote of the Board of Directors.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the Authority are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Government-wide Financial Statements

These statements are presented on an *economic resource's* measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets and liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the Authority are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grant and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-wide Financial Statements.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the Authority are interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The Authority reports the following major governmental fund:

General Fund – is a government's only operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund when necessary.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has adopted the following GASB pronouncements in the current year:

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

The requirements of this Statement were effective for reporting periods beginning after December 15, 2018; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Liabilities and Net Position

1. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in the Authority's net position during the reporting period. Actual results could differ from those estimates.

2. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on Authority and the duration cannot be estimated at this time.

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Liabilities and Net Position, continued

3. Cash and Cash Equivalents

Substantially all of the Authority's cash are invested in interest bearing accounts. The Authority considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

4. Investment Policy

The Authority has adopted an investment policy directing the Treasurer to manage Authority's funds in financial institutions in accordance with California Government Code section 53600. The investment policy applies to all financial assets and investment activities of the Authority.

5. Grants Receivable

The Authority considers grants receivable to be fully collectible. Accordingly, an allowance for uncollectible accounts has not been recorded.

6. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

7. Net Position/Fund Balances

The financial statements utilize a net position presentation. Net position categories are follows:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

8. Budgetary Policies

The Authority follows specific procedures in establishing the budgetary data reflected in the financial statements. Each June, the Authority's Executive Officer prepares and submits an operating budget to the Governing Board for the General Fund. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting.

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Liabilities and Net Position, continued

9. Fund Equity

The financial statements, governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Authority is bound to honor constraints on how specific amounts can be spent.

- **Non-spendable fund balance** – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.
- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the Authority's highest level of decision-making authority (the Governing Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** – amounts that are constrained by the Authority's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the Authority's special revenue funds.
- **Unassigned fund balance** – the residual classification for the Authority's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Governing Board established, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

Fund Balance Policy

The Authority believes that sound financial management principles require that sufficient funds be retained by the Authority to provide a stable financial base at all times. To retain this stable financial base, the Authority needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the Authority and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the Authority's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

**Los Angeles Gateway Region
Integrated Regional Water Management
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Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified in the accompanying financial statements as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents - restricted	\$ <u>6,860,051</u>	<u>7,162,569</u>

Cash and cash equivalents as of June 30, consist of the following:

	<u>2022</u>	<u>2021</u>
Deposits held with a financial institution	\$ 3,707,290	3,977,316
Investments	<u>3,152,761</u>	<u>3,185,253</u>
Total	\$ <u>6,860,051</u>	<u>7,162,569</u>

As of June 30, the Authority's authorized deposits had the following maturities:

	<u>2022</u>	<u>2021</u>
Deposits held with the California Local Investment Fund	311 days	291 days

Authorized Deposits and Investments

Under the provisions of the Authority's investment policy, and in accordance with Section 53601 of the California Government Code, the Authority may invest in certain types of investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balance, up to \$250,000 is federally insured and any remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Authority's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The Authority's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(2) Cash and Cash Equivalents, continued

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment of the Authority does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The Authority's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Authority's investments at June 30, 2022.

Investment in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Authority's deposits with the bank in accordance with the Code.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

(3) Fund Balance

Fund balances are presented in the following categories: Non-spendable, restricted, committed, assigned, and unassigned (See Note 1.D.9 for a description of these categories).

A detailed schedule of fund balance and their funding composition at June 30, 2022, is as follows:

Fund Balance Category	
Nonspendable fund balance:	
Prepaid insurance	\$ 7,308
Restricted fund balance	7,372,292
Unassigned fund balance	<u>(885,847)</u>
Total fund balance	\$ <u><u>6,493,753</u></u>

**Los Angeles Gateway Region
Integrated Regional Water Management
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Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(4) Net Position

Calculation of net position as of June 30, were as follows:

Restricted net position:	
Restricted for grants and watershed projects	\$ <u>7,372,292</u>
Unrestricted net position:	
Non-spendable net position:	
Prepaid insurance	7,308
Spendable net position:	
Unrestricted	<u>(885,847)</u>
Total unrestricted net position	<u>(878,539)</u>
Total net position	\$ <u><u>6,493,753</u></u>

(5) Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased various commercial insurance policies to manage the potential liabilities that may occur.

At June 30, 2022, the Authority participated in the liability and property programs as follows:

- General and auto liability, public officials and employees' errors and omissions and employment practices liability: Total risk financing limits of \$3 million, combined single limit at \$3 million per occurrence, subject to the following deductibles:
 - \$2,500 per occurrence for third party general liability property damage
 - \$1,000 per occurrence for third party auto liability property damage
 - \$2,500 per occurrence for third party public official's errors and omissions

In addition, the Authority also has the following insurance coverage:

- Cyber Liability Coverage up to \$10,000,000 annual policy and program aggregate for all members combined.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Authority's insurance coverage during the years ending June 30, 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2022, 2021, and 2020.

**Los Angeles Gateway Region
Integrated Regional Water Management
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Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

**(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective,
continued**

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Governmental Accounting Standards Board Statement No. 100, continued

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022**

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(7) Commitments and Contingencies

Litigation

In the ordinary course of operations, the Authority is subject to claims and litigation from outside parties. After consultation with legal counsel, the Authority believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(8) Subsequent Events

Events occurring after June 30, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of February 9, 2023, which is the date the financial statements were available to be issued.

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Required Supplementary Information

**Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2022**

	<u>Original Adopted Budget</u>	<u>Final Amended Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:				
Professional fees	\$ 324,500	324,500	536,313	(211,813)
Grant expenditures	30,000	30,000	1,032,529	(1,002,529)
Contract services	137,000	137,000	2,670,005	(2,533,005)
General and administrative	38,646	38,646	67,045	(28,399)
Total expenditures/expenses	<u>530,146</u>	<u>530,146</u>	<u>4,305,892</u>	<u>(3,775,746)</u>
Program revenues:				
General membership fees	404,000	404,000	421,850	17,850
Intergovernmental revenues	135,509	135,509	3,202,150	3,066,641
Grant revenue	-	-	1,312,996	1,312,996
Total program revenues	<u>539,509</u>	<u>539,509</u>	<u>4,936,996</u>	<u>4,397,487</u>
General revenues				
Interest earnings	-	-	12,272	12,272
Total general revenues	<u>-</u>	<u>-</u>	<u>12,272</u>	<u>12,272</u>
Total revenues	<u>539,509</u>	<u>539,509</u>	<u>4,949,268</u>	<u>4,409,759</u>
Excess (deficiency) of revenues over (under) expenditures	9,363	9,363	643,376	<u>634,013</u>
Fund Balance - beginning of year	<u>6,362,174</u>	<u>6,362,174</u>	<u>6,362,174</u>	
Fund Balance - end of year	<u>\$ 6,371,537</u>	<u>6,371,537</u>	<u>7,005,550</u>	

Notes to Required Supplementary Information

(1) Budgets and Budgetary Data

The Authority follows specific instructions in establishing the budgetary data reflected in the financial statements. Each year the Authority's Executive Officer prepares and submits an annual budget to the Board of Directors, which is adopted no later than July. Annual appropriations are approved by the Board of Directors prior to the beginning of each year or shortly thereafter. All appropriations lapse at year-end. The Board of Directors has the legal authority to amend the budget at any time during the fiscal year.

