



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

Meeting Agenda Announcement

On March 12, 2020, Governor Newsom issued Executive Order No. N-25-20, which allows SEWC Board Members to attend Policy Board meetings telephonically. Please be advised that some, or all, SEWC Board Members may attend this meeting telephonically.

Consistent with mandates of Executive Order No. N-29-20, a physical location from which members of the public may observe the meeting or offer public comment will not be made available. Whittier Emergency Operations Center will not be open to the public for this meeting; however viewing and public comment options are provided below.

View live open session meeting remotely via Zoom:

Join Zoom Meeting:

<https://us02web.zoom.us/j/85892802550?pwd=bnJ4aXFpVGkvR2FTOU5mbFNQUk5QUT09>

Meeting ID: 858 9280 2550

Password: 027291

Public Comment/Question options:

- Email: kjservicesenviro@gmail.com
- Voicemail: (562) 567-9500

Please submit email and voicemail public comments by at least 10:30 a.m. on the date of the meeting to ensure SEWC Board Members receive and have time to review them. All email and voicemails received by 10:30 a.m. are forwarded to SEWC Board Members. Email and voicemails received after 10:30 a.m. but before the conclusion of the public comment portion will be entered into the record.

AGENDA

SOUTHEAST WATER COALITION

REGULAR MEETING OF THE ADMINISTRATIVE ENTITY

THURSDAY, MAY 21, 2020
11:30 AM

1. ROLL CALL
2. PUBLIC COMMENTS
3. CONSENT CALENDAR

*****Consent Calendar items will be considered and approved in one motion unless removed by an Administrative Entity Member for discussion.*****

- a. SEWC ADMINISTRATIVE ENTITY MINUTES OF FEBRUARY 25, 2020 SPECIAL MEETING

Recommendation: Approve minutes as submitted.

*****End of Consent Calendar*****

4. UPDATE ON CENTRAL BASIN LAWSUIT

Jason Wen, City of Lakewood

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the status of *City of Cerritos et al. v. Central Basin Municipal Water District*.

5. AUTHORIZATION TO RETAIN AN AUDIT FIRM TO COMPLETE FISCAL YEAR
2019-2020 SOUTHEAST WATER COALITION (SEWC) FINANCIAL AUDIT

Ray Cordero, AE Chair, City of Whittier

Recommendation: That the Administrative Entity take the following action:

Recommend to the Board of Directors to authorize the City of Whittier's Director of Finance, serving as SEWC Treasurer and Controller, to award a sole source contract to White Nelson Diehl Evans, LLP to administer the annual audit of SEWC financial statements for Fiscal Year 2019-2020.

6. FISCAL YEAR 2020-2021 SOUTHEAST WATER COALITION (SEWC) DRAFT BUDGET

Ray Cordero, AE Chair, City of Whittier

Recommendation: That the Administrative Entity take the following actions:

- 1) Review Fiscal Year 2012-2021 Southeast Water Coalition (SEWC) Draft Budget;
- 2) Recommend the Board of Directors approve the Fiscal Year 2020-2021 Southeast Water Coalition (SEWC) Draft Budget at their meeting on June 4, 2020.

7. UPDATE ON ANNUAL FORM 700 FILINGS

Ray Cordero, AE Chair, City of Whittier

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the status of SEWC's Annual Filings for Calendar Year 2019 Statement of Economic Interests (Form 700), due June 1, 2020.

8. UPDATE ON LEAD AGENCY TRANSITION

Ray Cordero, AE Chair, City of Whittier

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the status of the Lead Agency transition between outgoing Whittier and incoming Lead Agency, City of Commerce and incoming Vice-Chair, City of Vernon.

8. JUNE 4, 2020 BOARD OF DIRECTORS AGENDA

Kristen Sales, KJServices Environmental Consulting
Recommendation: Consider Draft SEWC JPA Board of Directors Agenda

9. WRITTEN COMMUNICATIONS

10. ADMINISTRATIVE ENTITY MEMBER COMMENTS

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act of 1990, the City of Whittier is committed to providing reasonable accommodations for a person with a disability. Please call Veronica Barrios with the City of Whittier at (562) 567-9501, if special accommodations are necessary and/or if information is needed in an alternative format. Special requests must be made in a reasonable amount of time in order that accommodations can be arranged.

The next meeting of the Southeast Water Coalition Administrative Entity will be on Thursday, July 16, 2020, 11:30 am, at a to-be-determined location in the City of Commerce.

I, Veronica Barrios, City of Whittier, do hereby certify, under penalty of perjury under the laws of the State of California that the foregoing notice was posted pursuant to Government Code Section 54950 Et. Seq. and City of Whittier Ordinance at the following locations: Whittier City Hall, Whittier Public Library, and the Whittwood Branch Library.

Dated: May 18, 2020



Veronica Barrios
Administrative Secretary
Department of Public Works

**MINUTES OF THE
SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
SPECIAL MEETING OF THE ADMINISTRATIVE ENTITY**

**CITY OF WHITTIER
EMERGENCY OPERATIONS CENTER
13200 PENN STREET
WHITTIER, CA 90602**

**THURSDAY, FEBRUARY 25, 2020
11:00 AM**

The special meeting of the Southeast Water Coalition Joint Powers Authority Administrative Entity was called to order at 11:07 a.m. by AE Chair Alternate Kyle Cason. At the time the meeting was called to order a quorum of members were present. Roll call was taken with the following Administrative Entity members present:

1. ROLL CALL

Bob Ortega	City of Cerritos
Gina Nila, AE Vice-Chair	City of Commerce
Dan Mueller	City of Downey
Jason Wen	City of Lakewood
Adriana Figueroa	City of Paramount
Chris Castillo	City of South Gate
Joanna Moreno	City of Vernon
Kyle Cason	City of Whittier

Others in Attendance
Nicholas Ghirelli
Kristen Sales

RW&G (via teleconference)
KJServices Environmental Consulting

2. PUBLIC COMMENTS

No Public Comments were received.

