



**Southeast
Water Coalition**

A joint powers authority to protect the Central Groundwater Basin

AGENDA
SOUTHEAST WATER COALITION
REGULAR MEETING OF THE POLICY BOARD
THURSDAY, DECEMBER 4, 2025, 7:00 p.m.

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

- 1. ROLL CALL**
- 2. PUBLIC COMMENTS**
- 3. CONSENT CALENDAR**
 - a. SEWC BOARD OF DIRECTORS MINUTES OF AUGUST 7, 2025
REGULAR MEETING (Enclosure)**
Recommendation: Approve minutes as submitted.
 - b. WARRANT REGISTER (Enclosure)**
Recommendation: Approve Warrant Register (available at meeting).

**** End of Consent Calendar****
- 4. DISCUSSION/ACTION REGARDING PROGRAM MANAGEMENT SUPPORT PROPOSAL**

Albert Mendoza, AE Chair, City of Norwalk
Recommendation: Approve an amendment to the professional services agreement with Koa Consulting, Inc for Program Management Support, for an amount not-to-exceed \$4,960 per month, for a contract term up to June 30, 2028, with the option to extend services for two additional years; and authorize the Board Chair to execute the agreement, provided there is funding in the budget, on behalf of Southeast Water Coalition, in a form approved by the Southeast Water Coalition attorney.
- 5. DISCUSSION/ACTION REGARDING ANNUAL FINANCIAL AUDIT AND PROFESSIONAL AUDIT SERVICES**

Albert Mendoza, AE Chair, City of Norwalk
Recommendation: a) Receive and file the audit report of financial statements for Fiscal Year 2023/24; and,



b) Award a professional services agreement to Price Paige & Company to prepare the annual audit of financial statements for Fiscal Year 2024/25, for an amount not-to-exceed \$8,280, for a contract term up to December 31, 2026, with the option to extend services for one additional year; and authorize the Board Chair to execute the agreement, provided there is funding in the budget, on behalf of Southeast Water Coalition, in a form approved by the Southeast Water Coalition attorney.

6. DISCUSSION/ACTION REGARDING POTENTIAL NEW MEMBERSHIP OF THE SOUTHEAST WATER COALITION

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Discuss and approve the outreach letter, updated map, list of cities, and overall invitation packet for potential new members.

7. DISCUSSION/ACTION REGARDING STRATEGIC PLAN UPDATE

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Review and approve recommended updates to the 2017 SEWC Strategic Plan.

8. DISCUSSION/ACTION REGARDING A POLICY FOR ADMINISTRATIVE ENTITY LETTERS

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Discuss the option of creating a policy that would allow the Administrative Entity to collectively send correspondence without Board approval, if necessary.

9. GENERAL LEGISLATIVE UPDATE

Albert Mendoza, AE Chair, City of Norwalk

Recommendation: Receive and file a general legislative update for relevant bills.

10. DISCUSSION REGARDING REGULATORY UPDATES

Albert Mendoza, AE Chair, City of Norwalk and Derek Nguyen, AE Member, City of Lakewood

Recommendation: Review and discuss relevant regulatory updates.

11. BOARD OF DIRECTORS COMMENTS

12. ADMINISTRATIVE ENTITY CHAIR / LEAD AGENCY COMMENTS

13. ADJOURNMENT



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On November 26, 2025, 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 Utilities Department at least 24 hours in advance of the meeting at (562) 929-5511.

The next meeting of the Southeast Water Coalition Policy Board will be on Thursday, February 5, 2025, at 7:00 PM, at Norwalk Arts & Sports Complex, Sproul Room, 13000 Clarkdale Avenue, Norwalk, CA 90650.



**MINUTES OF THE SOUTHEAST WATER COALITION
REGULAR MEETING OF THE POLICY BOARD
THURSDAY, AUGUST 7, 2025, 7:00 p.m.**

A regular meeting of the Board of Directors of the Southeast Water Coalition Joint Powers Authority was held on Thursday, August 7, 2025 at 7:00 p.m. at the Norwalk Arts & Sports Complex, Sproul Room, 13000 Clarkdale Avenue, Norwalk CA 90650. Chair Ana Valencia called the meeting to order at 7:09 p.m. At the time the meeting was called to order, a quorum of members was present.

Ms. Madeline Gallagher took attendance, and the following Board of Directors members were present:

BOARD MEMBERS PRESENT:

Jennifer Hong	City of Cerritos
Horacio Ortiz	City of Downey
Todd Rogers	City of Lakewood
Ana Valencia	City of Norwalk
Isabel Aguayo	City of Paramount
Andrew Lara	City of Pico Rivera
Joe Angel Zamora	City of Santa Fe Springs
Maria del Pilar Avalos	City of South Gate
Octavio Martinez	City of Whittier

STAFF AND GUESTS ON SIGN-IN SHEET:

Alvin Papa	City of Cerritos – AE
Dan Mueller	City of Downey – AE
Derek Nguyen	City of Lakewood – AE
Michelle Tse	City of Paramount – AE
Derwin Dy	City of South Gate – AE
Ray Cordero	City of Whittier – AE
Glen Kau	AE Chair, City of Norwalk
Jacque Koontz	City of Norwalk Staff
Michael Jea	City of Norwalk Staff
Madeline Gallagher	SEWC Staff

Nicholas Ghirelli
Jody Fortunato

Richards Watson & Gershon
Cossich Law (virtual)

ITEM 2 – PUBLIC COMMENT

None.

ITEM 3 - CONSENT CALENDAR

Director Rogers moved to approve the consent calendar.

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

AYES: Hong, Ortiz, Rogers, Valencia, Aguayo, Lara, Zamora, Avalos.

NOES: None.

ABSTAIN: None.

ITEM 4 - PRESENTATION ON PFAS LITIGATION

Mr. Glen Kau provided a general summary regarding PFAS litigation and its impact on water systems and introduced Mr. Fortunato from the law firm of Cossich Law. He stated that Cossich Law currently representing several SEWC cities in the lawsuit and will provide an update.

Mr. Fortunato reported that the first payments from the 3M settlement have already been distributed, with the second round of payments set to begin. These initial two payments are expected to cover approximately 65% of the total settlement amount. Following the second payment, subsequent annual payments will be made each summer until 2033. For the DuPont settlement, an initial payment is anticipated by the end of this year or early 2026. He also noted that payments from Tyco and BASF are also expected by the end of the year, as their claims are currently being assessed.