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Report on Internal Controls and Compliance

DRAFT

**Independent Auditor's Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Governing Board
Los Angeles Gateway Region Integrated Regional
Water Management Joint Powers Authority
Paramount, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority (Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Authority's basic financial statements, and have issued our report thereon dated February 9, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, continued**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company CPAs
Cypress, California
February 9, 2023



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

February 9, 2023

AGENDA ITEM 7 – Audit Engagement for Fiscal Year 2022-2023

SUMMARY:

In anticipation of conducting the Fiscal Year (FY) 2022-2023 Audit, staff requested the attached engagement proposal. Due to consistency, especially at a time when a new outside accounting consultant is being sought, it is the recommendation of staff to continue to engage the same auditor that GWMA has used for the past five years, which is C.J. Brown & Company CPAs (formerly Fedak & Brown LLP). GWMA's Treasurer will remain as the Controller of GWMA for auditing purposes. A single audit will not be required for FY 2022-2023.

FISCAL IMPACT:

The total cost to complete the audit for FY 2022-2023 will not exceed a total of \$8,800 (an increase from \$8,425 for the previous year services). The FY 2022-2023 budget for audit services will include \$8,800).

RECOMMENDATION:

Authorize C.J. Brown & Company CPAs to conduct GWMA's FY 2022-2023 audit in an amount not to exceed \$8,800.

Adriana Figueroa (Paramount), Board Chair • Kelli Pickler (Lakewood), Vice-Chair • Thomas Bekele (Signal Hill), Secretary/Treasurer
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Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

C.J. Brown & Company CPAs

An Accountancy Corporation

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(657) 214-2307

January 31, 2023

To Management and the Board of Directors

Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority
16401 Paramount Boulevard
Paramount, California 90726

Dear Ms. Grace Kast, Executive Officer:

The following represents our understanding of the services we will provide the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority.

You have requested that we audit the governmental-type activities of the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority (Authority), as of June 30, 2023, and for the year then ended and the related notes, which collectively comprise Authority's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management discussion and analysis
- Budgetary Comparison Schedule – General Fund

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and *Government Auditing Standards*. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and

Management Responsibilities, continued

- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, we will prepare the financial statements based on the trial balance provided by the Authority. We will not assume management responsibilities on behalf of the Authority. However, we will provide advice and recommendations to assist management of the Authority in performing its responsibilities.

The Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Nonattest Services, continued

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the preparation of financial statements. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of the Authority's basic financial statements. Our report will be addressed to the Board of Directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinion on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing, and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Provisions of Engagement Administration, Timing, and Fees, continued

The timing of our audit will be scheduled to start approximately May 2023 and the audit report will be issued no later than December 2023. Jonathan Abadesco is the engagement partner for the audit services specified in this letter. His responsibilities include supervising C.J. Brown & Company, CPAs services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered every month and are payable upon presentation. We estimate that our fee for the audit will not exceed \$8,800 (with out-of-pocket expenses not exceeding \$250, and the preparation of the State Controller's Report for \$650). We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Authority's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature. *Government Auditing Standards* require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Provisions of Engagement Administration, Timing, and Fees, continued

The audit documentation for this engagement is the property of C.J. Brown & Company, CPAs and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators pursuant to authority given to them by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of C.J. Brown & Company, CPAs personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulators. Regulators may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

C.J. Brown & Company, CPAs

C.J. Brown & Company CPAs

RESPONSE:

This letter correctly sets forth our understanding.

Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority

Acknowledged and agreed on behalf of the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority by:

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



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

February 9, 2023

AGENDA ITEM 9 – Amendment to Professional Services Agreement with Koa Consulting for GWMA Program Management, Grant Administration, and DAC Committee Services

SUMMARY:

On March 14, 2019, the GWMA Board of Directors approved a professional services agreement with Koa Consulting for program management, grant administration, and disadvantaged communities (DAC) services (the "Agreement"). Under the Agreement, Grace Kast serves as GWMA's Executive Officer and Chair of the Greater Los Angeles IRWM DAC Committee and as DACIP Task Force Co-Chair. Koa Consulting provides a range of administrative and financial services for the day-to-day management of GWMA and its contracting and fiduciary programs. In addition, the Agreement's scope of services includes Koa Consulting's provision of grant administration services.

The Agreement's term began on March 1, 2019 and was initially scheduled to expire on June 30, 2020. Pursuant to Section 2 of the Agreement, GWMA exercised three, one-year options that extended the Agreement's term through June 30, 2023. No further extensions are available under the current Agreement.

Koa Consulting has submitted the attached proposal to continue providing the same scope of services for fiscal years 23/24 through 25/26. The terms of the existing Agreement would remain the same, except that the term would be extended through June 30, 2026 and the fee rates would be adjusted. Members of the Executive Committee have been pleased with Koa Consulting's services and support retaining Koa Consulting for three additional years at the proposed fee schedule. A copy of the Agreement and proposed Amendment are attached to this Board Letter.

DISCUSSION:

By way of background, the Agreement with Koa Consulting contains the following major terms:

- 1) The scope of services contains three principal tasks: (i) Program Management and Administration/Accounting/Meetings; (ii) Grant Administration; and (iii) Greater Los Angeles IRWM DAC Committee Chair and DACIP Task Force Co-Chair.

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- 2) The designation of Grace Kast as GWMA's Executive Officer
- 3) A flat monthly fee for each of the three services.

The Amendment would extend the term of the agreement through June 30, 2026, and establish the following flat monthly fee for each of the three services during fiscal year 23/24:

- a. \$29,190 per month for Program Management and Administration/Accounting/Meetings services;
- b. \$6,598 per month for Grant Administration services; and
- c. \$2,375 per month for Greater Los Angeles IRWM DAC Committee Chair and DACIP Task Force Co-Chair services

The flat monthly fee would be adjusted on July 1st of fiscal years 24/25 and 25/26 based on the CPI increase for the prior year ending in March.

By way of comparison, Koa Consulting currently receives a monthly fee of \$28,203 for Program Management Services, \$6,375 for Grant Administration Services, and \$2,295 DAC services. The new fee rates are approximated 3.5 percent higher than the current rates.

As noted above, members of the Executive Committee have been pleased with Koa Consulting's services over the four years. Importantly, much of GWMA's recent work is reimbursed by non-member fees, such as grants and services provided to non-members. This has offset program costs such that member dues have not increased in recent years. For these reasons, the Executive Committee supports the proposed Amendment with the small increase in the contract rates.