3. CONSENT CALENDAR

Acting Administrative Entity (AE) Chair Kyle Cason (Whittier) called for a motion to approve the Consent Calendar.

Bob Ortega (Cerritos) made a motion to approve the Consent Calendar. The motion was seconded by Adrianna Figueroa (Paramount). With an abstention from Gina Nila (Commerce), the motion was approved by a unanimous voice vote of the Administrative Entity members.

4. **RECEIVE AN UPDATE ON CBMWD BOARD AND RECOMMEND SEWC BOARD OF DIRECTORS SEND LETTER RE: CENTRAL BASIN BOARD ACTIONS**

Administrative Entity (AE) Chair Kyle Cason (Whittier) introduced Nicholas Ghirelli (Richards Watson & Gershon) to provide an overview of this item, via teleconference.

Mr. Ghirelli stated that he had spoken to attorney Dave Aleshire (of Aleshire & Widner) regarding the purveyors' lawsuit against the Central Basin's retail meter charge. Mr. Aleshire is representing the purveyors in their suit, and sent a letter titled "Re: Illegal Actions by Board of Directors Threatening Financial Security" to the Central Basin (CB) Board on February 10, 2020. This was prompted by a Special Meeting called by the CB Board on February 6, 2020, at which the Board did not achieve quorum (a violation of the Brown Act), but proceeded to hire a new legal counsel (a violation of their own Administrative Code). Mr. Ghirelli restated that until 2022, a quorum of the CB Board is five (5) members. The February 6, 2020 CB Board meeting took action with only four (4) members. Mr. Ghirelli stated that the purveyors are collectively considering petitioning for additional State legislation to amend the organization and election of the Central Basin Board, and which would refine the requirements of the CB General Manager.

Mr. Ghirelli stated that SEWC has a voice and a stake in the Central Basin Board, since CB Board Members represent SEWC member cities on the Metropolitan Water District Board, and since SEWC is composed of City Council members, a letter of censure from these elected officials would carry more weight in its opposition to the CB Board's actions. Mr. Ghirelli advised the SEWC Board draft and send a letter addressed to the CB Board and cc'd to various other officials, like State Senators, Assemblymembers, etc. This letter should focus on SEWC's mission to provide residents with affordable and clean water, which is being hindered by Central Basin Board's illegal actions.

AE Chair Cason stated that SEWC Board Chair Fernando Dutra (Whittier) was in favor of sending a letter, and ready to sign one on behalf of SEWC. AE Chair Cason suggested that SEWC use the same format as the Central Basin Water Association, focusing on the impediments to water reliability and quality, rather than focusing on the legal details of the suit. AE Chair Cason further stated that the main themes of the letter should be transparency, public interest, and credibility.

Adriana Figueroa (Paramount) asked if SEWC should include mention of the Brown Act violations. Gina Nila (Commerce) stated that the Aleshire & Widner letter

already addresses the Brown Act violations. AE Chair Cason added that SEWC should express support for Aleshire's letter.

Ms. Figueroa again stated that the SEWC letter should cite instances of Brown Act violations. Mr. Ghirelli added that the Central Basin Board has been taking illegal actions without quorum. Ms. Figueroa argued that participating in Central Basin meetings when the Board has failed to reach quorum undermines the credibility of the purveyors who attend and participate in these meetings.

Jason Wen (Lakewood) stated that Lakewood had co-signed a letter sent by the City of Signal Hill which included the most recent information regarding CB, and Mr. Wen distributed copies of this letter to the AE members. Mr. Wen stated that he was attending a meeting of purveyors' City Managers regarding this letter at 1pm today, and would have more information after that meeting.

Ms. Nila stated that the CB Board meeting without proper quorum means that they cannot pay their bills, or take any actions on approving minutes or any other items. Ms. Nila added that now the CB Board has two different legal counsels present during their meetings, both speaking at the same time, and each answering different questions from different Board Members. Ms. Nila added that at the Central Basin Board meeting February 24, 2020, a member from Assemblymember Cristina Garcia's office was in attendance, and that the District Attorney is investigating the CB Board currently. Also at that meeting, the Central Basin Board announced the appointment of a new General Manager. Ms. Nila explained that the CB Board retired to Closed Session without legal counsel present--even though their posted agenda stated that 4 out of 5 items required an attorney be present--and appointed the new General Manager. Ms. Nila added that this was a clearly illegal action.

Because there is no General Manager, Ms. Nila, continued, this means the Board position reserved for a representative from the Big 5 purveyors still has not been appointed. Ms. Nila added that Noe Negrete of the City of Santa Fe Springs is interested in the position. The City Managers of several cities are getting involved due to the lack of purveyor representation at Central Basin. Ms. Nila concluded by stating that the purveyors should not attend any more Central Basin Board meetings or workshops that have been installed by illegal action.

Ms. Nila made a motion that the AE send the Signal Hill letter to Mr. Ghirelli to review, have Mr. Ghirelli draft a similar letter on behalf of SEWC and distribute to AE members for review prior to the March 5, 2020 Board of Directors Meeting. Ms. Nila asked Kristen Sales (KJServices) to confirm the SEWC Board will have quorum at the March 5, 2020 Board Meeting.

Ms. Figueroa asked the priorities should be in the SEWC letter. Ms. Nila answered that water reliability and water supply is SEWC's mission statement, and the group needs to highlight how the lack of management at Central Basin is causing problems in delivering this mission. The purveyors represent their ratepayers, and the Central Basin Board is impeding the progress of water reliability and quality for these ratepayers.

The AE further decided that the SEWC letter should be cc'd to all of the same addressees as Aleshire's letter. AE Chair Cason added that SEWC Board Chair Fernando Dutra (Whittier) has been in communication with Supervisor Janice Hahn, and she should receive a copy of the letter as well. AE Chair Cason also stated that Assemblymember Cristina Garcia had sent a letter to the District Attorney on February 18, 2020, and that her office should closely monitor the situation at Central Basin.