Mr. Fortunato also mentioned that a special needs fund has been established for public entities to cover costs associated with dealing with PFAS contamination. He noted that the fund is discretionary and does not have a formal allocation procedure. A supplemental fund has also been created for entities involved in the Phase 1 action fund. This fund allows claimants to file additional claims before 2030 for wells or water sources that initially tested below 4 parts per trillion (ppt) but later test at or above that level. Fortunato urged members to be proactive in submitting these claims, as the fund has a finite amount of money.

Fortunato also provided updates on other legal actions, including new personal injury claims with a trial set in October. He also discussed ongoing "dirt cases," which involve identifying PFAS contamination at airports and fire training centers.

During the meeting's Q&A session, Director Lara asked about the supplemental claims until 2030 and what would happen if a city drilled in a well and it came back with PFAS. Fortunato clarified that to file a supplemental claim, a new well must be attached to a system that was part of the original Phase 1 claim. However, costs for a new well drilled due to PFAS contamination could potentially be covered under a special needs claim.

Discussion also took place regarding potential plans in the event there were roll backs to the regulatory benchmarks within the Environmental Protection Agency (EPA) and what would happen to the lawsuits and payments as a result. Mr. Fortunato assured SEWC members that the settlement agreements are legally binding contracts between the defendants and claimants. Therefore, any potential changes to regulatory benchmarks by the EPA would not affect the terms of the settlement, and payments would continue as agreed.

There were no further questions.

ITEM 5 - GENERAL LEGISLATIVE UPDATE

Mr. Kau introduced Mr. Ghirelli of RWG to provide a general legislative update regarding three bills SEWC has been tracking related to PFAS.

Mr. Ghirelli began with Assembly Bill 794 ("AB-794") which would authorize the State Water Board to issue emergency regulations setting maximum contaminant levels ("MCL") for primary and secondary drinking water standards and require the State Water Board to adopt an emergency regulation and initiate a primary drinking water standard for PFAS by December 31, 2026. He noted that since the bill was introduced, the EPA noted they were going to extend the compliance deadline for a couple of years. So, in response to that, there was an amendment to the bill that stated any emergency regulation couldn't be earlier than EPA's compliance deadline. He also confirmed that this bill is still in the Assembly but noted that this bill did not pass out of the Assembly prior to the legislative deadline and is now inactive. It was largely opposed by public water systems, but this does not mean that the state water board does not have the ability to adopt an MCL through the regular process.

He then reported on Senate Bill 454 ("SB-454") which would create the PFAS Mitigation Fund ("Fund"), to be managed by the State Water Resources Control Board. The Fund's contents would be used to assist local public entities like water

suppliers and wastewater operators in covering the costs of treating PFAS contaminated water to remove the forever chemicals. Mr. Ghirelli stated that this bill unanimously passed in the Senate and is now pending in the Assembly Appropriations Committee's suspense file, awaiting to see if it will progress in this legislative session. He also noted that this bill has limited effectiveness because it has no funding source. Mr. Ghirelli confirmed that there would be no impact on taxes.

Mr. Ghirelli concluded his report with House of Representatives Bill 1267 ("HR-1267") which proposes the "Water Systems PFAS Liability Protection Act," to exempt certain entities from liability for release of PFAS substances under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). Mr. Ghirelli noted that this bill is still pending in Congress with no action being taken to date by the House of Representatives. He stated that there will likely be more action from EPA.

There were no further questions.

Director Octavio Martinez entered the meeting at 7:28 PM.

ITEM 6 – DISCUSSION/ACTION REGARDING GENERAL COUNSEL PROPOSED FEE AMENDMENT

Mr. Kau introduced Richards Watson & Gershon's (RWG) proposal to increase the fee for General Counsel services. He noted that RWG's no-term contract agreement has billing rates set at \$170 per hour, which have not been adjusted since 2006. The proposal requests a gradual increase in billing rates to be phased in over the next four years. Director Avalos thanked Mr. Ghirelli and the RWG team for their generosity and noted that the increase is reasonable and the gradual increase is appreciated.

Director Zamora moved to approve the following:

- a) Approve the requested billing rate fee proposal from Richards Watson & Gershon.

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

AYES: Hong, Ortiz, Rogers, Valencia, Aguayo, Lara, Zamora, Avalos, Martinez.

NOES: None.

ABSTAIN: None.

ITEM 7 – DISCUSSION/ACTION REGARDING POTENTIAL NEW MEMBERSHIP OF SEWC

Mr. Kau initiated a discussion regarding the formalization of a written process for admitting new members into SEWC and creation of a member benefits one-pager and a map of SEWC cities surrounding cities.

Director Martinez noted that while the potential expansion of SEWC members makes sense, he would also like to see more involvement from current SEWC members.

Board members agreed that AE members should draft a letter introducing SEWC and what membership entails. The letter should include the cost of membership and member benefits and should be sent out with a copy of the updated Strategic Plan, member benefits one-pager, and new membership process one-pager.

Board members also requested to see a final version of the SEWC map in color at the next Board meeting along with a recommendation by the AE of which additional cities could be invited to join SEWC.

ITEM 8 – DISCUSSION/ACTION REGARDING STRATEGIC PLAN REVIEW

Mr. Kau provided a general update regarding the Strategic Plan which was discussed at past meetings. He reported that there was general consensus at the last AE meeting to bring the more recent Strategic Plan, which was adopted in 2017, to the Board for direction. Mr. Kau provided a couple of minor suggestions from the AE and opened it up for a discussion.

Board members pointed out that the names of Board and AE members need to be updated, but that overall, there were no major changes needed at this time. Mr. Ghirelli also confirmed that per the JPA, new SEWC members can be any entity that is otherwise concerned about water and within the LA region.

ITEM 9 – BOARD OF DIRECTORS COMMENTS

Director Valencia and Director Avalos welcomed everyone back to school.

ITEM 10 – ADMINISTRATIVE ENTITY CHAIR/LEAD AGENCY COMMENTS

Mr. Kau noted that Board Members had previously expressed interest in attending the MWD Pure Water Tour and that surveys were sent out. He stated that a tour was scheduled for Tuesday, August 12th at 10:00 am, but at least 10 attendees were needed for the tour.

Mr. Kau also made an announcement for Board Members to please fill out the forms for stipends if they haven't already.

ITEM 11 - ADJOURNMENT

The meeting adjourned at 8:02 p.m.

The next regular Southeast Water Coalition Board Meeting will be on October 2, 2025 at 7:00 p.m. at the Norwalk Arts & Sports Complex, Sproul Room, 13000 Clarkdale Avenue, Norwalk CA 90650.