Pursuant to Government Code Section 54953(c)(3), the Board must orally summarize a recommendation for a final action on the salary or other compensation paid to the Executive Officer. This provision of the Brown Act is applicable because the proposed agreement will compensate Koa Consulting for Ms. Kast's services as GWMA's Executive Officer. GWMA's legal counsel will provide a brief oral summary of the agreement's compensation for the Board's consideration.

If approved, the Amendment would take effect on July 1, 2023.

Adriana Figueroa (Paramount), Board Chair • Kelli Pickler (Lakewood), Vice-Chair • Thomas Bekele (Signal Hill), Secretary/Treasurer
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FISCAL IMPACT:

The Amendment includes an approximately 3.5 percent increase in Koa Consulting's contract rates for fiscal year 23/24, subject to a CPI increase in subsequent years. The Agreement is not expected to exceed the budget for the services needed to manage GWMA's operations.

RECOMMENDATIONS:

The Executive Committee recommends that the Board:

- 1) Approve the proposed Amendment attached as Exhibit A to the Professional Services Agreement attached as Exhibit B with Koa Consulting; and
- 2) Direct the Chair to execute the proposed Amendment.

Adriana Figueroa (Paramount), Board Chair • Kelli Pickler (Lakewood), Vice-Chair • Thomas Bekele (Signal Hill), Secretary/Treasurer
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EXHIBIT A
Copy of Amendment to Professional Services Agreement

Adriana Figueroa (Paramount), Board Chair • Kelli Pickler (Lakewood), Vice-Chair • Thomas Bekele (Signal Hill), Secretary/Treasurer
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EXHIBIT B
Current Professional Services Agreement

Adriana Figueroa (Paramount), Board Chair • Kelli Pickler (Lakewood), Vice-Chair • Thomas Bekele (Signal Hill), Secretary/Treasurer
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**AMENDMENT NUMBER 1 TO THE
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
KOA CONSULTING, INC. AND
THE GATEWAY WATER MANAGEMENT AUTHORITY**

This First Amendment (“Amendment”) to that certain Professional Services Agreement dated March 1, 2019 (“Agreement”), by and between the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority, also referred to as the Gateway Water Management Authority (“GWMA”), and Koa Consulting, Inc., a California corporation (“Consultant”) is made and entered into as of February 9, 2023 and will take effect on July 1, 2023.

Recitals

A. On March 14, 2019, GWMA and Consultant entered into the Agreement for program management, grant administration, and disadvantaged communities (DAC) services.

B. The Agreement’s initial term was scheduled to expire on June 30, 2020. Pursuant to Section 2 of the Agreement, GWMA exercised three consecutive one-year options that extended the Agreement’s term to June 30, 2023. No further optional extensions are available under the Agreement.

C. The parties now desire to amend the Agreement in order to extend the term and amend Consultant’s compensation.

Agreement

Now, therefore, the parties hereby agree as follows:

A. Section 2 of the Agreement entitled “Time for Performance” is hereby amended to read as follows:

The term of this Agreement shall commence on the effective date of this Agreement and expire on June 30, 2026 (the “Term”), unless earlier terminated in accordance with the terms of this Agreement.

B. Section 5 of the Agreement entitled “Compensation and Method of Payment” is hereby amended to read as follows:

GWMA shall pay Consultant for the Program Management Services a monthly flat rate of twenty-nine thousand one hundred ninety dollars and zero cents (\$29,190.00) per month for the months of July 2023 through June 2024, as described in the Expenditure Table included as Exhibit B in the Consultant Proposal. If the GWMA Board approves a change to the approved

fee, then the new, approved fee shall be incorporated into Exhibit B of the Consultant Proposal and shall thereafter supersede the then in effect fee.

GWMA shall pay Consultant for the Grant Management Services a monthly flat rate of six thousand five hundred ninety-eight dollars and zero cents (\$6,598.00) per month for the months of July 2023 through June 2024, as described in the Expenditure Table included as Exhibit B in the Consultant Proposal. If the GWMA Board approves a change to the approved fee, then the new, approved fee shall be incorporated into Exhibit B of the Consultant Proposal and shall thereafter supersede the then in effect fee.

GWMA shall pay Consultant for the DAC Services a monthly flat rate of two thousand three hundred seventy-five dollars and zero cents (\$2,375.00) per month for the months of July 2023 through June 2024, as described in the Expenditure Table included as Exhibit B in the Consultant Proposal. If the GWMA Board approves a change to the approved fee, then the new, approved fee shall be incorporated into Exhibit B of the Consultant Proposal and shall thereafter supersede the then in effect fee.

On July 1, 2024 and July 1, 2025, the amount of each monthly flat rate for Program Management Services, Grant Management Services, and DAC Services set forth above will be adjusted automatically based on the CPI – All Urban Consumers for the Los Angeles Area as published by the U.S. Department of Labor, Bureau of Labor Statistics (or any successor thereto). The calculation shall be made using the immediately prior month of March over the month of March in the prior year. If the Los Angeles Area Consumer Price Index shall cease to be published, or cease to be published in March of each year, the GWMA and Consultant shall meet and confer regarding a reasonable replacement index appropriate for GWMA's geographic area.

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 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 GWMA Chair shall be compensated at the hourly rates set forth in Attachment B, 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 forty-five (45) calendar days after receipt up to the maximum amount of compensation specified above. GWMA shall make payment payable to: Koa Consulting, 419 Main Street, Suite 320, Huntington Beach, CA 92648.

In the event of any conflict between the provisions of this Agreement and the provisions of the Consultant Proposal, the provisions of this Agreement shall control.

C. Attachment A to the Agreement (“Consultant Proposal”) is hereby amended and replaced with Attachment A to this First Amendment and incorporated into the Agreement as if set forth in full.

D. Attachment B to the Agreement (“Consultant’s Hourly Rates”) is hereby amended and replaced with Attachment B to this First Amendment and incorporated into the Agreement as if set forth in full.

E. This First Amendment shall take effect on July 1, 2023.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to the Agreement to be executed as of February 9, 2023.

GWMA

Koa Consulting, Inc.

Los Angeles Gateway Region Integrated
Regional Water Management Authority

By: _____
Name: Adriana Figueroa
Title: Chair

By: _____
Name: _____
Title: _____

Approved as to Form:

By: _____
Name: _____
Title: _____

By: _____
Name: Nicholas R. Ghirelli
Title: General Counsel

ATTACHMENT A

Proposal for Services Dated December 13, 2022

December 13, 2022

Ms. Adriana Figueroa
Board Chair
Gateway Water Management Authority
16401 Paramount Blvd.
Paramount, CA 90723

Subject: GWMA Program Management and Greater Los Angeles Integrated Regional Water Management Disadvantaged Community Committee Chair and Disadvantaged Community Involvement Program Task Force Co-Chair

Dear Ms. Figueroa:

Koa Consulting, Inc. has been providing services to GWMA since 2018 without any modification requests to our contract. Our firm is submitting for your consideration this fee proposal to amend our current contract for Fiscal Year (FY) 2023-2026. The purpose of this cost proposal is to address increased operating costs and additional time associated with providing continued services to GWMA for: **(1) Program Management, & Administration/Accounting/Meetings, (2) Grant Administration, and (3) Greater Los Angeles Integrated Regional Water Management Disadvantaged Community Committee Chair and Disadvantaged Community Involvement Program Task Force Co-Chair.**

Scope:

The tasks consist of the scope of services provided in **Exhibit “A”**.