Ms. Nila restated her motion to have Mr. Ghirelli draft a letter to the Central Basin Board. The motion was made by Adrianna Figueoa (Paramount), and seconded by Jason Wen (Lakewood). The motion was approved by a unanimous voice vote of the Administrative Entity.

5. **MARCH 5, 2020 BOARD OF DIRECTORS AGENDA**

Ms. Kristen Sales (KJServices) provided an overview of the following items to present at the next Policy Board Special Meeting on March 5, 2020:

- 1) Approve draft letter raising concerns over illegal Central Basin actions

6. **WRITTEN COMMUNICATIONS**

No written communications were received.

7. **ADMINISTRATIVE ENTITY MEMBER COMMENTS**

No written communications were received.

8. **ADJOURNMENT**

AE Chair Cason adjourned the meeting at 11:51 p.m.

CHAIR

ATTEST:



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: May 21, 2020
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Vice-Chair, City of Commerce

Subject: Update on Central Basin Update

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the status of *City of Cerritos et al. v. Central Basin Municipal Water District*.

Background

At their March 5, 2020 Policy Board meeting, the SEWC Board voted to approve the letter drafted by Legal Counsel and authorize sending the letter to the Central Basin Board of Directors. On May 9, 2020, the letter, "re: Transparency and Accountability at the Central Basin Municipal Water District" was emailed to the Central Basin Board members.

Hard copies of the letter were also sent via certified mail to the Central Basin Board, Supervisor Hilda Solis, LA County District Attorney's Public Integrity Office, Assemblymember Cristina Garcia, Supervisor Janice Hahn, Speaker Anthony Rendon, Senator Bob Archuleta, and the Gateway Cities Council of Governments.

Discussion:

It is recommended the AE receive an update on the status of the purveyors' lawsuit against the Central Basin Board challenging their retail meter charge, and any other illegal actions taken by the rogue Board Members.

Attachments:

- 1) Central Basin Update memo by AE Vice-Chair Gina Nila (Commerce)
- 2) SEWC Letter to Central Basin Board, "re: Transparency and Accountability at the Central Basin Municipal Water District"
- 2) MWD Letter to Central Basin
- 3) District Attorney Letter to Central Basin

Central Basin SEWC Update

1. Financial Issues –

- a. Substantial water sales revenue losses due to conservation and drought.
- b. Operating at a deficit and utilizing reserve funds to delay potential insolvency.
- c. Unable to agree to and adopt a budget for next year including further cost-cutting measures.
- d. Specific action by the board required prior to July 10, 2020 to authorize continued collection of a stand-by charge. Unable to take action to date. Losing this revenue source will reduce the District's available revenue by over 30%.
- e. Lost its existing property and liability insurance coverage and only able to obtain replacement insurance in reduced amounts at increased rates as a result of lawsuits.
- f. Limited funds to repair or maintain infrastructure to import water including its recycled water facilities. Commerce uses imported water to meet 20% of its customer demands and significantly more lately since PFAS regulations caused well 7 to shut down recently until future treatment can be constructed and applied.
- g. Bond rating downgraded to just above junk status.
- h. No effort/discussion on sale of building, downsizing and leasing another space.

2. Board Meetings –

- a. No quorum or legal notification process exercised in several months. Require 5 members for a quorum and majority vote per prior legal counsel, Administrative Code and Water Code. Disputed by some members and trying to make major decisions with only four votes for an 8-member board.
- b. Attempted to appoint a District board member to serve on the Metropolitan Water District Board without a quorum (attached MWD letter dated February 28, 2020 rejecting appointment).
- c. Attempted to appoint a new District President and legal counsel to replace Steven O'Neill, a Senior Partner with Olivarez Madrugá Lemieux O'Neill with Willoughby (attached DA letter dated March 6, 2020 confirming invalid actions).

3. Personnel –

- a. No official General Manager.
- b. No official legal counsel.
- c. No IT support services due to vacancy - resulting in risk to its SCADA system to operate water infrastructure, billing system, payroll system, and computer network.

4. Investigations and Lawsuits – ongoing and pending court reopening/hearings

- a. LA County District Attorney Investigation for Brown Act and Administrative Code violations for meetings conducted without proper notice and agendas and without a quorum (attached DA letter dated March 6, 2020).
- b. California Legislature Investigation for good governance and compliance with AB 1794, Chapter 401 of the 2015-2016 legislative session and the 2015 State Auditor Report No. 2015-102. In an effort to improve the governance of the District, the State added three purveyor-appointed members each representing large users, cities with water rights, and in an at-large capacity to serve for four years in staggered terms. Water Code §71267 specifies the procedure for nomination and selection of the purveyor-appointed members. The District has made no effort to execute this

procedure to fill one purveyor-appointed member vacancy despite the large purveyors group having voted several months prior and selected the City of Santa Fe Springs PW Director as their new board member.

- c. Hostile work environment investigation. Confidential employee information taken by some board members including their home addresses.
 - d. Former General Manager lawsuit pending.
 - e. 22 water purveyors lawsuit pending for new meter charge (Lakewood leading effort).
 - f. 11 water purveyors + Central Basin Water Association member financial support of \$50,000 to pay for lawsuit for Brown Act violations and confirmation of quorum.
5. Consequences
- a. Substantially higher rates for water customers and for cities that don't pass the increased costs on to the rate payers.
 - b. Bankruptcy.
 - c. Dysfunction threatens imported water supply into the region.
 - d. Legislature may dissolve Central Basin or restructure it once again.



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

Honorable Board of Directors
Central Basin Municipal Water District
6252 Telegraph Road
Commerce, California 90040-2512

Re: *Transparency and Accountability at the Central Basin Municipal Water District*

Dear Members of the Board:

I write to express the Southeast Water Coalition's (SEWC) serious concerns about the governance of the Central Basin Municipal Water District ("District") and its Board of Directors' ability to effectively manage the District's important public functions.