Ana Valencia, Chair

Date



SOUTHEAST WATER COALITION

PAYMENT REGISTER AUGUST 2025 - NOVEMBER 2025

<u>Check No.</u>	<u>Check Amount</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Transaction Description</u>
203323	4,540.00	8/26/2025	KOA CONSULTING INC	PROF SVCS/JUL 25
203453	150.00	9/4/2025	ANDREW LARA	BRD MBR STIP/08-07-25
203454	150.00	9/4/2025	TODD ROGERS	BRD MBR STIP/08-07-25
203759	4,540.00	9/23/2025	KOA CONSULTING INC	PROF SVCS/AUG25
204481	1,480.00	10/30/2025	PRICE PAINGE & CO	FY24 AUDIT FEES
204570	4,540.00	11/5/2025	KOA CONSULTING INC	PROF SVCS/SEP25
204837	4,540.00	11/25/2025	KOA CONSULTING INC	PROF SVCS/OCT25
	19,940.00			

<u>EFT</u>	<u>EFT Amount</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Transaction Description</u>
V22053	150.00	9/4/2025	ANA M VALENCIA	BRD MBR STIP/08-07-25
V22055	150.00	9/4/2025	JOSE ANGEL ZAMOR	BRD MBR STIP/08-07-25
V22054	150.00	9/4/2025	HORACIO ORTIZ	BRD MBR STIP/08-07-25
V22056	150.00	9/4/2025	MARIA DEL PILAR	BRD MBR STIP/08-07-25
V22057	150.00	9/4/2025	MARIA ISABEL AGU	BRD MBR STIP/08-07-25
V22058	150.00	9/4/2025	OCTAVIO CESAR MA	BRD MBR STIP/08-07-25
V22152	508.10	9/16/2025	RICHARDS WATSON AND GERSHON INC	LEGAL SVCS/JUL 2025
V22279	512.50	9/23/2025	RICHARDS WATSON AND GERSHON INC	LEGAL SVCS/AUG25
V22678	717.50	11/13/2025	RICHARDS WATSON AND GERSHON INC	LEGAL SVCS/SEP25
	2,638.10			

<u>MISC</u>	<u>Amount</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Transaction Description</u>
CAL CARD	242.88	8/21/2025	NORTHGATE MARKET #024	8-2JUL
CAL CARD	4.42	8/21/2025	TARGET 00013409	8-2JUL
CAL CARD	17.98	8/21/2025	COSTCO WHSE #0410	8-2JUL
CAL CARD	60.74	9/30/2025	AMAZON MKTPL*L03TQ6BC3	9-3AUG
CAL CARD	44.00	9/30/2025	STARBUCKS	9-3AUG
CAL CARD	32.76	9/30/2025	STATEROBROS154	9-3AUG
CAL CARD	468.42	9/30/2025	TST*MR. ROSEWOOD RESTAUR	9-3AUG
CAL CARD	360.92	10/21/2025	PANERA BREAD #601975 O	10-4SEP
	1,232.12			
Total	23,810.22			



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

Date: December 4, 2025
To: Southeast Water Coalition Board of Directors
From: Albert Mendoza, AE Chair, City of Norwalk

**Subject: DISCUSSION/ACTION REGARDING PROGRAM MANAGEMENT
SUPPORT PROPOSAL**

Discussion:

Koa Consulting, Inc. ("KCI") has been providing program management support services to SEWC since November 2023. The scope of work includes services and support for the Administrative Entity (AE) and Policy Board meetings. Services also include records management and organization, and official filings. The current contract with a fixed monthly fee of \$4,540 (\$54,480 annual fee) expired in November 2025.

During the July meeting, AE members requested that KCI provide updated pricing in a proposal to extend the contract through an amendment. The term discussed was two years and seven months, so that the term aligns with the fiscal year. AE members also requested that the amendment includes an option to extend the contract for two years.

KCI's proposal to provide program management support services includes a monthly fee of \$4,960 per month (\$59,520 annual fee) through June 30, 2028. Fees after June 30, 2028 may be renegotiated and approved via approval of the annual budget for fiscal years 2028/29 and 2029/30.

Recommendation:

Approve an amendment to the professional services agreement with Koa Consulting, Inc for Program Management Support, for an amount not-to-exceed \$4,960 per month, for a contract term up to June 30, 2028, with the option to extend services for two additional years; and authorize the Board Chair to execute the agreement, provided there is funding in the budget, on behalf of Southeast Water Coalition, in a form approved by the Southeast Water Coalition attorney.

Attachments:

1. 2025 – 2028 Koa Consulting, Inc. Amendment Proposal for Program Management Services.



**Southeast
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September 18, 2025

Glen W.C. Kau, P.E.
Administrative Entity Chair
The Southeast Water Coalition (SEWC)
City of Norwalk (SEWC Lead Agency)
12700 Norwalk Blvd.,
Norwalk, CA 90650

Subject: Southeast Water Coalition (SEWC) Program Management Services

Dear Mr. Kau:

After two years of providing the Southeast Water Coalition (SEWC) program management services, Koa Consulting, Inc. would be proud to continue our services. We have thoroughly enjoyed working alongside the SEWC members for the past two years and are excited about the opportunity to continue providing these services with our devoted team and comprehensive approach.

As you know, our team is comprised of qualified staff to ensure that SEWC is provided with the right support and guidance for meetings, functional organization and document management, filings, and more. Having provided the Gateway Water Management Authority and Rio Hondo/San Gabriel River Watershed Management JPA with similar program management services for years, we are confident that we remain the right fit for SEWC.

Our attached 2025-2028 Program Management Services Proposal accurately reflects our time spent assisting SEWC with all program management services. We are proposing an amendment of our contract with an extension term of two years and seven months and an option to extend for an additional two years.

The quality and prioritization of work for SEWC will continue to be held to our highest standards and we hope to continue working with SEWC to provide administrative support for the Administrative Entity (AE) and Policy Board.

Should you have any questions, please do not hesitate to contact me at (949) 887-0731 or by email at kekoa@koaconsulting.net.

Respectfully submitted,

Kekoa Anderson, PE
CEO
Koa Consulting, Inc.
S Corporation

Scope of Services

The following suggested tasks have been developed based upon a review of the Southeast Water Coalition (SEWC)'s Scope of Work. Our diverse and skilled team will work with the SEWC to provide administrative support for the Administrative Entity and Policy Board's bi-monthly meetings, provide general administrative support for your meetings and throughout the month, assist with document management and filings and ultimately serve as the agency head, code officer, and filing officer.

