



**Southeast
Water Coalition**

A joint powers authority to protect the Central Groundwater Basin

AGENDA
SOUTHEAST WATER COALITION
REGULAR MEETING OF THE ADMINISTRATIVE ENTITY
THURSDAY, MAY 21, 2026, 12:00 p.m.

Norwalk Arts & Sports Complex
Hargitt Room
13000 Clarkdale Avenue
Norwalk, CA 90650

1. ROLL CALL

2. PUBLIC COMMENTS

3. CONSENT CALENDAR

**a. SOUTHEAST WATER COALITION ADMINISTRATIVE ENTITY MINUTES
OF MARCH 19, 2026 REGULAR MEETING**

Recommendation: Approve minutes as submitted.

4. DISCUSSION/ACTION REGARDING DRAFT SEWC BUDGET

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Discuss the draft SEWC FY 2026-27 Budget and take final version to the June Board Meeting for adoption.

**5. DISCUSSION/ACTION REGARDING NEW ADMINISTRATIVE ENTITY MEETING
DATE AND TIME**

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Confirm the new AE Meeting date and time and take it to the June Board meeting for formal approval.

**6. DISCUSSION/ACTION REGARDING UPDATES TO LEAD AGENCY
RESPONSIBILITIES**

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Discuss the option of updating lead agency responsibilities, such as paid staff time, a dedicated Southeast Water Coalition website, and support for management of accounting, finances and audit coordination.



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7. DISCUSSION/ACTION REGARDING SOUTHEAST WATER COALITION FORMAL POLICIES

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Discuss and review draft formal policies such as a Reserve Policy and/or a Lead Agency Transition Policy.

8. GENERAL LEGISLATIVE UPDATE

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Receive a general legislative update for relevant bills.

9. DISCUSSION REGARDING ASSOCIATION OF CALIFORNIA WATER AGENCIES UPDATES

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Receive a general update regarding ACWA related items and upcoming events.

10. JUNE 4, 2026 BOARD OF DIRECTORS AGENDA

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Discuss the Southeast Water Coalition Board of Directors Agenda for June 4, 2026.

11. WRITTEN COMMUNICATIONS

12. ADMINISTRATIVE ENTITY MEMBER COMMENTS

On May 18, 2026, the foregoing agenda was posted in accordance with the applicable legal requirements. Regular and Adjourned Regular meeting agendas may be amended up to 72 hours and Special meeting agendas may be amended up to 24 hours in advance of the meeting.

Disability-related services are available to enable persons with a disability to participate in this meeting, consistent with the Federal Americans with Disabilities Act of 1990. Please contact the City of Norwalk Public Services Department at least 24 hours in advance of the meeting at (562) 929-5511.

The next meeting of the Southeast Water Coalition Administrative Entity will be on Thursday, July 16, 2026, 12:00 p.m., at Norwalk Arts & Sports Complex, Hargitt Room, 13000 Clarkdale Avenue, Norwalk, CA 90650.



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

**THURSDAY, MARCH 19, 2026
12:00 NOON**

The Regular Meeting of the Southeast Water Coalition (SEWC) Joint Powers Authority Administrative Entity (AE) was held on Thursday, March 19, 2026 at the Norwalk Arts & Sports Complex, Hargitt Room, 13000 Clarkdale Avenue, Norwalk, CA 90650. The meeting was called to order at 12:00 p.m. by Norwalk Staff member, Albert Mendoza. At the time the meeting was called to order, a quorum of members was present.

Ms. Madeline Gallagher took attendance, and the following AE members were present:

ITEM 1 - ROLL CALL

Chris Kuebert	City of Cerritos
Andrew Caraveo	City of Commerce
Dan Mueller	City of Downey
Derek Nguyen	City of Lakewood
Albert Mendoza	City of Norwalk
Michelle Tse	City of Paramount
Chris Castillo	City of South Gate
Ray Cordero	City of Whittier

STAFF AND GUESTS ON SIGN-IN SHEET:

Nicholas Ghirelli	Richards Watson & Gershon
Jacque Koontz	City of Norwalk (Staff)
Marco Ramirez	City of Norwalk (Staff)
Patricia Santana	City of Norwalk (Staff)
Madeline Gallagher	SEWC Staff
Vera Robles DeWitt	Water Replenishment District

ITEM 2 – PUBLIC COMMENT

Ms. DeWitt from WRD offered a public comment, clarifying that she was speaking from personal opinion rather than on behalf of the agency. She shared that she has been concerned about the ongoing undercurrent in recent meetings and has been following minutes closely, particularly regarding new members. She referenced past tensions and emphasized her desire for a more amicable relationship. She stressed that while disagreements are inevitable, collaboration is essential. She also noted that someone from one of the SEWC cities had recently approached WRD for a support letter, and the agency provided it.

ITEM 3 - CONSENT CALENDAR

A motion to approve the Consent Calendar was made by Mr. Caraveo and seconded by Mr. Nguyen. The motion passed by the following voice vote:

AYES: Caraveo, Mueller, Nguyen, Mendoza, Tse, Castillo, Cordero.
NOES: None.
ABSTAIN: Kuebert.

ITEM 4 – DISCUSSION/ACTION REGARDING THE WATER REPLENISHMENT DISTRICT'S REQUEST TO JOIN THE SOUTHEAST WATER COALITION

The discussion began with Mr. Mendoza noting that at the last AE meeting, there was a discussion regarding Water Replenishment District (WRD)'s formal written request to join SEWC. He continued by stating that a consensus was reached for further discussion. An Ad-Hoc Committee consisting of representatives from the Cities of Cerritos, Paramount, Lakewood, Whittier, and Norwalk was formed to review the request and make a recommendation to the Board.

Mr. Mendoza concluded his report by noting that WRD sent a more recent letter just prior to this meeting, which rescinded their request to join. The letter was included in the Agenda Packet for review.

Mr. Nguyen noted that this discussion is a moot point now given WRD's rescinded request to join SEWC.

There were no further comments.

ITEM 5 – DISCUSSION/ACTION REGARDING A POLICY FOR ADMINISTRATIVE ENTITY LETTERS

Mr. Mendoza recapped the discussion that took place at the previous AE meetings regarding the AE sending letters on behalf of SEWC without Board approval. He noted that at the December Board meeting, the Board asked the AE to draft a template letter and policy on this topic and use the Strategic Plan as a reference when drafting the letter and policy.

AE members asked Staff to help draft the policy and letter and bring it to the March AE meeting for review and comments before bringing it to the April Board Meeting.

Mr. Nguyen noted that this policy would only be used when there was a time constraint and he recommended editing the letter to say "Board Chair" and list the Board members underneath it. Additionally, in the policy, he recommended updating the language from "Chair" to "Board Chair". Last, he recommended that the second paragraph be updated to include the amount of people that SEWC serves (~600,000).

There were no further comments or questions.

After general discussion, Mr. Nguyen moved to approve the following recommendation:

- a. Bring the AE Correspondence Policy and Letter Template to the Board for approval, with recommended edits.

The motion was seconded by Mr. Mueller and was approved by the following voice vote:

AYES: Kuebert, Caraveo, Mueller, Nguyen, Mendoza, Tse, Castillo, Cordero.

NOES: None.

ABSTAIN: None.

ITEM 6 – DISCUSSION/ACTION REGARDING UPDATES TO LEAD AGENCY RESPONSIBILITIES

Mr. Mendoza provided context around potential updates to lead agency responsibilities and the option to outsource some responsibilities when the lead agency transitions in July, if desired. The first item of discussion was the potential of paid staff time for the lead agency, where the lead agency would bill staff time to SEWC for reimbursement. AE members discussed whether this is appropriate, noting that other cities have never been reimbursed and that supporting SEWC has traditionally been part of each city's commitment. Questions were raised

about whether all cities should be paid for meeting attendance and preparation time, though some felt the money could be better prioritized elsewhere. One suggestion was that the lead agency could receive an annual administrative amount (possibly 10%) from contributions, but it was also noted that with the 2-year rotation, costs would even out over time.