SEWC is a joint powers authority comprised of eleven cities in southeast Los Angeles County: Commerce, Cerritos, Downey, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, South Gate, Vernon, and Whittier. SEWC's Board of Directors is comprised of one council member from each of these eleven cities. Our member cities are purveyors of water service to businesses and residents within their communities, and they collectively serve a population of 670,000 in a service area of over 93 square miles. SEWC provides leadership and collaborates to ensure a safe, reliable, and affordable water supply within the Central Basin. To that end, SEWC regularly monitors the District's activities and advocates for effective water policy and good governance regulation applicable to the District.

SEWC has become aware of serious lapses in governance on the District's Board of Directors that has rendered it unable to carry out its most basic functions, such as holding lawful Board meetings, appointing officers, and hiring a qualified General Manager and Legal Counsel. Furthermore, attempts to perform these basic functions have been tainted by violations of the Brown Act and votes that do not satisfy the clear threshold for passage. These problems are compounded by two opposing Board factions who cannot agree on a common understanding of basic facts and legal principles. The following summarizes the most serious allegations:

- The Board has failed to reorganize and appoint a Chair and Vice Chair. Because the Board has been unable to agree on appointments for these two positions, it has defaulted to a provision of the District's Administrative Code that establishes a rotating system of appointments based on seniority. Yet, Directors cannot even agree on who qualifies as the most senior member under this process, apparently leaving the Board with two Directors claiming the chairmanship.
- The Board has conducted improperly noticed and agendized meetings in violation of the Brown Act. We are informed that on January 30, 2020, a group of four members met after the regular meeting concluded due to the loss of a quorum and continued to conduct business. Then, on February 6, 2020, an improperly noticed special meeting was held by four members of the Board to conduct business, such as the purported appointment of a General Counsel and General Manager, that were not agendized.

- The Board has sought to take action without a quorum of the Board and without achieving the approval of a majority of the Board to approve such actions. Recent decisions to hire an acting General Manager and General Counsel have been made at Board meetings with only four members, or with only four votes, of the District's eight member Board of Directors. A review of applicable law and the District's Administrative Code make clear that a quorum of the Board is five members and such important decisions require a vote of five members of the Board.
- A 2015 State Auditor report entitled "Central Basin Water District: Its Board of Directors Has Failed to Provide the Leadership Necessary for It to Effectively Fulfill Its Responsibilities" highlights additional governmental deficiencies, as well as serious financial challenges facing the District. The State Auditor made some 30 recommendations to improve the District's governance and financial situation. To date, however, many of these recommendations have yet to be implemented and SEWC remains concerned that the District's finances threaten future operations.

This conduct is untenable at an agency that provides a critical water source to our communities. It is imperative that the Board of Directors act in a transparent and lawful manner. This begins with complying with the requirements of the Brown Act and basic laws that outline the Board's governance structure.

Assembly Member Cristina Garcia, Central Basin water purveyors, and other cities in the region share SEWC's concerns and have expressed similar allegations in correspondence to you. As a leader in water policy in our region, SEWC is prepared to assist the District overcome the current obstacles and begin implementing the recommendations of the State Auditor's 2015 report. If that is not possible, SEWC will work with other stakeholders to explore options that ensure the water resource provided by the District remains available and affordable for our respective agencies.

Please feel free to call me at 562-567-9501 if you want to discuss further.

Very truly yours,



Fernando Dutra
SEWC Board Chair
Mayor Pro Tem, City of Whittier

CC: SEWC Board of Directors
SEWC Administrative Entity
Los Angeles County District Attorney's Office, Public Integrity Division
Insurance Administrator for CalMutuals JPRIMA
Assembly Member Cristina Garcia
Senator Bob Archuleta
Speaker Anthony Rendon
Gateway Cities Council of Governments
Supervisor Janice Hahn
Supervisor Hilda Solis

Central Basin Water Association
California Water Association
David Aleshire, Attorney
Mike Sprague, Whittier Daily News
Los Angeles Times
Long Beach Press-Telegram
Los Angeles Wave
Daily Breeze

February 28, 2020

Cecilia Pulido
Director of Administration and Board Services
Central Basin Municipal Water District
6252 Telegraph Road
Commerce, CA 90040

Re: Central Basin Municipal Water District Resolution No. 02-20-994
of February 24, 2020

Dear Ms. Pulido:

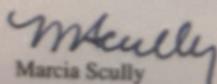
As legal advisor to the Metropolitan Water District of Southern California (Metropolitan) and its Board, the General Counsel reviews the credentials of any individual proposed by a member agency to represent the agency as a director on Metropolitan's Board. We have reviewed the above-referenced Central Basin Municipal Water District (Central Basin) resolution and the record of the applicable meeting, and determined that the proposed appointments to Metropolitan's Board are not valid because they were not approved by five members of the Central Basin Board.

The Metropolitan Water District Act requires that a member agency's governing body act to appoint a representative to Metropolitan's Board. (Section 51.) The Central Basin Administrative Code provides that "[t]he affirmative vote of at least five Directors is necessary for the Board to take action." (Part 2, Article 4, Section 4.4(a).) This is consistent with Central Basin's enabling act. (Water Code Sections 71266(c), 71274.) At the February 24 meeting, there were four votes in favor of appointing the two individuals proposed to serve on Metropolitan's Board and two opposed. Accordingly, the individuals lack the required credentials for appointment. Metropolitan is aware that one of the eight seats on the Central Basin Board is vacant. However, under California law, a vacant seat does not change the quorum or voting requirements. (See, e.g., *Lateef v. City of Madera* (2020 Cal.App.LEXIS 117).)