Schedule:

The scope of services as described in Exhibit “A” is for:

- FY 2023-2024
- FY 2024-2025
- FY 2025-2026

Fee:

We will provide the services as described in **Exhibit “A”** for the fixed amount of \$457,956.00 for FY 2023-2024, based on the monthly Expenditure Table attached as **Exhibit “B”** and billing rates provided as **Exhibit “C”**.

The proposed fee for the following years will be based on the fixed amount for FY 2023-2024 plus applicable Consumer Price Index (CPI) adjustment annually on a fiscal year (July 1st to June 30th) basis. The CPI adjustment would be based on the Los Angeles/Orange County/Long Beach annual percent increase as of March of each year.

For your convenience, attached as **Exhibit “D”** is a copy of our current monthly Expenditure Table for FY 2022-2023. The proposed fee for FY 2023-2024 is a 3.5% increase from our current contract amount.

Should you have any questions, please do not hesitate to contact me at (949) 300-7910 or by email at kekoa@koaconsulting.net.

Respectfully submitted,


Kekoa Anderson, PE

Attachments

Cc: Grace Kast, Traci Gleason

EXHIBIT “A”
GATEWAY WATER MANAGEMENT AUTHORITY
SCOPE OUTLINE

Since the execution of our contract in 2018, our team has continued to provide GWMA with program management, administrative and accounting services, facilitate and participate in GWMA related meetings, provide grant funding strategy, coordination and management, and serve as the Greater Los Angeles Region Integrated Regional Water Management (IRWM) Disadvantaged Community (DAC) Committee Chair and Disadvantaged Community Involvement Program (DACIP) Task Force Co-Chair. We propose Ms. Grace Kast continues to serve as GWMA’s Executive Officer and Ms. Traci Gleason continues to serve as GWMA’s Program Manager and also as a Deputy Executive Officer.

TASK 1. PROGRAM MANAGEMENT & ADMINISTRATION/ACCOUNTING/MEETINGS

Task 1a. Program Management and Administration

- Plan, organize, direct and coordinate the general affairs of the GWMA including legislative, personnel, public relations, and legal matters.
- Manage various special projects assigned by the Board or the Chair.
- Administer and manage MOUs with multiple agencies and cities. Over the next three years, the following MOUs will expire, and new MOUs or amendments will need to be prepared, coordinated and executed with various agencies.
 - Harbor Toxic Upstream MOUs – expires June 30, 2023
 - Harbor Toxic Downstream MOUs – expires December 31, 2024
 - Harbor Toxic Individuals MOUs– expires December 31, 2024
 - LAR UR2 Amendment 2 – expires December 31, 2024
 - LSGR Amendment 2 – expires September 30, 2025
 - LLAR Amendment 2 – expires September 30, 2025
 - LCC Amendment 2 – expires September 30, 2025
- Negotiate and oversee multi-party MOUs, contracts, and consultant contracts.
- Coordinate activities of and provide direction to GWMA consultants.
- Coordinate and manage GWMA’s State of Economic Interest Forms.
- Website Support with firm assigned to develop and maintain GWMA Website.
- Copy and distribute correspondence, documents and reports to the Chair of the Board, the Executive Committee, and the Board.
- Answer inquiries, conducts research, and provides follow-up to Board.

Task 1b. Accounting

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

- Prepare annual budget
- Manages in-house accounting of accounts payables and accounts receivables to be coded, approved, processed, paid and/or deposited.
- Prepare, distribute and manage invoices to GWMA members and other groups or individual entities as authorized and approved by the Board.
- Document and manage local agencies investment funds for the various watershed groups.
- Perform follow-up and reconciliation on accounts payables, accounts receivables, and fund balances, budgets, etc.
- Provide financial reports to the State Controller or other regulatory agency, as necessary.
- Prepare list of demands and write board letters regarding financial activities.
- Develop and prepare Revenue and Expenses Reports for GWMA and MOU activities.
- Prepare reports and information for annual audit.

Task 1c. Meetings

- Serve as representative on IRWM meetings
 - Sub-regional meetings
 - Leadership meetings
- Prepare for and attend Board meetings
 - Provide presentation/updates on GWMA activities
 - Prepare Agendas Packets and Meeting Minutes
 - Includes preparation of board letters regarding financial activities
 - Brown Act Compliance
- Attend Regional Watershed Group Meetings
- Attend Public Hearing/Meetings



Figure 1: Gateway Region Watershed Groups

TASK 2. GRANT ADMINISTRATION

Task 2a. Visioning & Regional Integration Program

- Continued coordination activities with GWMA Programs
- Capture the various independent local visioning and programs, and promote consistency with regional projects
- *Regional Planning Focus* - evaluate and incorporate the existing projects and on-going studies and develop them into a formally adopted Visioning & Regional Integration Program Summary Report.
 - Address impact and benefits issues concerning the Region's resources and the physical environments as they apply to, but limited to, the following focus areas:
 - Watershed Master Plans
 - Open Space and Habitat Management
 - Urban Greening Planning
 - Park Design
 - Urban Revitalization
 - Planning for Climate Change
 - Low Impact Development (LID)
 - Community Stewardship
 - Conservation Plans

Task 2b. Funding Strategy and Grant Coordination

- Coordinate and identify possible funding strategies and optimize the benefits to the Gateway Region with the greatest rate of return on investment, through shared funding avenues and project coordination.
- Discuss joint legislative, project and grant opportunities.
- Participate in coordination meetings with GWMA's consultants for grant funding pursuit.
- Continue to review opportunities and solicit input from our members and watershed groups. Assigning priorities regarding grant opportunities that GWMA can pursue on behalf of its members with the following:
 - State and Regional Boards
 - Caltrans Districts and Headquarters
 - Local Municipal NPDES Agencies (Cities and Counties)
 - Other Stakeholders
- Oversee and manage grant and project administration for various grant programs.
- Prepare, coordinate and manage grant reimbursement requests.
- Coordinates and submits documents, reports, and general information to Local, State and Federal agencies as required by grant agreements, other projects or as authorized by the Board
- Manage grant agreements and sub-recipient agreements.
 - Negotiate and oversee multi-party agreements, contracts, and consultant contracts.