AE members also discussed creating a standalone SEWC website to centralize all agenda reports and materials, which would reduce staff responsibilities. It was brought up that it would be important to hire a designer who can ensure ADA accessibility. There were no major objections to this idea, with a suggestion to launch the website around the time of the lead agency transition and have previous lead agencies maintain historical materials on their sites with direct links.

Last, there was a discussion around financial management responsibilities of the lead agency. It was noted that currently, the lead agency creates a fund within their finance department, using warrant requests and CalCards for expenses like food. AE Members noted that once the system is established, operations run smoothly, and knowledge and processes transfer through meetings between outgoing and incoming finance departments.

It was requested that Ms. Koontz and Mr. Mendoza compile Norwalk staff hours and costs to assess whether or not it makes sense to hire support or continue to maintain responsibility as the lead agency. Additionally, Mr. Kuebert confirmed that he will research website scope and maintenance requirements and both topics will return to the next AE meeting.

ITEM 7 – DISCUSSION/ACTION REGARDING SOUTHEAST WATER COALITION POLICIES AND JOINT POWERS AGREEMENT UPDATES

Mr. Mendoza noted that during the February Board Meeting, a discussion took place regarding potential updates to the Southeast Water Coalition (SEWC) Joint Powers Agreement (JPA). Additionally, there were past conversations regarding the development of formal policies, such as a Reserve Policy or a Lead Agency Transition Policy.

AE members discussed these items, and the general consensus was that a formal JPA update may not be necessary right away, but establishing formal policies, such as a Reserve Policy or a Lead Agency Transition Policy is of interest. It was also discussed that the Transition Policy should be written as we learn from the lead agency transition from the City of Norwalk to the City of Cerritos. There were ideas such as including a checklist and best practices in the policy to ensure a smooth transition.

Another discussion arose, as Mr. Kuebert noted that there is a conflict for the City of Cerritos during the current AE meeting times, so SEWC will need to find a new

time to meet. Mr. Kuebert confirmed that he will send Ms. Gallagher availability and she will pass it along to all AE members to vote on which date and time works the best.

ITEM 8 – GENERAL LEGISLATIVE UPDATE

Mr. Ghirelli provided a brief update on a bill which established a PFAS remediation fund. In the previous cycle, it had been passed by both houses, but it was vetoed because there was no dedicated funding source. Now, the bill has been reintroduced and Mr. Ghirelli noted that he will provide updates on the status of the bill in the future.

ITEM 9 – DISCUSSION REGARDING ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) UPDATES

Mr. Mendoza noted that copies of the ACWA Welcome Packet were available and reported that he had asked the ACWA representative about logins and how to set up accounts. ACWA indicated there is no specific limit on the number of accounts, but they do need to approve the total number requested. The representative noted that ACWA typically provides accounts to member agencies based on their needs. AE members agreed that they would likely be on the ACWA site the most frequently given their regular engagement with SEWC matters, but cities differed in who they would recommend providing a login. Ms. Gallagher agreed to send an email to member cities asking which two login emails each city prefers.

ITEM 10 – APRIL 2, 2026 BOARD OF DIRECTORS AGENDA

Mr. Mendoza opened up a discussion to confirm which items should be on the next Board Agenda, and the following items were discussed:

1. WRD Update
2. WRD Fiscal Year 26/27 Budget Update
3. AE Letter Policy & Template
4. General Legislative
5. ACWA Update

ITEM 11 – WRITTEN COMMUNICATIONS

None.

ITEM 12 - ADMINISTRATIVE ENTITY MEMBER COMMENTS

None.

ITEM 13 - ADJOURNMENT

The meeting adjourned at 1:20 p.m.

The next regular Southeast Water Coalition Administrative Entity Meeting will be held on May 21, 2026 at 12:00 p.m. at the Norwalk Arts & Sports Complex, Hargitt Room, 13000 Clarkdale Avenue, Norwalk, CA 90650.