Cecilia Pulido
February 28, 2020
Page 2

Until new appointments are approved by five Central Basin directors, the current representatives on Metropolitan's Board will continue to serve, unless either the representative(s) affirmatively resign as of a date certain or Central Basin, by a valid action, removes them. Also, we request that future credentials identify the number of Central Basin directors voting affirmatively to appoint a representative to Metropolitan's Board.

Very truly yours,


Marcia Scully
General Counsel



LOS ANGELES COUNTY DISTRICT ATTORNEY'S OFFICE
BUREAU OF FRAUD AND CORRUPTION PROSECUTIONS
PUBLIC INTEGRITY DIVISION

JACKIE LACEY • District Attorney
JOSEPH P. ESPOSITO • Chief Deputy District Attorney
VICTORIA L. ADAMS • Assistant District Attorney

JAMES GARRISON • Director



March 6, 2020

Members of the Board
Central Basin Municipal Water District
6252 Telegraph Road
Commerce, California 90040

Dear Board Members:

Re: Demand to Cure and Correct Brown Act and Administrative Code Violations
PID Case Number 20-0044

Our office received a complaint alleging that the Board of Directors of the Central Basin Municipal Water District (Board) took action at a special meeting held February 6, 2020, in violation of the Ralph M. Brown Act. These allegations are described below. Please accept this letter as a demand pursuant to Government Code section 54960.1(b) to cure or correct these actions. Pursuant to Government Code section 54960.1(c)(2), the Board has thirty (30) days to cure or correct the actions and to inform our office in writing of the cure a decision not to cure. In the event the Board fails to cure or correct, there may be a basis for judicial invalidation pursuant to Government Code section 54960.1(a).

BASIS FOR THE COMPLAINT

On February 6, 2020, the Central Basin Municipal Water District conducted a "special meeting." Four members of the eight-person board attended. The Board met briefly in closed session. Following that session, the Board announced that the dismissal of the District's general counsel and the appointment of new counsel, Anthony Willoughby.

A. Notice of the Meeting was Deficient:

Government Code section 54956(a) states:

A special meeting may be called at any time by the presiding officer of the legislative body of a local agency, or by a majority of the members of the legislative body by delivering written notice to each member of the legislative body and to each local newspaper of general circulation and radio or television station requesting

Hall of Justice
211 West Temple Street, Suite 1000
Los Angeles, CA 90012
(213) 257-2475
Fax: (213) 633-0985

Members of the Board
March 6, 2020
Page two

notice in writing and posting a notice on the local agency's Internet Web site if the local agency has one. . . .

The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.

Here, Director Leticia Vasquez, acting as the Board's president, stated at the meeting's outset that the required notice had been posted 24 hours previously. However, other persons with knowledge of these events dispute that assertion. In addition, to our knowledge, the notice was not posted on the District's Web site, as required by law. Finally, a dispute exists whether Director Vasquez' appointment as president of the Board was valid based on her appointment at a previous meeting that was voted upon by only four members of the Board.

For these reasons, we believe that the Board's action to appoint a new general counsel at its meeting of February 6, 2020 violated the notice provisions of the Brown Act, and we respectfully demand that the Board cure and correct this action.

B. The Board's Action On February 6, 2020 was also Null and Void Because the Requisite Number of Board Members Failed to Vote

Central Basin Municipal Water District Administrative Code Part 2, Article 4, section 4.4(a) states:

The affirmative vote of at least five Directors is necessary for the Board to take action. The Board shall take action by motion, resolution, or ordinance. Motions and resolutions may be adopted on voice vote. Roll call shall be taken if requested by a Director. Ordinances shall be adopted on roll call vote.

Here, only four Board members voted to appoint new counsel. Apart from the violation of the notice requirements of the Brown Act discussed above, the Board violated its own administrative code by taking action without the affirmative vote of at least five directors.

CONCLUSION

It is our opinion that the Board's action to appoint new counsel at a special meeting of February 6, 2020 violated the notice provisions of the Brown Act and also its own Administrative Code.

Members of the Board
March 6, 2020
Page three

Consequently, the action was without legal effect and must be rescinded.

Thank you for your attention to this matter. We look forward to your response.

Very truly yours,

JACKIE LACEY
District Attorney

By 

ALAN YOCHELSON
Head Deputy



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: May 21, 2020
To: Southeast Water Coalition Administrative Entity
From: Ray Cordero, Chair, City of Whittier

Subject: **Authorization to Retain an Audit Firm to Complete the Fiscal Year 2019-2020 Southeast Water Coalition (SEWC) Financial Audit**

Recommendation: That the Administrative Entity take the following action:

Recommend to the Board of Directors to authorize the City of Whittier's Director of Finance, serving as SEWC Treasurer and Controller, to award a sole source contract to White Nelson Diehl Evans, LLP to administer the annual audit of SEWC financial statements for Fiscal Year 2019-2020.

Discussion

The Southeast Water Coalition Joint Power Agreement, Section 7.1 stipulates:

The controller of the Coalition shall cause an independent annual audit of the Coalitions' finance to be made by a certified public accountant in compliance with Government Code Section 6505.

Since 2008, White Nelson Diehl Evans LLP (WNDE) has administered SEWC's annual audits. WNDE has prepared comprehensive audits at reasonably low fees and is recommended to administer the next (Fiscal Year 2019-2020) annual audit on a sole source basis due to their experience in performing such audits for SEWC.

WNDE has submitted a scope of work and fee proposal for the Fiscal Year (FY) 2018-2019 Audit for an amount for \$4,790. WNDE also proposed an additional fee of \$800 to prepare the State Controller's Special Districts Financial Transaction Report should SEWC desire.

This fee is reasonable given the services to be provided. Staff has confidence in WNDE's ability to complete the audits in a professional and timely manner.

Budget Impact

The Financial Audit costs have grown every year. Last year, WNDE's price for the FY 18-19 Audit plus State Controller's Report was \$5,450, which was a \$150 increase over the previous year.