TASK 3. GREATER LOS ANGELES IRWM DAC COMMITTEE CHAIR AND DACIP TASK FORCE CO-CHAIR

Key Program Elements

- DACIP was approved by voters as part of Proposition 1 in 2014. DACIP is under the State’s Integrated Regional Water Management “IRWM” Program administered by the Dept. of Water Resources “DWR” and provides \$9.8M towards program implementation over 3 years.
- Disadvantaged Communities “DACs” include economically distressed, under-represented communities and/or populations with less than 80% of the State median household income.
- Key DACIP objectives are:
 - “Work collaboratively to involve DACs, community-based organizations, and stakeholders in IRWM planning efforts to ensure balanced access and opportunity for participation in the IRWM planning process.”
 - “Increase the understanding, and where necessary, identify the water management needs of DACs on a Funding Area basis.”
 - “Develop strategies and long-term solutions that appropriately address the identified DAC water management needs.”
- Key DACIP Goals:
 - Strengthen relationships and engagement with DACs and develop long-term working relationships.
 - Identify new DACs and engage them in relationships and opportunities
 - Support and engage DACs in watershed planning, identify water-related needs, and ultimately work together to assist them in developing needed project plans.
 - Assist/Support DACs in securing potential State and/or local funding, if and when available.
- DACIP jurisdiction includes three IRWM Regions: Greater LA County, Upper Santa Clara, and Ventura County.
- Greater LA County “GLAC” is the largest IRWM region with 87 cities, “GLAC” includes 9.8M residents of which 42% fall into the DAC category.
- Because the GLAC IRWM region is so large, it is divided into five sub-regions: 1) South Bay; 2) Upper Los Angeles River; 3) Lower San Gabriel-Lower Los Angeles River; 4) Upper San Gabriel/Rio Hondo; and 5) North Santa Monica Bay. All have DACs except for North Santa Monica Bay.
- Underrepresented communities that are not captured by census include Native American tribal members, homeless people and migrant and resident farmworkers. This program will attempt to identify and involve them in this program in addition to the previously identified DACs.
- Funds from the \$9.8M grant can be spent on:
 - Needs Assessment (State requirement)
 - Community Outreach
 - Education
 - Facilitation
 - Technical Assistance
 - Project Development

- Site Assessment
- Engagement in IRWM Efforts
- Enhancement of DAC aspects in IRWM Plans
- Governance Structure

Program Structure and Representation

- In 2016, the GLAC IRWM Leadership created the GLAC DAC Committee to represent all five sub-regions. The GLAC DAC Chair's role was to offer leadership and organize the group, request full participation and representation from each sub-region and include NGOs on the committee.
- DWR required that all three regions work together under one grant agreement to implement program.
- LA County was asked to administer DACIP grant by all three regions;
- In 2016, the DACIP Task Force was also formed in response to the 3-region DACIP program.
- DACIP Task Force includes two representatives from each region to collaborate, identify DAC needs, equitably distribute funds in response to region needs.
- The GLAC DAC Chair is one of two representatives from the GLAC region.
- GLAC DAC Committee roles: 1) Oversee, participate and provide guidance to GLAC DACIP Task Force Representatives (GLAC DAC Chair and County Rep) in relation to sub-regional needs (i.e., help identify DACs and NGOs, advice for outreach, oversight on allocation of funds and expenditures, as needed, etc.); and 2) Provide information to the GLAC IRWM Leadership Committee.
- DACIP Task Force roles: 1) Oversee RFP process and recommend selections; 2) Oversee work of the regional project managers and consultants; 3) coordinate funding allocations between regions based upon identified needs as the program rolls out over 3 years; and 4) Oversee the entire program and report to DWR as needed.

DACIP Schedule

- DACIP is a 3-year grant which officially started Q2 2018, but has been extended several times.
- DACIP started with development of digital and print engagement/involvement materials with translation (Cal State University is the consultant for this task).
- DACIP will process setting up workshops, door-to-door meet and greets, social media, presentations at local community meetings and provide technical resources for grant readiness.

Gateway Region

- Gateway Region is identified as the Lower San Gabriel-Lower Los Angeles Rivers Region per the IRWM guidelines.
- Gateway Region includes 27 cities and unincorporated areas, many of which have a small or large DAC community population.

EXHIBIT "B"

FY 23-24

**GWMA Prog. Mgmt & Admin/Grant Admin/DAC Chair and DACIP Co-Chair
Expenditure Table**

Koa Consulting, Inc.		FY 2023-2024 (Year 1)											
Task No.	Description	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
1	Program Mgmt & Admin/Accting/Meetings	\$29,190	\$29,190	\$29,190	\$29,190	\$29,190	\$29,190	\$29,190	\$29,190	\$29,190	\$29,190	\$29,190	\$29,190
2	Grant Administration	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598
3	IRWM DAC Committee Chair/ DACIP Task Force Co-Chair	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375
Monthly Planned Expenditure		\$38,163	\$38,163	\$38,163	\$38,163	\$38,163	\$38,163	\$38,163	\$38,163	\$38,163	\$38,163	\$38,163	\$38,163
Cumulative Planned Expenditure		\$38,163	\$76,326	\$114,489	\$152,652	\$190,815	\$228,978	\$267,141	\$305,304	\$343,467	\$381,630	\$419,793	\$457,956

ATTACHMENT B

Consultant's Hourly Rates

2023 - 2026
ESTIMATED BILLING RATE SCHEDULE

Staff

Word Processing/Support/Administrative	\$ 80 - \$85 per hour
CADD Technician/Graphical Designer	\$ 125 - \$130 per hour
Design Engineer.....	\$ 180 - \$200 per hour
Environmental Planner	\$ 180- \$200 per hour
Project Engineer	\$ 190 - \$210 per hour
Project/Program Manager.....	\$ 220 - \$250 per hour

Reimbursables

Other direct costs, such as reproduction, special photography, postage, delivery services, overnight mail, printing, travel and any other services performed by subcontractor, will be billed at cost plus 15%.

Mileage will be billed at GSA Mileage Rate.

This rate schedule is subject to consumer price index (CPI) increases.

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is dated and effective as of March 1, 2019, and is by and between the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority, also referred to as the Gateway Water Management Authority ("GWMA"), and Koa Consulting, Inc., a California corporation ("Consultant").

The parties agree as follows:

Section 1 - SCOPE OF SERVICES

Consultant's Proposal for the following services is attached hereto as Attachment A ("Consultant Proposal") and incorporated herein by this reference: (1) Program Management and Administration/Accounting/Meetings ("Program Management Services"); (2) Grant Administration ("Grant Services"); and (3) Greater Los Angeles IRWM DAC Committee Chair and DACIP Task Force Co-Chair ("DAC Services"). The Program Management Services, Grant Services, and DAC Services are collectively referred to herein as the "Services." Consultant shall provide the Services in accordance with the tasks and scope of work included in the Consultant Proposal as Exhibit A. In the event of any conflict between the provisions of this Agreement and the provisions of the Consultant Proposal, the provisions of this Agreement shall control.

Section 2 - TIME FOR PERFORMANCE

The initial term of this Agreement shall commence on the effective date of this Agreement set forth in the preamble and expire on June 30, 2020 (the "Term"), unless earlier terminated in accordance with the terms of this Agreement. GWMA may, at its option, extend this Agreement for up to three additional terms of one (1) year each upon providing written notice of its intent to extend this Agreement to the Consultant not less than thirty (30) days prior to the expiration of the Term. If GWMA elects to exercise an optional term of one (1) year, then the Term shall be adjusted accordingly in order to reflect the one (1) year extension. Except for the Term's expiration date, the provisions of this Agreement shall remain in effect during each of the optional one (1) year terms.