Chair

Date



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

Date: May 21, 2026
To: Southeast Water Coalition Administrative Entity
From: Albert Mendoza, AE Chair, City of Norwalk

**Subject: DISCUSSION/ACTION REGARDING DRAFT SEWC FY 2026-27
BUDGET**

Discussion:

The Proposed Draft Budget for Fiscal Year (FY) 2026-27 includes the Approved Budget for FY 2025-26, Total Projected Expenditures for FY 2025-26, and a Proposed Budget for FY 2026-27. The Ending Balance for the FY 2025-26 stands at \$94,285.30, reflecting both actual expenditures and projections for the remainder of the ongoing fiscal year. This is lower than the Approved Budget's Ending Balance of \$123,759.47 due to projected expenditures versus revenue intake. The ending balances every FY will likely continue to be less than the approved FY budget until dues are adjusted.

Anticipated member agency dues for FY 2026-27 remain at \$60,500, inclusive of credits to member agencies. There was no change to the member rates from last year. With total expenditures projected to increase during the FY 2026-27, the Proposed Budget indicates an Ending Balance of \$25,885.

Recommendation: Discuss the draft SEWC FY 2026-27 Budget and take final version to the June Board Meeting for approval.

Attachments:

1. Fiscal Year 2026-2027 Draft Budget.
2. FY 2025-26 Warrant Register as of 4/30/26.

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY
FISCAL YEAR 2025-2026 APPROVED BUDGET/EXPENDITURES vs PROPOSED FISCAL YEAR 2026-2027 BUDGET

	FY 2025-2026			FY 2026-2027
	Approved Budget	Revenue & Expenditures To 4/30/2026	Projected Expenditures	Proposed Budget
Carryover Balance:	\$ 193,059.47	\$ 123,759.47	\$ 120,415.30	\$ 94,285
Revenues				
Annual Assessments for Member Agencies	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00	\$ 110,000
Less Credits to Member Agencies	\$ (49,500.00)	\$ (49,500.00)	\$ (49,500.00)	\$ (49,500)
Interest Income/Reimbursements	\$ 1,000.00	\$ -	\$ -	\$ -
Total Revenues	\$ 61,500.00	\$ 60,500.00	\$ 60,500.00	\$ 60,500
Available Funds:	\$ 254,559.47	\$ 184,259.47	\$ 180,915.30	\$ 154,785
Expenditures				
Program Management Services	\$ 63,000.00	\$ 42,750.00	\$ 54,480.00	\$ 60,000
As Needed Government Relations	\$ 10,000.00	\$ -	\$ -	\$ -
Legal Services	\$ 11,000.00	\$ 4,085.11	\$ 8,500.00	\$ 11,000
Board/Staff Travel/Meeting Expense	\$ 1,000.00	\$ -	\$ -	\$ -
Financial Audit	\$ 9,500.00	\$ 8,230.00	\$ 8,250.00	\$ 10,000
Policy Board Compensation	\$ 9,900.00	\$ 4,650.00	\$ 9,900.00	\$ 19,800
Office Supplies	\$ 100.00	\$ 100.00	\$ -	\$ 100
Policy Board Meetings Dinner	\$ 3,600.00	\$ -	\$ -	\$ 14,400
Administrative Entity Meetings Lunch	\$ 2,700.00	\$ -	\$ -	\$ 3,600
Policy Board & Administrative Entity Meetings Dinner + Lunch	\$ -	\$ 4,029.06	\$ 5,500.00	\$ -
Consultant Services	\$ 20,000.00	\$ -	\$ -	\$ -
Staffing Support Services*	\$ -	\$ -	\$ -	\$ -
Website Services*	\$ -	\$ -	\$ -	\$ 10,000
Financial Management Services*	\$ -	\$ -	\$ -	\$ -
* New FY 2026/27				
Total Expenditures:	\$ 130,800.00	\$ 63,844.17	\$ 86,630.00	\$ 128,900
Ending Balance:	\$ 123,759.47	\$ 120,415.30	\$ 94,285.30	\$ 25,885

Notes:

1. Draft Budget - Assumes credit of \$4,500 off of \$10,000 member agency annual dues resulting in total annual dues of \$5,500.
2. Administrative Entity Members to look into developing a policy to facilitate a consistent financial transfer of funds during lead agency changes.
3. Lead Agency to discuss developing a reserve budget line item for planning purposes with Auditor.