TASK 1 AE AND POLICY BOARD BI-MONTHLY MEETINGS SUPPORT

- Provide administrative support for the Southeast Water Coalition's Administrative Entity (AE) and Policy Board's bi-monthly meetings.
- Prepare the meetings' agenda, staff reports (as requested) and the previous meetings' minutes.
- Researching and provide supporting documents for each meetings' agenda items.
- Attend AE bi-monthly meetings and Policy Board bi-monthly meetings.
- Provide a meeting sign-in list.
- Print and setup nameplates prior to the meeting start.
- Supply additional copies of the agenda packet and copies of supporting documents, as required.
- Ensure that the approved minutes of the previous meeting are signed by the AE Chair or Policy Board Chair and provide them to the Lead Agency representative for retention.
- Take minutes at each meeting.
- Coordinate with the Lead Agency to ensure necessary audio/visual or meeting equipment is provided at the meeting venue.
- Coordinate proper meeting room setup and assist with the coordination of meeting catering, as requested.
- Coordinate meeting presentations with other agencies, as requested.
- In conjunction with the Administrative Entity Chair, develop items for the AE and Board agendas, providing item research as necessary.
- Write the staff report for each item.

For Task 1 – A fixed amount of \$2.8k per month is proposed for general administration and monthly meetings support, which includes direct costs such as mileage and printing costs.

TASK 2 – ADMINISTRATIVE SUPPORT AND DOCUMENT MANAGEMENT

- Preparation and submittal of State or Federal forms.
- Preparation and submittal of position letters to regulatory agencies, elected officials, water providers, and other interested parties.
- Manage all SEWC related documents.
- Neatly organize meeting documents, filings, and other official SEWC documents in Dropbox.

For Task 2 – A fixed amount of \$1.4k per month is proposed for all administrative support and document management.

TASK 3 – FILINGS

- Act as the filing officer for Assuming Office and Leaving Office forms and annual Form 700 filings with the Los Angeles County Board of Supervisors' office.
- Serve as the designated agency head, code officer, and filing officer.

For Task 3 – A fixed amount of \$750 per month is proposed to manage filings, which includes mailing costs like printing and stamps.



**Southeast
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Fee Proposal

Price Summary Table Koa CONSULTING 419 Main Street, Suite 320 Huntington Beach, CA 92648		Classification and Rates				Pricing Breakdown		Estimated Fee Assumption (per Month)
		\$215.00	\$185.00	\$75.00	<< Bill/Hr			
		Sr. Manager	Manager	Admin	Total Labor Hours	Labor	ODCs	
The Southeast Water Coalition (SEWC)								
No.	Task Description							
1	MONTHLY MEETINGS SUPPORT	1	12	4	17	\$2,735	\$75	\$2,810
2	ADMINISTRATIVE SUPPORT AND DOCUMENT MANAGEMENT	1	6	1	8	\$1,400		\$1,400
3	FILINGS	1	2	2	5	\$735	\$15	\$750
Totals		3	20	7	30	\$4,870	\$90	\$4,960
Notes, etc.								
Assumptions: The monthly task breakdowns are provided as a basis for how our lump sum estimates were calculated.								
						Total Monthly Fee		\$ 4,960



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

Date: December 4, 2025
To: Southeast Water Coalition Board of Directors
From: Albert Mendoza, AE Chair, City of Norwalk

Subject: DISCUSSION/ACTION REGARDING ANNUAL FINANCIAL AUDIT AND PROFESSIONAL AUDIT SERVICES

Discussion:

To retain the most cost-effective and independent auditing firm for the Southeast Water Coalition (SEWC), the City of Norwalk, as Lead Agency, prepared and posted a Request for Quotation "RFQ" on October 18, 2024. The RFQ was to solicit professional services for the annual audit of SEWC financial statements for fiscal year (FY) 2023/24. The Administrative Entity (AE) Chair also reached out to various auditors recommended by AE Members to notify them of the opportunity. SEWC received one quotation via the solicitation process from Price Paige & Company (Price Paige). During the November AE Meeting, the SEWC members determined that Price Paige is suitable to bring to the Board as a recommendation. The SEWC Board approved a professional services agreement with Price Paige in the amount of \$8,280.

Price Paige has performed an audit, in accordance with the auditing standards accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Controller General of the United States. The audit of financial statements of SEWC for the FY ending June 30, 2024 has been issued in a report dated September 17, 2025.

Price and Paige's contract agreement will expire December 30, 2025. To maintain momentum and complete the next annual audit of SEWC financial statements (FY 2024/25), the City of Norwalk requested a proposal from Price Paige. The attached proposal of \$8,280 is for the same amount as the previous year's audit services. Also included in the proposal is the option to extend services for one additional year at the same cost.

Recommendations:

- a) Receive and file the audit report of financial statements for Fiscal Year 2023/24;
and,

Agenda Item: 5

- b) Award a professional services agreement to Price Paige & Company to prepare the annual audit of financial statements for Fiscal Year 2024/25, for an amount not-to-exceed \$8,280, for a contract term up to December 31, 2026, with the option to extend services for one additional year; and authorize the Board Chair to execute the agreement, provided there is funding in the budget, on behalf of Southeast Water Coalition, in a form approved by the Southeast Water Coalition attorney.

Attachments:

- 1. Financial Audit Report for FY 2023/24
- 2. Proposal from Price Paige & Company

Southeast Water Coalition | Vernon, CA

Financial Statements

For the Year Ended June 30, 2024



PRICE PAIGE & COMPANY
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southeast Water Coalition
c/o City of Vernon
Vernon, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Southeast Water Coalition (the Coalition), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Coalition's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Coalition as of June 30, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2025, on our consideration of the Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coalition's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coalition's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
September 17, 2025

BASIC FINANCIAL STATEMENTS

SOUTHEAST WATER COALITION | JUNE 30, 2024
Statement of Net Position

ASSETS	
Cash	\$ 200,822
Due from member agencies	<u>15,000</u>
 Total assets	 <u>215,822</u>
 LIABILITIES	
Accounts payable	<u>5,780</u>
 Total liabilities	 <u>5,780</u>
 NET POSITION	
Unrestricted	<u>210,042</u>
 Total net position	 <u><u>\$ 210,042</u></u>

SOUTHEAST WATER COALITION | FOR THE YEAR ENDED JUNE 30, 2024

Statement of Revenues, Expenses, and Change in Net Position

Operating revenues:	
Member contributions	\$ 44,000
Total operating revenues	<u>44,000</u>
Operating expenses:	
Contract services	36,930
Professional services	10,844
Policy board compensation	4,500
Meeting expense	3,037
Administration	<u>1,921</u>
Total operating expenses	<u>57,232</u>
Operating income (loss)	<u>(13,232)</u>
Nonoperating revenues (expenses):	
Investment income	<u>1,568</u>
Total nonoperating revenues (expenses)	<u>1,568</u>
Change in net position	(11,664)
Net position - beginning	<u>221,706</u>
Net position - ending	<u>\$ 210,042</u>

The notes to the basic financial statements are an integral part of this statement.