This year, WNDE's quoted price for the FY 19-20 Audit, plus the State Controller's Report, is \$5,590. This is a \$140 increase over the FY 18-19 Audit.

In anticipation of Audit costs rising approximately \$150 per year, SEWC has sufficient monies in its FY 20-21 Budget (\$6,000) to pay for WNDE's quoted audit price, with funds remaining.

Attachment(s):

1. WNDE FY 19-20 Engagement Letter and Audit Proposal
2. WDNE FY 19-20 State Controller's Report Proposal



May 14, 2020

Administrative Entity Members
Southeast Water Coalition
C/O City of Whittier
13230 Penn Street
Whittier, CA 90602

We are pleased to confirm our understanding of the services we are to provide the Southeast Water Coalition (the Coalition) for the year ended June 30, 2020. We will audit the financial statements of the governmental activities and general fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Coalition as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Coalition's basic financial statements. It is our understanding that management's discussion and analysis will not be accompanying the Coalition's basic financial statements and our report will indicate this fact.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Coalition's financial statements. Our report will be addressed to the Administrative Entity Members of the Coalition. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions 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 opinions, we may decline to express opinions or may withdraw from this engagement.

If circumstances occur related to the condition of your records, availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue reports, or withdrawing from the engagement.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Coalition or to acts by management or employees acting on behalf of the Coalition.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the Coalition and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Coalition'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.

Other Services

We will also assist in preparing the financial statements and related notes of the Coalition in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Coalition from whom we determine it necessary to obtain audit evidence. Because of the importance of oral and written management representations to the effective performance of our services, the Coalition releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.

Your responsibilities include adjusting the 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 latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

Management Responsibilities (Continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Coalition involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Coalition received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Coalition complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your 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.

Engagement Administration, Fees, and Other

Noted below is a listing of some work required by Coalition staff to assist in the audit:

1. Preparation of trial balances for all funds, after posting of all year-end journal entries.
2. Preparation of supporting schedules for all material balance sheet accounts, and selected revenue and expenditure accounts.
3. Typing of all confirmation requests.
4. Pulling and refileing of all supporting documents required for audit verification.

Engagement Administration, Fees, and Other (Continued)

We expect to begin our audit in August 2020 and to issue our reports before the October 31, 2020. Mr. Nitin Patel, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be as follows:

	Fiscal Year <u>2019-20</u>
Coalition Audit	\$ <u>4,790</u>

The maximum annual fee stipulated herein contemplates that conditions satisfactory to the normal progress and completion of the examination will be encountered and the Coalition's accounting personnel will furnish the agreed upon assistance in connection with the audit. However, if unusual circumstances are encountered which make it necessary for us to do additional work; we shall report such conditions to the responsible Coalition officials and provide the Coalition with an estimate of the additional accounting fees involved.

Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 60 days from the invoice date, at our election, we will stop all work until your account is brought current, or we will withdraw from this engagement. The Coalition acknowledges and agrees that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. The Coalition further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

The audit documentation for this engagement is the property of White Nelson Diehl Evans LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to grantor agencies or their designees. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of White Nelson Diehl Evans LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

In accordance with our firm's current record retention policy, all of your original records will be returned to you at the conclusion of this engagement. Our audit documentation files will be kept for a period of seven years after the issuance of the audit report. All other files will be kept for as long as you retain us as your auditors. However, upon termination of our service, all records will be destroyed after a period of seven years. Physical deterioration or catastrophic events may further shorten the life of these records. The audit documentation files of our firm are not a substitute for your original records.

Administrative Entity Members
Southeast Water Coalition
May 14, 2020
Page 6

Engagement Administration, Fees, and Other (Continued)

To ensure that White Nelson Diehl Evans LLP's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

We are pleased to be associated with the Southeast Water Coalition in the capacity of independent auditors. We will continue to provide the Coalition with a high level of professional services. Please feel free to call on us if we can be of assistance in any other financial or accounting matters.

If this letter accurately summarizes the significant terms of our engagement and fees, please indicate the Coalition's acceptance by a signature of an appropriate Coalition official in the space provided below and return it to us. If you have any questions, please let us know.

Very truly yours,

White Nelson Diehl Evans LLP

ACCEPTED:

SOUTHEAST WATER COALITION

By _____

Name _____

Title _____

Date _____

May 14, 2020

Administrative Entity Members
Southeast Water Coalition
C/O City of Whittier
13230 Penn Street
Whittier, CA 90602

We are pleased to confirm our understanding of the services we are to provide the Southeast Water Coalition (the Coalition) for the year ended June 30, 2020. We will prepare the Special Districts Financial Transactions Report and Supplement to the Annual Report for the 2020 fiscal year in the form prescribed by the California State Controller's Office and perform a compilation engagement with respect to these reports.

Our Responsibilities

The objective of our engagement is to -

1. prepare the Special Districts Financial Transactions Report and Supplement to the Annual Report in accordance with the format prescribed by the California State Controller's Office based on information provided by you, and
2. apply accounting and financial reporting expertise to assist you in the presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the Special Districts Financial Transactions Report and Supplement to the Annual Report in order for them to be in accordance with the format prescribed the California State Controller's Office.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services ("SSARS") promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants ("AICPA") and comply with the AICPA's *Code of Professional Conduct* including the ethical principles of integrity, objectivity, professional competence, and due care when performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the Special Districts Financial Transactions Report and Supplement to the Annual Report.

Our Responsibilities (Continued)

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Coalition or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report in accordance with the format prescribed by the California State Controller's Office.

You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of the format prescribed by the California State Controller's Office as the financial reporting framework to be applied in the preparation of the Special Districts Financial Transactions Report and Supplement to the Annual Report.
2. The preparation and fair presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report in accordance with the format prescribed by the California State Controller's Office.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report that are free from material misstatement, whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that the Coalition complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.