SOUTHEAST WATER COALITION
PAYMENT REGISTER MARCH 2026 - APRIL 2026

<u>Check No.</u>	<u>Check Amount</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Transaction Description</u>
206938	4,960.00	4/7/2026	KOA CONSULTING INC	PROF SVCS/FEB26
207048	4,960.00	4/14/2026	KOA CONSULTING INC	PROF SVCS/MAR26
207067	150.00	4/14/2026	FRANK YOKOYAMA	BRD MBR STIP/04-02-26
207068	150.00	4/14/2026	TODD ROGERS	BRD MBR STIP/04-02-26
207182	6,750.00	4/21/2026	PRICE PAIGE AND CO	AUDIT FEES FY25
	16,970.00			
<u>EFT</u>	<u>EFT Amount</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Transaction Description</u>
V24439	599.06	4/7/2026	RICHARDS WATSON	LEGAL SVCS/JAN26
V24454	451.00	4/14/2026	RICHARDS WATSON	LEGAL SVCS/FEB26
V24457	150.00	4/14/2026	ANA M VALENCIA	BRD MBR STIP/04-02-26
V24458	150.00	4/14/2026	JOSE ANGEL ZAMOR	BRD MBR STIP/04-02-26
V24460	150.00	4/14/2026	MARIO TRUJILLO	BRD MBR STIP/04-02-26
V24461	150.00	4/14/2026	MELISSA ANNA YBA	BRD MBR STIP/04-02-26
V24462	150.00	4/14/2026	OCTAVIO CESAR MA	BRD MBR STIP/04-02-26
V24729	702.45	4/30/2026	RICHARDS WATSON	LEGAL SERVICES/MAR26
	2,502.51			
<u>MISC</u>	<u>Amount</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Transaction Description</u>
CAL CARD	12.00	3/31/2026	AMAZON MARK* PG8QJ4FY3	3-2FEB
CAL CARD	830.00	3/31/2026	CASA ADELITAS	3-2FEB
CAL CARD	22.00	3/31/2026	STARBUCKS STORE 09546	3-2FEB
CAL CARD	19.41	3/31/2026	NORTHGATE MARKET #024	3-2FEB
CAL CARD	125.68	3/31/2026	TST*HANAMI TEPPANYAKI	3-2FEB
CAL CARD	449.53	4/29/2026	ELPOLLOLOCO	4-2MAR
CAL CARD	11.78	4/29/2026	GROCERY OUTLET OF N	4-2MAR
CAL CARD	7.99	4/29/2026	GROCERY OUTLET OF N	4-2MAR
CAL CARD	6.08	4/29/2026	USPS PO 0555830171	4-2MAR
	1,484.47			
Total	20,956.98			



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

Date: May 21, 2026
To: Southeast Water Coalition Administrative Entity
From: Albert Mendoza, AE Chair, City of Norwalk

**Subject: DISCUSSION/ACTION REGARDING NEW ADMINISTRATIVE ENTITY
MEETING DATE AND TIME**

Discussion:

In July of 2026, the Lead Agency will transition from the City of Norwalk to the City of Cerritos. The City of Cerritos has conflicts during the current Administrative Entity (AE) meeting time. At the March AE Meeting, it was suggested that a poll be used to determine a new date and time.

Two options were included in the poll, both maintaining the current schedule of the meeting being held on the third week of odd months: Tuesdays at 12:00 PM (11:30 PM lunch) or Wednesdays at 12:30 PM (12:00 PM lunch). There were 3 votes for Tuesdays (33.3%) and 7 votes for Wednesdays (77.8%).

The purpose of this agenda item is to discuss availability and finalize a new date and time for all AE meetings.

Recommendation: Confirm the new AE Meeting date and time and take it to the June Board meeting for formal approval.