Section 3 - STANDARD OF PERFORMANCE

Consultant shall perform the Services 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 the 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 the property of GWMA. All copyrights that arise from the 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 Program Management Services a monthly flat rate of twenty-five thousand four hundred and eight dollars and zero cents (\$25,408.00) per month, as described in the Expenditure Table included as Exhibit B in the Consultant Proposal. If the GWMA Board approves a change to the approved fee, then the new, approved fee shall be incorporated into Exhibit B of the Consultant Proposal and shall thereafter supersede the then in effect fee.

GWMA shall pay Consultant for the Grant Management Services a monthly flat rate of six thousand two hundred and fifty dollars and zero cents (\$6,250.00) per month, as described in the Expenditure Table included as Exhibit B in the Consultant Proposal. If the GWMA Board approves a change to the approved fee, then the new, approved fee shall be incorporated into Exhibit B of the Consultant Proposal and shall thereafter supersede the then in effect fee.

GWMA shall pay Consultant for the DAC Services a monthly flat rate of two thousand two hundred and fifty dollars and zero cents (\$2,250.00) per month, as described in the Expenditure Table included as Exhibit B in the Consultant Proposal. If the GWMA Board approves a change to the approved fee, then the new, approved fee shall be incorporated into Exhibit B of the Consultant Proposal and shall thereafter supersede the then in effect fee.

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 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 GWMA Chair shall be compensated at the hourly rates set forth in Attachment B, 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 forty-five (45) calendar days after receipt up to the maximum amount of compensation specified above. GWMA shall make payment payable to: Koa Consulting, 419 Main Street, Suite 320, Huntington Beach, CA 92648.

In the event of any conflict between the provisions of this Agreement and the provisions of the Consultant Proposal, the provisions of this Agreement shall control.

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 subconsultants, 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 8. Consultant's covenant under this Section 8 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 8 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 8 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 8, and an entry of judgment against Consultant shall be conclusive in favor of the Indemnitees' right to recover under this Section 8. 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 Agreement, with a per occurrence limit of \$1,000,000 and \$2,000,000 in the aggregate, written, with dedicated limits, on a "per project" basis. The Consultant'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, with a per occurrence limit of \$1,000,000. 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 Consultant (owned, non-owned, or hired). The Consultant'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 with limits no less than \$1,000,000 per occurrence or claim, and \$1,000,000 policy aggregate, with a five (5) 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.

The insurance required by this Section 9 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 to 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 9, 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 9.

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 For Cause. In the event of a material default, either party may terminate this Agreement, if the defaulting party has not cured the default within thirty (30) days following receipt of a written notice of default, specifying the basis of the alleged default.

Termination Without Cause. Either party may terminate this Agreement without cause upon sixty (60) days' written notice.

Effect of Notice of Termination. Upon receipt of a notice of termination by Consultant, Consultant shall perform no further services except as specified in the notice. Upon delivery of a notice of termination to GWMA, Consultant shall perform no further services except as specified by GWMA. 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 and/or a pro-rated portion of the monthly rate, as applicable. 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.

Section 11 - ADMINISTRATION

GWMA's representative for administration of this Agreement is the GWMA Chair, currently Lisa Rapp. Notwithstanding the preceding sentence, all actions of GWMA pursuant to Sections 2, 5 and 10 of this Agreement require the approval of the GWMA Board.

Consultant's Representative for administration of this Agreement is Grace Kast ("Consultant's Representative"). Ms. Kast will serve as the GWMA's Executive Officer during the Term. Consultant shall not change its representative without the prior written approval of GWMA, which approval GWMA may grant or withhold in its sole discretion.

Section 12 - NOTICES

Any routine administrative communication between the GWMA Chair 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 12. All notices shall be delivered to the parties at the following addresses:

If to GWMA:

Gateway Water Management Authority
Attn: Lisa Rapp
16401 Paramount Boulevard
Paramount, CA 90723
Email: LRapp@lakewoodcity.org

If to Consultant:

Koa Consulting
Attn: Traci Gleason
419 Main Street, Suite 320
Huntington Beach, CA 92648
Email: Traci@koaconsulting.net

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 (a) shall be effective unless it is in writing and signed by the party making the waiver; (b) shall be deemed to be a waiver of, or consent, to any other breach, failure of a condition, or right or remedy, or (c) shall be deemed to constitute a continuing waiver unless the writing expressly so states.

Section 14 - ATTORNEYS' 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 attorneys' 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, including that certain Professional Services Agreement dated August 1, 2018 between the parties ("Existing PSA").

As of the effective date of this Agreement, the parties hereby agree that the Existing PSA is terminated and of no further force and effect. Consultant shall invoice GWMA for any services performed under the Existing PSA prior to the effective date of this Agreement, and GWMA shall pay for such services in accordance with the provisions of the Existing PSA.

Section 16 - MODIFICATION

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

The parties are signing this Agreement on the effective date noted above.

GWMA

Los Angeles Gateway Region Integrated
Regional Water Management Authority

By: Lisa Ann Rapp
Name: Lisa Ann Rapp
Title: Chair

Approved as to Form:

By: Nicholas R. Ghirelli
Name: Nicholas R. Ghirelli
Title: General Counsel

Koa Consulting, Inc.

By: Traci Gleason
Name: Traci Gleason
Title: President

By: Kekoa Anderson
Name: KekoA Anderson
Title: CEO

ATTACHMENT A

Proposal for Services Dated February 27, 2019

February 27, 2019

Ms. Lisa Rapp
Board Chair
Gateway Water Management Authority
16401 Paramount Blvd.
Paramount, CA 90723

Subject: GWMA Program Management and Greater Los Angeles Integrated Regional Water Management Disadvantaged Community Committee Chair and Disadvantaged Community Involvement Program Task Force Co-Chair

Dear Ms. Rapp:

Koa Consulting, Inc. is pleased to submit this proposal to the GWMA to provide management services for the **GWMA Program Management and Greater Los Angeles Integrated Regional Water Management Disadvantaged Community Committee Chair and Disadvantaged Community Involvement Program Task Force Co-Chair**. As part of this assignment, we will provide overall management and administrative functions, assist with grant administration, facilitate coordination meetings with various projects and agencies of the program and provide accounting services.

Scope:

The assignment is anticipated to consist of the scope of services provided in **Exhibit "A"**.

Schedule:

The scope of services as described in **Exhibit "A"** is for services from March 1, 2019 through June 30, 2020 (*16-month period*).