SOUTHEAST WATER COALITION | FOR THE YEAR ENDED JUNE 30, 2024

Statement of Cash Flows

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from member agencies	\$ 32,000
Cash paid to vendors and suppliers for materials and services	<u>(53,600)</u>
Net cash provided by (used for) operating activities	<u>(21,600)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>1,568</u>
Net cash provided by (used for) investing activities	<u>1,568</u>
Increase (decrease) in cash	(20,032)
Cash - beginning	<u>220,854</u>
Cash - ending	<u><u>\$ 200,822</u></u>

**Reconciliation of net operating income (loss) to net cash provided
by (used for) operating activities:**

Net operating income (loss)	\$ (13,232)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Change in due from member agencies	(12,000)
Change in accounts payable	<u>3,632</u>
Net cash provided by (used for) operating activities	<u><u>\$ (21,600)</u></u>

The notes to the basic financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

On July 1, 1991, certain public agencies entered into a joint powers agreement to form the Southeast Water Coalition (the Coalition). Each member has one representative on the Policy Board and on the Administrative Entity. The purpose of the Coalition is to jointly exercise its powers for the purpose of improving the quality and quantity of potable water in the southeast area of Los Angeles County. The Coalition members are the cities of Downey, Whittier, Paramount, Pico Rivera, Lakewood, Norwalk, Commerce, Vernon, Cerritos, South Gate, and Santa Fe Springs.

It is the firm position of the Coalition that both the containment at Commerce Narrows and cleanup of the San Gabriel Basin are essential to the protection of the Central Basin. The containment program is the Coalition's primary short-term focus because the Commerce Narrows containment program serves primarily to protect the Central Basin.

In addition, the Coalition will work with communities and agencies in the San Gabriel Basin to expedite the cleanup of the San Gabriel Basin as a no less important, but longer term, focus. In addition, it is the goal of the Coalition to return the decision-making authority, both in terms of alternatives chosen and lead agency status with respect to the implementation of the containment program at Commerce Narrows and the cleanup of the San Gabriel Basin, to agencies at the local or state level while pursuing funds at the federal, state, and local levels.

B. Basis of Presentation

The financial statements of the Coalition are prepared in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the acknowledged standard-setting body for establishing accounting and financial reporting standards followed by the governmental entities in the United States.

C. Basis of Accounting and Measurement Focus

The Coalition uses the proprietary fund type (Enterprise Fund) to account for its operations. The financial statements (i.e., the Statement of Net Position, the Statement of Revenues, Expenses and Change in Net Position, and Statement of Cash Flows) report information on all of the activities of the primary government. The Coalition accounts for its operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses) of providing goods or services on a continuing basis be financed or recovered primarily through member contributions.

The Coalition's financial statements are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Coalition are member contributions. Operating expenses for enterprise funds include the cost of contract and professional services, policy board compensation, meeting and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash

For purposes of the Statements of Cash Flows, the Coalition considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 1 – FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Use of Estimates

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Net Position

Net position is reported in three categories as follows:

Net Investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvements of the assets.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted – This amount is all net position that does not meet the definition of “net investments in capital assets” or “restricted net position”.

When an expense is incurred for a purpose for which both restricted and unrestricted net position are available, it is the Coalition's practice to apply restricted net position first.

NOTE 2 – CASH

The Coalition's cash was maintained in a deposit and investment pool managed by the City of Vernon during the year ended June 30, 2024. This pool is governed by and under the regulatory oversight of the investment policy adopted by the City Council of the City. The Coalition has not adopted a deposit and investment policy separate from that of the City of Vernon. The Coalition considers the pooled cash and investments with maturity of 3 months or less as cash equivalents.

Information regarding the City of Vernon's deposit and investment pool, including interest rate, credit, and custodial credit risks, can be found in the City of Vernon's Basic Financial Statements for the year ended June 30, 2024, located at City Hall and on the City of Vernon's website.

At June 30, 2024, the Coalition's cash balance was \$200,822.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

A. Litigation

In the ordinary course of operations, the Coalition is subject to claims and litigation from outside parties. In the opinion of the Coalition's management, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Coalition.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Southeast Water Coalition
c/o City of Vernon
Vernon, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Southeast Water Coalition (the Coalition), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Coalition's basic financial statements, and have issued our report thereon dated September 17, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

Purpose of This Report

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

Price Page & Company

Clovis, California
September 17, 2025



PRICE PAIGE & COMPANY
Certified Public Accountants

QUOTE FOR PROFESSIONAL AUDIT SERVICES

FOR

SOUTHEAST WATER COALITION

**FOR THE YEAR ENDED
JUNE 30, 2025**



**Southeast
Water Coalition**

A joint powers authority to protect the Central Groundwater Basin

Submitted
November 12, 2025

By

Fausto Hinojosa, CPA, CFE
Managing Partner/Audit Partner
Price Paige & Company
Certified Public Accountants

570 N. Magnolia Ave., Ste. 100
Clovis, California 93611
Phone: 559-299-9540
Fax: 559-299-2344
Email: fausto@ppcpas.com
Website: www.ppc.cpa
License No: 66479
Federal ID No: 87-3267876

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PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

November 12, 2025

Glen W.C. Kau, P.E., Director of Public Services/City Engineer
City of Norwalk
c/o Southeast Water Coalition
12700 Norwalk Boulevard
Norwalk, CA 90650

Dear Mr. W.C. Kau, P.E. and Auditor Selection Committee:

Thank you for considering Price Paige & Company for your audit services. It is our pleasure to present to you our quote to provide professional audit services to the Southeast Water Coalition (the Coalition) for the year ended June 30, 2025, with one potential one-year extension. When presented with viable alternatives, it is not always easy for entities such as the Coalition to identify the accounting firm that can best meet their overall auditing needs. Over the past 45 years, we have developed significant expertise in governmental accounting. Our knowledge of the governmental environment and operations has allowed us to develop more robust audit procedures that enhance the quality of our audits.