Your Responsibilities (Continued)

7. To provide us with -

- access to all information of which you are aware that is relevant to the fair presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report, such as records, documentation, and other matters.
- additional information that we may request from you for the purpose of the compilation engagement.
- unrestricted access to persons within the Coalition of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your Special Districts Financial Transactions Report and Supplement to the Annual Report. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the Special Districts Financial Transactions Report and Supplement to the Annual Report and that, accordingly, we do not express an opinion, a conclusion, or provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your Special Districts Financial Transactions Report and Supplement to the Annual Report, we will not issue a report on such annual reports as a result of this engagement.

Our report will disclose that the Special Districts Financial Transactions Report and Supplement to the Annual Report are presented in a prescribed form in accordance with the requirements of the California State Controller's Office and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

You agree to include our accountants' compilation report in any document containing the Special Districts Financial Transactions Report and Supplement to the Annual Report that indicates we have performed a compilation engagement on such annual reports and, prior to inclusion of the report, to ask our permission to do so.

Other Relevant Information

Nitin Patel is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be \$800. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign and date below and return a copy of the signed letter to us.

Very truly yours,

White Nelson Dick Evans LLP

RESPONSE:

This letter correctly sets forth the understanding of the Southeast Water Coalition.

By _____

Name _____

Title _____

Date _____



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: May 21, 2020
To: Southeast Water Coalition Administrative Entity
From: Ray Cordero, AE Chair, City of Whittier
Subject: **Fiscal Year 2020-2021 Southeast Water Coalition (SEWC) Draft Budget**

Recommendation: That the Administrative Entity take the following actions:

- 1) Review Fiscal Year 2012-2021 Southeast Water Coalition (SEWC) Draft Budget;
- 2) Recommend the Board of Directors approve the Fiscal Year 2020-2021 Southeast Water Coalition (SEWC) Draft Budget at their meeting on June 4, 2020.

Background:

Each year, SEWC approves the Fiscal Year (FY) budget for the year that follows. Budgets commonly include revenue from memberships and anticipated expenditures for services such as program management, legal services, legislative advocacy services, financial audit, and Policy Board compensation.

The Fiscal Year 2019-2020 SEWC Draft Budget (attached) assumes a credit of \$5,000 off of \$10,000 member agency annual dues, resulting in total annual dues of \$5,000. This credit is consistent with the previous three years' SEWC budgets.

The FY 2020-2021 Draft Budget would result in a projected total expenditure of \$128,500 and an ending balance of \$153,632.

The SEWC Budget for FY 2020-2021 should be approved prior to the beginning of the new Fiscal Year. As such, it is recommended that the AE review their draft budget options and recommend to the Board of Directors to approve the Fiscal Year 2020-2021 SEWC Draft Budget at their June 4, 2019 meeting.

Attachment(s):

1. SEWC Fiscal Year 2020-2021 Draft Budget

**SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY
FISCAL YEAR 2020-2021 DRAFT BUDGET**

	FY 2019-2020		FY 2020-2021
	Approved Budget	Total Projected / To-Date Expenditures	Draft Budget
Carryover Balance	\$200,209	\$200,209	\$226,132
Revenues:			
Annual Assessments for Member Agencies	\$110,000	\$110,000	\$110,000
Less Credits to Member Agencies	(\$55,000)	(\$55,000)	(\$55,000)
Interest Income	\$1,000	\$1,000	\$1,000
Total Revenues	\$56,000	\$56,000	\$56,000
Available Funds	\$256,209	\$256,209	\$282,132
Expenditures:			
Program Management Services	\$20,000	\$10,540	\$20,000
As Needed Government Relations	\$20,000		\$20,000
Legal Services	\$7,500	\$6,271	\$7,500
Board/Staff Travel/Meeting Expense	\$1,000		\$1,000
Financial Audit	\$6,000	\$5,450	\$6,000
Policy Board Compensation	\$9,900	\$3,600	\$9,900
Office Supplies	\$100		\$100
Policy Board Meetings	\$3,000	\$842	\$3,000
Administrative Entity Meetings	\$1,000	\$374	\$1,000
Consultant Services	\$60,000	\$3,000	\$60,000
Consultant Services Contingencies	\$0		\$0
Total Expenditures	\$128,500	\$30,077	\$128,500
Ending Balance	\$127,709	\$226,132	\$153,632

Notes:

1. Credits to Member Agencies - Assumes credit of \$5,000 off of \$10,000 member agency annual dues resulting in total annual dues of \$5,000

*KJServices hours thru 5/11/20

**FY 19-20 expenditures as approved on Warrant Register by SEWC Board 2/6/20

***This \$3,000 was a refund to the City of Downey for costs of the FY 17/18 Audit

****Invoices received from Richard, Watson & Gershon

*****Invoices received from White, Nelson, Diehl & Evans



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: May 21, 2020
To: Southeast Water Coalition Administrative Entity
From: Ray Cordero, AE Chair, City of Whittier
Subject: Update on Annual Form 700 Filings

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the status of SEWC's Annual Filings for Calendar Year 2019 Statement of Economic Interests (Form 700), due June 1, 2020.

Background

In accordance with the Southeast Water Coalition Conflict of Interest and Disclosure Code, Exhibit "B", all appointed representatives of the Administrative Entity and Board (including alternates) are required to file a Form 700 (Statement of Economic Interest) when assuming and leaving office, as well as on an annual basis.

SEWC members may file online. Original documents with wet signatures should be mailed to the City of Whittier, and digital copies sent to KJServices Environmental Consulting.

The deadline for filing these forms with the Lead Agency Whittier is Monday, June 1, 2020. The deadline was originally April 1st, but was extended due to COVID-19 Safer At Home orders.

Attached is a list of all the Annual Filings received by the Lead Agency Whittier to-date.