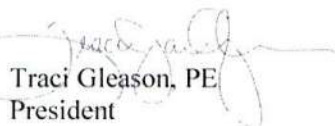
Fee:

We will provide the services as described in **Exhibit "A"** for the lump sum amount of \$135,632.00 for the remainder of Fiscal Year 2018-2019 (March 1, 2019 through June 30, 2019), and \$406,896.00 for Fiscal Year 2019-2020 (July 1, 2019 through June 30, 2020) for a total contract amount of \$542,528.00, based on the monthly Expenditure Table attached as **Exhibit "B"** and based on our Hourly Rate Schedule for the GWMA On-Call Contract.

The parties have the option to extend the term for three (3) additional one-year periods.

Should you have any questions, please do not hesitate to contact me at (949) 300-7910 or by email at traci@koaconsulting.net.

Respectfully submitted,



Traci Gleason, PE
President

Attachments (Exhibits A and B)

Cc: Kekoa Anderson, PE

EXHIBIT “A”
GATEWAY WATER MANAGEMENT AUTHORITY
SCOPE OUTLINE

TASK 1. PROGRAM MANAGEMENT & ADMINISTRATION/ACCOUNTING/MEETINGS

Task 1a. Program Management and Administration

- Plan, organize, direct and coordinate the general affairs of the GWMA including legislative, personnel, public relations, and legal matters
- Manage various special projects assigned by the Board or the Chair
- Administer and manage up to 120 MOUs with multiple agencies and cities
- Negotiate and oversee multi-party MOUs, contracts, and consultant contracts
- Coordinate activities of and provide direction to personnel and GWMA consultants
- Coordinate and manage GWMA’s State of Economic Interest Forms
- Website Support with firm assigned to develop and maintain GWMA Website
- Copies and distributes correspondence, documents and reports to the Chair of the Board, the Executive Committee, and the Board
- Answers inquiries, conducts research, and provides follow-up to Board

Task 1b. Accounting

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

- 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
- 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 MOU activities
- Meets with and provides support to independent accounting firm retained by GWMA and Assists auditor

Task 1c. Meetings

- Serve as representative on IRWM meetings
 - Sub-regional meetings
 - Leadership meetings
- Prepare for and attend monthly Board meetings
 - Provide presentation/updates on GWMA activities
 - Prepare Agendas Packets and Meeting Minutes
 - Includes preparation of board letters regarding financial activities
 - Brown Act Compliance
- Attend monthly Regional Watershed Group Meetings (See Figure 1)
- Attend Public Hearing/Meetings
- Attend bi-monthly GCCOG/GWMA Joint Coordination Meetings

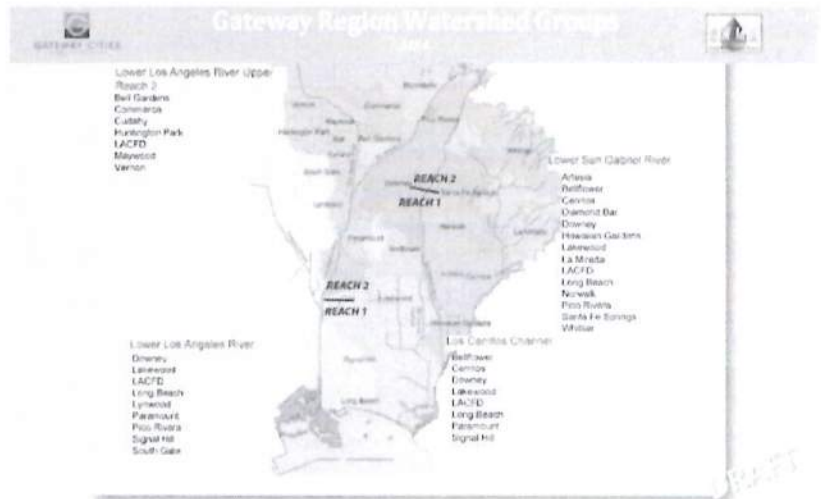


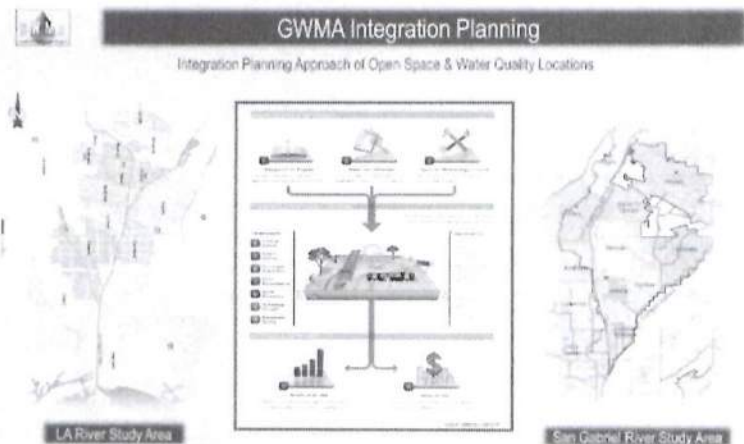
Figure 1: Gateway Region Watershed Groups

TASK 2. GRANT ADMINISTRATION

Task 2a. Visioning & Regional Integration Program

- Coordinate activities with GWMA and GCCOG Programs
- Capture the various independent local visioning and programs, and promote consistency with regional projects
- *Regional Planning Focus* - evaluate and incorporate the existing projects and on-going studies and develop them into a formally adopted Visioning & Regional Integration Program Summary Report.
 - Address impact and benefits issues concerning the Region's resources and the physical environments as they apply to, but limited to, the following focus areas:

- Watershed Master Plans
- Open Space and Habitat Management
- Urban Greening Planning
- Park Design
- Urban Revitalization
- Planning for Climate Change
- Low Impact Development (LID)
- Community Stewardship
- Conservation Plans



- Prepare various visual tools for renderings, presentations, reports, public outreach, concept evaluations, and general graphics.
 - Utilize a variety of graphic design tools including 3D architectural renderings, 3D civil designs, site plan illustrations, aerial pictures, and visualizations throughout the course of the Program Visioning & Integration development.

Task 2b. Funding Strategy and Grant Coordination

- Coordinate GWMA with GCCOG and identify possible funding strategies and optimize the benefits to the Gateway Region with the greatest rate of return on investment, through shared funding avenues and project coordination.
- Discuss joint legislative, project and grant opportunities.
- Review opportunities and solicit input from our members and watershed groups. Assigning priorities regarding grant opportunities that GWMA and GCCOG can pursue on behalf of its members with the following:
 - State and Regional Boards
 - Caltrans Districts and Headquarters
 - Local Municipal NPDES Agencies (Cities and Counties)
 - Other Stakeholders
- Oversee and manage grant and project administration
- Prepares, coordinates and manage grant reimbursement requests
- 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
- Agreements and Sub-recipient agreements
 - Negotiate and oversee multi-party agreements, contracts, and consultant contracts

TASK 3. GREATER LOS ANGELES IRWM DAC COMMITTEE CHAIR AND DACIP TASK FORCE CO-CHAIR

Per the February 14, 2019 GWMA Board Meeting, the Koa Consulting Team was requested to include in this proposal, scope for the Koa Consulting Team to provide services as the Greater Los Angeles Region Integrated Regional Water Management (IRWM) Disadvantaged Community (DAC) Committee Chair and Disadvantaged Community Involvement Program (DACIP) Task Force Co-Chair.