Our audit professionals are highly qualified and have extensive experience and expertise in governmental auditing and accounting. The firm has been a member of the AICPA Government Audit Quality Center for several years, and all our accountants take a minimum of 80 hours of continuing professional education every two years specifically related to the auditing and accounting services we provide. This commitment to learning yields a direct benefit to the clients we work with. Additionally, our firm has a well-earned reputation for ensuring audit engagements are performed in accordance with professional standards and, just as importantly, on time. We are committed to communicating effectively to ensure that we address your questions comprehensively. As demonstrated by our resumes and considerable involvement by the firm's audit principal, we feel that our firm has the resources, knowledge and expertise to meet and service the needs of the Coalition. We can assure you that we fully understand the scope of work to be performed, and we wish to emphasize our commitment to meeting and exceeding all your expectations. We are committed to providing these services in accordance with the Coalition's required timelines. Additional information about our firm's audit department and the services we offer can be found on our website, www.ppc.cpa.

We trust that this quote to provide professional audit services will adequately summarize our approach to client service and identify those attributes that set Price Paige & Company apart from others. We appreciate the opportunity to submit this quote application to serve you and would be pleased to furnish any additional information regarding our firm or answer any other specific questions or concerns you may have. I am an audit principal for our firm, and I am authorized to make representations regarding this quote. I may be reached at (559) 299-9540 or via email at fausto@ppcpas.com.

Sincerely,

Fausto Hinojosa, CPA, CFE
Managing Partner/Audit Partner
Price Paige & Company
Certified Public Accountants

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

www.ppc.cpa

FIRM HISTORY AND QUALIFICATIONS

Established in 1976 and located in Clovis, California, Price Paige & Company consists of five owners (partners) each of whom is a Certified Public Accountant. The partners of the firm have more than 90 years of combined experience in public accounting. Our firm is comprised of over 50 professional, paraprofessional and administrative staff. More than 50% of Price Paige & Company's practice is in auditing and attestation services, primarily in the governmental and not-for-profit sectors. In addition, we provide services to many businesses in accounting, tax and management consultation in all areas.

Price Paige & Company is recognized in the community and by our peers as experts in the areas of governmental and not-for-profit auditing, attestation and accounting. Our proven commitment to excellence allows us to work with clients in the timeliest and most cost-effective manner possible. Our auditors are not seasonal; that is, they are not "tax accountants" who perform audits in the "off-season." They focus exclusively on providing audit services, and they receive over 80 hours of continuing education every two years, specifically related to improving their audit skills. The experience of our team allows us to conduct very efficient and effective audits.

We currently provide auditing, attestation and accounting services to more than 60 governmental agencies and 75 not-for-profit organizations annually, many of which are federal single audits. The breadth and scope of single audits we have conducted is significant, and we have experience auditing organizations with an excess of \$100 million dollars of federal funding.

We will assign a team of personnel from our firm to your account to provide the range of services you have requested. This team is kept abreast of any significant developments that arise through our normal association with you. The most important aspect of this approach is to provide continuity to the engagement. We understand that the audit process requires two-way communication, and we accept our responsibility to listen to our client's concerns and deliver timely and effective solutions.

Proactive Rather than Reactive Approach to Client Service

A primary objective of our client service is to make positive contributions to our client's profitable operations, organizational efficiency and productivity. We work hard at anticipating problems and ensuring there are no surprises. We are creative and will always present alternatives for our client's evaluation rather than relying on the "textbook" solution. We will schedule frequent meetings and utilize our management recommendation letters as tools for communication with you.

Smart Technologies

We use sophisticated data analysis software (IDEA) that allows us to perform specific fraud-detection tests on large amounts of data; in some cases, testing 100% of the transaction population. Some of the specific tests we perform include the following: duplicate payment tests, matching of employee and vendor addresses to identify potential conflicts and review of purchase orders to identify potential bid splitting. We believe our creative use of this value-added software tool allows us to perform more effective audits and gives our clients increased confidence in their financial reporting. For example, we have successfully implemented this data analysis software and testing at Fresno Unified School District, which is the third largest school district in the state, with a budget in excess of two billion dollars.

All our audit engagements are performed utilizing a paperless and digital approach. Our auditing software allows us to increase our efficiency and provide a streamlined workflow. Documents and files can easily be retrieved and forwarded to our clients without the need for photocopying.

External Peer Review

The successful peer reviews our firm has received and our Engagement Quality Control Review program serve as evidence of our commitment to meeting the standards of care and performance applicable to our auditing, attestation and accounting practice, which demonstrate the extra measures we take to ensure continued successful compliance with our client's expectations about our quality and competence.

For your consideration, a copy of the firm's Peer Review Report is included in this quote as listed on the table of contents. The firm received a "pass" report, and the review included specific not-for-profit, governmental and Uniform Guidance engagements.

We Conduct Peer Reviews

In addition to receiving successful peer reviews, **Price Paige & Company also conducts peer reviews** of other accounting firms. Essentially, we "audit" other auditors to ensure auditing and accounting standards are met. Being a peer reviewer requires us to understand the technical accounting rules, especially in the governmental and not-for-profit environments. We leverage our experience as technical peer reviewers in our audit engagements so that we can perform effective and efficient audits for all our clients.

Mandatory Qualifications

Licensure and Certification — The associates of Price Paige & Company are licensed Certified Public Accountants, certified by the California State Board of Accountancy (License #PART 8241). All team members assigned to the engagement comply with the 80-hour continuing education requirements promulgated by *Government Auditing Standards* issued by the U.S. Government Accountability Office.

Independence — Our firm is independent with respect to the Coalition defined by applicable standards generally acceptable in the United States as well as *Government Auditing Standards* issued by the U.S. Government Accountability Office.

No Conflict of Interest — Our firm's established policy is that we do not submit quotes for auditing, attestation or accounting services if there is a known conflict of interest with the potential client. There are no current or potential conflicts of interest with anyone (employees, management, officers or directors) within the Coalition.

No Disciplinary Actions — Price Paige & Company has **never had any disciplinary actions** taken nor are any pending with the Federal or State regulatory bodies or professional organizations. In addition, we are pleased to affirm that we have never had an unresolved dispute related to accounting or auditing matters that resulted in disengagements. We work closely with our clients to develop solutions that are consistent with the accounting rules and auditing standards issued by the U.S. Government Accountability Office.

Additional Confirmations of Understanding

File Retention — We will retain working papers for seven (7) years following the completion of the audit.