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

Date: May 21, 2026
To: Southeast Water Coalition Administrative Entity
From: Albert Mendoza, AE Chair, City of Norwalk

Subject: DISCUSSION/ACTION REGARDING UPDATES TO LEAD AGENCY RESPONSIBILITIES

Discussion:

During the March AE Meeting, several ideas were discussed to streamline operations and reduce the administrative burden on the lead agency over the two-year term. The three items discussed were:

1. Staffing Support: Providing paid staff time for dedicated staff within the lead agency.
2. Southeast Water Coalition (SEWC) Website: Establishing a standalone SEWC website to host all public information and meeting agendas, independent of the lead agency's website.
3. Financial Management: Engaging an external consultant to oversee accounting, finances, audits, and disbursements to reduce the duties of the lead agency's finance department. Also, to reduce the time for the transition, reconciliation and close-out/start up from one lead agency to the next. This could include the development of SEWC Board-approved accounting, procurement, and other procedure/policies, as well as having its own accounting software and checking account.

The consensus at the March AE Meeting was to acquire more information about websites and receive information about actual time spent on financial management and bring the information back to the May AE meeting.

The purpose of this agenda item is to further review lead agency responsibilities and interest in outsourcing responsibilities, especially regarding the website and financial management.

Recommendation: Discuss the option of updating lead agency responsibilities, such as paid staff time, a dedicated Southeast Water Coalition website, and support for management of accounting, finances and audit coordination.



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

Date: May 21, 2026
To: Southeast Water Coalition Administrative Entity
From: Albert Mendoza, AE Chair, City of Norwalk

**Subject: DISCUSSION/ACTION REGARDING SOUTHEAST WATER COALITION
FORMAL POLICIES**

Discussion:

During the February Board Meeting, a discussion took place regarding potential updates to the Southeast Water Coalition (SEWC) Joint Powers Agreement (JPA). Additionally, there were past conversations regarding the development of formal policies, such as a Reserve Policy and/or a Lead Agency Transition Policy. The Reserve Policy would provide a safeguard to SEWC's financial health, and a Transition Policy would help standardize the transitional process between lead agencies.

At the March AE Meeting, these items were discussed and the general consensus was that a formal JPA update may not be necessary right away, but establishing formal policies, such as a Reserve Policy or a Lead Agency Transition Policy is of interest. It was discussed that the Transition Policy should be written as we learn from the lead agency transition from the City of Norwalk to the City of Cerritos.

The purpose of this agenda item is to further discuss these policies and details that should be included before reviewing and taking the formal policies to the Board.

Recommendation: Discuss and review draft formal policies such as a Reserve Policy and/or a Lead Agency Transition Policy.

Attachments:

1. Draft SEWC Reserve Policy
2. Draft SEWC Lead Agency Transition Policy

RESERVE POLICY

Approved Date: xx/xx/xx

1. Purpose

This Reserve Policy establishes prudent financial management practices for the Southeast Water Coalition (SEWC) to ensure fiscal stability, maintain operational continuity, and protect the interests of the member cities. The General Fund Reserve is established to ensure SEWC can maintain essential operations and services during periods of economic uncertainty, unexpected revenue shortfalls, or emergencies. The reserve serves as a fiscal safeguard to ensure the SEWC's long-term financial stability.

2. Policy Statement

The Coalition shall maintain adequate reserves to:

- Provide financial stability during economic uncertainties
- Address unforeseen operational needs and emergencies
- Ensure continued operations during revenue fluctuations

3. Reserve Structure

General Fund Reserve

- Purpose:** Provides working capital, addresses cash flow needs, and covers routine unforeseen expenses
- Use:** May be used for operational contingencies, emergencies, critical legal matters, temporary revenue shortfalls, or unanticipated costs with AE approval up to \$XX; Board approval required for larger amounts
- Minimum Reserve Level:** The General Fund will maintain a minimum reserve level of 25% of annual operating expenditures, representing three months of operating costs. This ensures adequate liquidity and fiscal stability.
- Target Reserve Level:** The target General Fund reserve level is 30% of annual operating expenditures, providing financial flexibility and stability.