Attachments:

1. Status of Calendar Year 2019 Forms 700 Received

**Southeast Water Coalition
Joint Powers Authority
Statement of Economic Interest (Form 700)**

Tax Year: 2019 (to be filed June 1, 2020) ** Accurate as of 5/14/20

Agency	Representative	Member	Appoint.	Type of Filing	Disclosure Categories	Date / Notes
Cerritos	Frank Yokoyama	PB	Primary	Annual	1,2	Received 4/6/20
	Grace Hu	PB	Alternate	Annual	1,2	
	Bob Ortega	AE	Primary	Annual	1,2	
Commerce	Oralia Rebollo	PB	Primary	Annual	1,2	
	John Soria	PB	Alternate	Annual	1,2	
	Gina Nila	AE	Primary	Annual	1,2	
	Michelle Keshishian	AE	Alternate	Annual	1,2	
Downey	Alex Saab	PB	Primary	Annual	1,2	Received 2/25/20 Received 2/25/20 Annual Received 3/11/20
	Sean Ashton	PB	Primary	Annual	1,2	
	Dan Mueller	AE	Primary	Annual	1,2	
	Delinfo Consunji	AE	Alternate	Annual	1,2	
Lakewood	Todd Rogers	PB	Primary	Annual	1,2	e-filed 5/7/20
	Steve Croft	PB	Alternate	Annual	1,2	
	Jason Wen	AE	Primary	Annual	1,2	
	Derwin Dy	AE	Alternate	Annual	1,2	
Norwalk	Margarita L. Rios	PB	Primary	Annual	1,2	Received 4/1/20 Annual Received 4/24/20; LO 4/24/20 LO 7/25/19
	Jennifer Perez	PB	Alternate	Annual	1,2	
	Leonard Shyrook	PB	Alternate	Annual, LO	1,2	
	Julian Lee	AE	Alternate	Leaving Office	1,2	
Paramount	Tom Hansen	PB	Primary	Annual	1,2	Received 4/14/20 Annual Received 3/12/20
	Laurie Guillen	PB	Alternate	Annual	1,2	
	Adriana Figueroa	AE	Primary	Annual	1,2	
	Sarah Ho	AE	Alternate	Annual	1,2	
Pico Rivera	Gustavo Camacho	PB	Primary	Annual	1,2	e-filed 3/31/20 AO 2/5/19 AO 10/7/19 AO 10/8/19
	Brent Tercero	PB	Alternate	Annual	1,2	
	James Coiner	AE	Primary	AO	1,2	
	Monica Heredia	AE	Primary	AO	1,2	
	Adrian Rodriguez	AE	Alternate	AO	1,2	

Agency	Representative	Member	Appoint.	Type of Filing	Disclosure Categories	Date
	Juanita Trujillo	PB	Primary	Annual, LO	1,2	Annual Received 4/14/20; LO 4/6/20
	John Mora	PB	Alternate	AO, Annual	1,2	Received 4/8/20

Santa Fe Springs	Annette Rodriguez	Pb	Alternate	AO	1,2	Received 4/6/20
	Noe Negrete	AE	Alternate	Annual	1,2	
South Gate	Maria Davila	PB	Alternate	Annual	1,2	e-filed 5/5/20
	Maria Belen Bernal	PB	Primary	Annual	1,2	
	Art Cervantes	AE	Primary	Annual	1,2	
	Chris Castillo	AE	Alternate	Annual	1,2	
	Gladis Deras	AE	Alternate	Annual	1,2	
Vernon	Melissa Ybarra	PB	Primary	Annual	1,2	LO 5/16/19 AO 5/21/19 AO 4/4/19
	Yvette Woodruff-Perez	PB	Alternate	Leaving Office	1,2	
	Leticia Lopez	PB	Primary	Assuming Office	1,2	
	Wendell Wall	AE	Alternate	Asuming Office	1,2	
	Joanna Moreno	AE	Primary	Annual	1,2	
Whittier	Fernado Dutra	PB	Primary	Annual	1,2	Received 4/6/20
	Josue Alvarado	PB	Alternate	Annual	1,2	
	Kyle Cason	AE	Alternate	Annual	1,2	Received 4/6/20
	Roy Cordero	AE	Primary	Annual	1,2	
Legal Counsel	Nick Ghirelli	RW&G		Annual	1,2	



A joint powers authority to protect the Central Groundwater Basin

**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: May 21, 2020
To: Southeast Water Coalition Administrative Entity
From: Ray Cordero, AE Chair, City of Whittier

Subject: Update on Lead Agency Transition

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the status of the Lead Agency transition between outgoing Whittier and incoming Lead Agency, City of Commerce and incoming Vice-Chair, City of Vernon.

Background

At the January 16, 2020 Administrative Entity Special Meeting, the AE voted to appoint a Lead Agency Transition ad hoc committee. The members of that committee are Ray Cordero (Whittier), Gina Nila (Commerce), and Joanna Moreno (Vernon).

Whittier's tenure as SEWC Lead Agency ends on June 30, 2020. As of July 1, 2020, the City of Commerce begins its Lead Agency tenure, which runs for a two-year period, until June 30, 2022. While Commerce is the SEWC Lead Agency, its Vice-Chair shall be the City of Vernon. Vernon will succeed Commerce as Lead Agency on July 1, 2022.

The incoming Lead Agency is responsible for determining the location of AE and Board Meetings in their City, including coordinating meeting room and equipment set-up, parking, and catering. The Lead City must also publicly post meeting agendas in three designated locations in the City, and online on the City's website.

Typically, AE meetings are held on the 3rd Thursday of each odd-numbered month (January, March, May, July, September, November), and Board of Directors meetings are held on the 1st Thursday of even-numbered months (February, April, June, August, October, December). The AE meeting time has typically been 11:30am, and the Board meeting time is currently 6:30pm. The SEWC Joint Powers Agreement requires the Policy Board to meet at least once a year.

Due to the ongoing COVID-19 pandemic, it is recommended the AE members discuss the immediate future of scheduling and coordinating SEWC meetings.