Equal Opportunity Employer — Price Paige & Company is an equal opportunity employer. All employees are treated on their merits, without regard to race, age, sex, marital status or other factors not applicable to their position. Employees are valued according to how well they perform their duties, their demonstrated abilities and their enthusiasm toward maintaining the firm's standards of service.

Liability Coverage — Price Paige & Company maintains comprehensive General Liability Coverage and Errors and Omissions Insurance with a limit of at least \$3,000,000. All required certificates of insurance will be provided to the Coalition's management, should our firm be the successful bidder.

VALUE-ADDED SERVICES AND SUPPORT

The role of accountants has evolved over time in response to the client's needs. Our firm has made it a practice to be proactive with clients by providing value-added services, all of which are included as part of our audit engagement. Below are some of the value-added benefits that we provide to our clients at **no additional charge**.

Consultation on Accounting Matters

We provide our clients with guidance on technical accounting matters. We encourage our clients to communicate with us regarding any technical accounting matter, as it allows us to be proactive in the audit process. If the technical accounting questions are outside the scope of the audit or require significant research, we will communicate with management the appropriate cost for their approval before proceeding with any additional services.

Client Training

We believe it is important to give our clients access to a full range of information to help them stay aware of current accounting developments and financial reporting issues. As part of our client service program, we will periodically hold client training seminars and summary courses aimed at providing our clients with an understanding of relevant accountancy issues. Training sessions we have offered included the following topics: understanding and mitigating the risk of fraud, reading and understanding governmental and non-profit financial statements and understanding the impact of unrelated business taxable income activities.

At the request of our clients, we expect to offer more client training sessions on some of the following topics in the future:

- current and pending government accounting pronouncements,
- differences in grant accounting vs. GAAP accounting,
- understanding the risk of fraud in an organization.

As part of the value-added service included in our client engagements, we invite our clients and their board members to attend the training sessions, which we anticipate offering remotely through webinar or digital conferences.

Approach to Communication and Expectations of Our Clients

In order to meet and exceed your expectations, we are diligent about maintaining open communication throughout the entire engagement. In our experience, this results in a more effective engagement. Our approach depends on the timely response and assistance of the Coalition. This cooperation will further ensure our work is completed in an efficient and cost-effective manner.

Additional Services Provided

In addition to financial statement audits, we also offer the following services: Internal Control Reviews, Forensic Accounting, Fraud Investigations, Agreed-Upon Procedures, Financial Statement Reviews and Financial Statement Compilations.

TEAM QUALIFICATIONS AND EXPERIENCE

We have an outstanding team of professionals who have established themselves as qualified competent individuals. We can assure you that each of our professionals is experienced in governmental accounting and GASB accounting pronouncements. Following is a brief overview of their experience. Detailed experience for each of these professionals can be found in Team Resumes as listed on the table of contents.

Years of Auditing / Accounting Experience

Managing Partner/Audit Partner

Fausto Hinojosa, CPA, CFE

35

Quality Control Partner

Joshua Giosa, CPA

18

Audit Manager

Kristin Torres, CPA

10

Availability of Personnel and Time Requirements

Our level of staffing is more than sufficient to ensure that you receive a timely, efficient service. Should any of the above members of our team become unavailable, we will provide another equally qualified individual from our firm.

Continuity of Professional Staff and Succession Planning

Continuity of staff on engagements is as important to us as it is to our clients. Continuity promotes a thorough understanding of your needs and goals and helps us help you. A smooth transition from your existing firm to our firm will be accomplished as follows:

Communication — We stress communication early on with your staff to determine expectations, time frame for delivery of information and our extent and availability of assistance. We provide a written list of detailed information needed during our engagement, including critical due dates.

Experience — Members of our engagement team are very experienced in the operational, administrative and accounting and compliance issues related to governmental entities.

Quality — The firm maintains a rigorous quality control review process that includes not only a detailed review by a quality control manager and engagement partner but also an Engagement Quality Control Review (EQCR) as defined by AICPA standards.

Audit Approach — Our audit approach emphasizes effective up-front planning to identify issues for timely resolution.

TEAM RESUMES



FAUSTO HINOJOSA

Certified Public Accountant
Certified Fraud Examiner
California License # 66479

Present Position

Managing Partner/Audit Partner

Education and Experience

Fausto is Audit Partner in charge of audit and forensic consulting engagements for Price Paige & Company. For over thirty years his practice has focused on audit and accounting, fraud investigation, forensic consulting, and litigation support services. Fausto serves as the Managing Partner for the Firm and is responsible for providing strategic leadership. He has worked professionally in the accounting field since graduating from California State University, Fresno, in 1990. He became a Certified Public Accountant in 1994 and a shareholder with Price Paige & Company in 1997. A Certified Fraud Examiner, Fausto has investigated numerous allegations of fraud and has been designated a fraud expert in various legal proceedings.

After more than 30 years in the profession, Fausto has developed significant expertise specifically in the areas of audit risk assessment, governmental and not-for-profit auditing, fraud detection and prevention, federal/state grant compliance and internal controls.

Fausto currently serves as Chair of the California State Board of Accountancy Peer Review Oversight Committee. The committee oversees statewide peer review monitoring and enforcement to ensure CPA firms maintain high standards of audit quality, ethics, and compliance. Mr. Hinojosa is also the former Chair of the local Government Accounting and Auditing Committee for the California Society of CPAs. In addition, Fausto is a reviewer for the Government Finance Officers Association "Certificate of Achievement for Excellence in Financial Reporting" program. As the former Chair for the State Board of Accountancy Qualifications Committee, Fausto conducted audit workpaper reviews of CPA candidates in order to make licensure recommendations to the Committee.

Fausto is a former Adjunct Professor at Fresno Pacific University, where he taught an upper-division auditing course. He is a frequent lecturer to the California Society of CPAs and other professional organizations, business and civic groups on governmental and not-for-profit accounting and auditing, preventative fraud measures and the unique audit requirements for federal award programs under the Single Audit Act.

Professional Organizations and Community Involvement

- California Board of Accountancy Peer Review Oversight Committee — Chair
- State Board of Accountancy Qualifications Committee — Past Chair
- Fresno Chapter of California Society of CPAs — Past President
- Association of Certified Fraud Examiners — Member
- American Institute of Certified Public Accountants — Member
- Government Accounting and Auditing Committee of the Fresno Chapter — Past Chair
- State Government Accounting and Auditing Committee of the California Society of CPAs — Past Member
- Government Finance Officers Association — ACFR Reviewer



JOSHUA GIOSA

Certified Public Accountant
California License # 119801

Present Position

Quality Control Partner

Education and Experience

Joshua began his accounting career at Price Paige & Company in January 2007 after graduating from California State University, Fresno. In June 2005, he received a Bachelor of Science in Business Administration with an option in Accountancy and became a Certified Public Accountant in 2013.