Key Program Elements

- DACIP was approved by voters as part of Proposition 1 in 2014. DACIP is under the State's Integrated Regional Water Management "IRWM" Program administered by the Dept. of Water Resources "DWR" and provides \$9.8M towards program implementation over 3 years.
- Disadvantaged Communities "DACs" include economically distressed, under-represented communities and/or populations with less than 80% of the State median household income.
- Key DACIP objectives are:
 - "Work collaboratively to involve DACs, community-based organizations, and stakeholders in IRWM planning efforts to ensure balanced access and opportunity for participation in the IRWM planning process."

- “Increase the understanding, and where necessary, identify the water management needs of DACs on a Funding Area basis.”
- “Develop strategies and long-term solutions that appropriately address the identified DAC water management needs.”
- Key DACIP Goals:
 - Strengthen relationships and engagement with DACs and develop long-term working relationships.
 - Identify new DACs and engage them in relationships and opportunities
 - Support and engage DACs in watershed planning, identify water-related needs, and ultimately work together to assist them in developing needed project plans.
 - Assist/Support DACs in securing potential State and/or local funding, if and when available.
- DACIP jurisdiction includes three IRWM Regions: Greater LA County, Upper Santa Clara, and Ventura County.
- Greater LA County “GLAC” is the largest IRWM region with 87 cities, “GLAC” includes 9.8M residents of which 42% fall into the DAC category.
- Because the GLAC IRWM region is so large, it is divided into five sub-regions: 1) South Bay; 2) Upper Los Angeles River; 3) Lower San Gabriel-Lower Los Angeles River; 4) Upper San Gabriel/Rio Hondo; and 5) North Santa Monica Bay. All have DACs except for North Santa Monica Bay.
- Underrepresented communities that are not captured by census include Native American tribal members, homeless people and migrant and resident farmworkers. This program will attempt to identify and involve them in this program in addition to the previously identified DACs.
- Funds from the \$9.8M grant can be spent on:
 - Needs Assessment (State requirement)
 - Community Outreach
 - Education
 - Facilitation
 - Technical Assistance
 - Project Development
 - Site Assessment
 - Engagement in IRWM Efforts
 - Enhancement of DAC aspects in IRWM Plans
 - Governance Structure

Program Structure and Representation

- In 2016, the GLAC IRWM Leadership created the GLAC DAC Committee to represent all five sub-regions. The GLAC DAC Chair’s role was to offer leadership and organize the group, request full participation and representation from each sub-region and include NGOs on the committee.
- DWR required that all three regions work together under one grant agreement to implement program.
- LA County was asked to administer DACIP grant by all three regions;
- In 2016, the DACIP Task Force was also formed in response to the 3-region DACIP program.

- DACIP Task Force includes two representatives from each region to collaborate, identify DAC needs, equitably distribute funds in response to region needs.
- The GLAC DAC Chair is one of two representatives from the GLAC region.
- GLAC DAC Committee roles: 1) Oversee, participate and provide guidance to GLAC DACIP Task Force Representatives (GLAC DAC Chair and County Rep) in relation to sub-regional needs (i.e., help identify DACs and NGOs, advice for outreach, oversight on allocation of funds and expenditures, as needed, etc.); and 2) Provide information to the GLAC IRWM Leadership Committee.
- DACIP Task Force roles: 1) Oversee RFP process and recommend selections; 2) Oversee work of the regional project managers and consultants; 3) coordinate funding allocations between regions based upon identified needs as the program rolls out over 3 years; and 4) Oversee the entire program and report to DWR as needed.

DACIP Schedule

- DACIP is a 3-year grant which officially started Q2 2018.
- DACIP started with development of digital and print engagement/involvement materials with translation (Cal State University is the consultant for this task).
- DACIP will process setting up workshops, door-to-door meet and greets, social media, presentations at local community meetings.

Gateway Region

- Gateway Region is identified as the Lower San Gabriel-Lower Los Angeles Rivers Region per the IRWM guidelines.
- Gateway Region includes 27 cities and unincorporated areas, many of which have a small or large DAC community population.

It is anticipated that a maximum of 15 hours per month will be needed to fulfill the responsibilities of this scope of work for this task.

EXHIBIT "B"

**GWMA Prog. Mgmt & Admin/Grant Admin/DAC Chair and DACIP Co-Chair
Expenditure Table**

Koa Consulting, Inc.		FY2018-2019			
Task No.	Description	Mar-19	Apr-19	May-19	Jun-19
1	Program Mgmt & Admin/Acting/Meetings	\$25,408	\$25,408	\$25,408	\$25,408
2	Grant Administration	\$6,250	\$6,250	\$6,250	\$6,250
3	IRWM DAC Committee Chair/ DACIP Task Force Co-Chair	\$2,250	\$2,250	\$2,250	\$2,250
Monthly Planned Expenditure		\$33,908	\$33,908	\$33,908	\$33,908
Cumulative Planned Expenditure		\$33,908	\$67,816	\$101,724	\$135,632

Koa Consulting, Inc.		FY2019-2020											
Task No.	Description	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
1	Program Mgmt & Admin/Acting/Meetings	\$25,408	\$25,408	\$25,408	\$25,408	\$25,408	\$25,408	\$25,408	\$25,408	\$25,408	\$25,408	\$25,408	\$25,408
2	Grant Administration	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250
3	IRWM DAC Committee Chair/ DACIP Task Force Co-Chair	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250
Monthly Planned Expenditure		\$33,908	\$33,908	\$33,908	\$33,908	\$33,908	\$33,908	\$33,908	\$33,908	\$33,908	\$33,908	\$33,908	\$33,908
Cumulative Planned Expenditure		\$33,908	\$67,816	\$101,724	\$135,632	\$169,540	\$203,448	\$237,356	\$271,264	\$305,172	\$339,080	\$372,988	\$406,896

ATTACHMENT B

Consultant's Hourly Rates

Koa Consulting, Inc. Billing Rate Sheet

Staff

Word Processing/Support/Administrative	\$ 75.00
CADD Technician/Graphical Designer	\$ 120.00
Design Engineer.....	\$ 150.00
Environmental Planner.....	\$ 175.00
Project Engineer	\$ 185.00
Project/Program Manager.....	\$ 215.00

Reimbursables

Photo Copies (B&W 8.5"x11").....	\$ 0.10 each
Photo Copies (B&W 11"x17").....	\$ 0.20 each
Color Copies (8.5"x11").....	\$ 1.50 each
Color Copies (11"x17").....	\$ 2.50 each
Large Format Copies (B&W).....	\$ 0.20 per sqft
Mileage	\$ GSA Mileage Rate*

* GSA Mileage Rate subject to change

All other direct costs, such as reproduction, special photography, postage, delivery services, overnight mail, printing and any other services performed by subcontractor, will be billed at cost plus 15%.