- E. Use of Reserves:** SEWC Board approval shall be required before expending any portion of the General Fund Reserve. Unforeseen circumstances that may require such expenditures include, but are not limited to, natural disasters, unforeseen deficiencies in a major revenue source, or unexpected operating or capital expenditures.
- F. Excess Reserves:** Any reserves exceeding the target level shall be allocated as follows: - XX – Determine Excess Reserve Direction
- G. Replenishment Plan:** If reserves fall below the minimum, the AE will propose a replenishment plan to the Board, aiming to restore reserves to the minimum level within three years through budget surpluses, one-time revenues, or expenditure reductions.

4. Amendment of Policy and Target Level

Changes to this policy may be made by a majority vote of the Board at any time.

LEAD AGENCY TRANSITION POLICY

Approved Date: xx/xx/xx

1. Purpose

This policy establishes procedures and responsibilities for the biennial transition of Lead Agency duties among member cities to ensure continuity of operations, consistent governance, and equitable distribution of leadership responsibilities within the Southeast Water Coalition (SEWC).

2. Rotation Schedule

The Lead Agency role rotates among member cities every two years. The Vice-Chair is adopted at the same time as the Chair. After the Chair's two-year term, the Vice-Chair will then become the Chair and the next Vice-Chair is elected (ex. when Cerritos becomes Lead Agency in July 2026, Paramount will become Vice-Chair.)

- As of July 2026, Lead Agency schedule is as following:
 - Cerritos
 - Paramount
 - Lakewood
 - Santa Fe Springs
 - Pico Rivera
 - South Gate
 - Downey
 - Whittier
 - Commerce
 - Vernon
 - Norwalk

Lead Agency Transition History

Norwalk	1991--1994
Pico Rivera	1994--1996
Whittier	1996--1998
Downey	1998--2000
South Gate	2000--2002
Norwalk	2002--2004
Cerritos	July 2004 -- June 2006
Paramount	July 2006 -- June 2008
Lakewood	July 2008 -- June 2010
Santa Fe Springs	July 2010 -- June 2012
Pico Rivera	July 2012 -- June 2014
South Gate	July 2014 -- June 2016
Downey	July 2016 -- June 2018
Whittier	July 2018 -- June 2020
Commerce	July 2020 -- June 2022
Vernon	July 2022 -- June 2024
Norwalk	July 2024 -- June 2026
Cerritos	July 2026 -- June 2028

3. Lead Agency Responsibilities

The Lead Agency shall be responsible for:

Meeting Management:

1. Hosting all in-person meetings at a city facility
2. Providing meeting room setup, including tables, chairs, and room configuration
3. Ordering and coordinating lunch for Administrative Entity (AE) meetings
4. Ordering and coordinating dinner for Board of Directors (BOD) meetings
5. Providing all audio/visual equipment, microphones, and meeting technology
6. Leading and facilitating all meetings as Chair
7. Reviewing meeting agendas and agenda packets prepared by Staff prior to distribution

Financial Oversight:

1. Managing the Coalition's financial operations and accounts
2. Reviewing and approving invoices and expenditures within approved budget limits
3. Overseeing budget preparation and financial reporting
4. Ensuring compliance with financial policies and procedures
5. Signing checks or authorizing electronic payments as designated signatory

General Leadership:

1. Serving as primary liaison between member cities and Staff
2. Making administrative decisions between Board meetings as needed
3. Ensuring timely response to urgent SEWC matters

4. Transition Process

90 Days Before Transition:

1. Incoming Lead Agency designates primary contact person
2. Current Lead Agency provides transition materials including:
 - Lead Agency responsibility summary
 - Financial management procedures and account information
 - Meeting vendor contacts, if applicable (catering, AV, etc.)
 - Technology and equipment requirements and best practices

60 Days Before Transition:

1. Current Lead Agency contacts and Staff meet with incoming Lead Agency contacts to review responsibilities and answer questions (monthly per diems and contract payments)
2. Incoming Lead Agency confirms meeting space availability and technology capabilities

Transition Day:

1. Financial authority transfers to incoming Lead Agency
2. Staff updates all official documents and contact information



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Water Coalition**

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30 Days After Transition:

1. Minimum of 50% of SEWC fund balance as of June 30 - transferred to incoming Lead Agency

120 Days After Transition:

1. 100% of SEWC funds transferred to incoming Lead Agency