Joshua is a partner for many of the firm's municipal audits and all its consultation clients. Although his governmental auditing background dates to 2007, since 2011 he has worked almost exclusively with governmental agencies, including the planning, performing, and reviewing of financial statement audits, which often also includes the compilation of their financial statements. He has performed and overseen substantial grant compliance work on both federal and state programs, has conducted several single audits, and has prepared numerous State Controller reports.

Beginning in 2017, Joshua shifted his focus from auditing to consulting governmental agencies, including counties, municipalities, and special districts. During this time, he has worked very closely with finance department personnel to support their primary objective of providing timely and accurate information to the decision-makers of a given entity. Responsibilities have included assisting clients with closing their financial records and preparing audit schedules in preparation for their annual audits, preparing monthly bank reconciliations and any other reconciliations requested by management for internal purposes, providing guidance for implementing new accounting pronouncements, and providing guidance for improving internal controls. Additionally, he has assisted municipalities in implementing new accounting software and developing a new chart of accounts and fund structures. Joshua has extensive knowledge of the Government Accounting Standards Board pronouncements and has assisted his clients in the most complex of transactions. His background also includes significant experience auditing not-for-profit entities and 401(k) pension plans. Joshua has expertise in the use of IDEA data analysis software and has used this software to conduct fraud detection procedures as a part of the many municipal audits he manages.

Community and Affiliations

Joshua is a member of the American Institute of Certified Public Accountants, the California Society of CPAs and the Government Finance Officers Association. He is currently serving on the Board of Directors as the Treasurer for North Fresno Rotary Endowment and president of Bullard Youth Softball League. He was formerly on the Board of Directors as the Treasurer for Big Brothers Big Sisters of Central California and Fresno's Rotary Storyland/Playland. Joshua is also an honorary member of the North Fresno Rotary Club.

Continuing Education

Joshua is in compliance with the continuing education requirements of the AICPA and Government Auditing Standards. Josh recently developed a training program for PPC staff and conducted training in courses such as *Accounting and Auditing of GASB 54*, *Auditing Enterprise Revenue and Receivables*, and *Risk Assessment for Government Agencies*. Recently attended courses include: *Governmental Auditing and Accounting Update*, *Advanced Financial Report*, and *Advanced Governmental Accounting*.



KRISTIN TORRES

Certified Public Accountant
California License # 142761

Present Position

Audit Manager

Education and Experience

Kristin began her accounting career after receiving a Bachelor of Science in Business Administration with an option in Accountancy and graduating from California State University, Fresno. Kristin received her Certified Public Accountant license in February of 2020.

Kristin was hired in December 2014 and has provided invaluable assistance on numerous governmental, and not-for-profit audits (county and municipal), which includes single audit compliance and preparation of financial statements that comply with required GASB standards. Since joining our audit team, she has been the in-charge auditor for County of Mono, County of Inyo, and the City of Mendota, along with other various audit projects for transportation agencies and other governmental audits.

Her background as in-charge auditor includes assessing and evaluating the risks of material misstatements unique to an entity's activity and environment, developing audit procedures, providing guidance to the audit team to effectively and efficiently complete audits, and effectively communicating the audit results with management and those charged with governance in accordance with Generally Accepted Auditing Standards, OMB Uniform Guidance 2 CFR 200 Subpart F, and GAAP.

Community and Affiliations

Kristin is a member of the American Institute of Certified Public Accountants, California Society of CPAs, Treasurer of the Fresno Chapter of the California Society of CPAs and is currently serving on the Board of Directors as the Treasurer for Arte Americas. She formerly served on the State-Wide California Society of CPAs Committee for Young and Emerging Professionals.

Continuing Education

Kristin is in compliance with the continuing education requirements of the AICPA and Government Auditing Standards. Continuing professional education courses and seminars recently attended include: *SAS 145 Update*, *GASB 96 Update*, *GASB 87 Leases*, and *Yellow Book & Single Audit Deficiencies*. She also served as an instructor for *Accounting for Governmental Assets & Liabilities* during an in-house continuing education seminar.

RELEVANT PRIOR EXPERIENCE

After evaluating our relevant experience, we are certain you will agree that Price Paige & Company is highly qualified to serve you. We have been successfully performing audit and attestation engagements since 1976. We have since continued to build on our reputation as a well-respected firm in and around the San Joaquin Valley and throughout California, with the qualifications and experience necessary to provide unequalled performance. Following is a list of several of our clients for whom we have provided similar services and our primary contact for each:

Reference Name: Kings River Conservation District
Contact: Binu Brar, Director of Finance
Address: 52027 W. Althea Avenue, Firebaugh, CA 93622
Phone: (559) 237-5567 x128
Email: bbrar@krcd.org
Service Provided: Financial Statement Audit (GAAS) and Advisory Services
Dates: June 30, 2003 through Present

Reference Name: Panoche Water District
Contact: Marlene Brazil, Accounting Supervisor
Address: 52027 W. Althea Avenue, Firebaugh, CA 93622
Phone: (209) 364-6136
Email: mbrazil@panochewd.org
Service Provided: Financial Statement Audit (GAS) and Advisory Services
Dates: February 29, 2016 through Present

Reference Name: South San Joaquin Irrigation District
Contact: Sonya Williams, Finance and Administration Manager
Address: 11011 E. Highway 120, Manteca, CA 95336
Phone: (209) 249-4600
Email: swilliams@ssjid.com
Service Provided: Financial Statement Audit (GAS) and Advisory Services
Dates: December 31, 2023 through Present

SCOPE OF SERVICES

As our experience indicates, we clearly understand the scope of services to be provided. You can be assured that we will design a service-specific approach to ensure compliance with all applicable standards and ensure that the Coalition receives high-quality, efficient and effective service.

Standards/Publications to be Followed

The financial and compliance audits will be performed in accordance with the following auditing standards:

- ♦ Generally Accepted Auditing Standards (AICPA)
- ♦ *Government Auditing Standards* (U.S. Comptroller General)
- ♦ United States General Accounting Office's (GAO) Standard for Audit of Governmental Organizations, Programs, Activities, and Functions
- ♦ Local Governments and Governmental Accounting Standards Board (GASB) Pronouncements
- ♦ All other applicable federal, state and local laws and regulations

Services to be Performed

The following services will be provided to the Coalition for the year ended June 30, 2025.

1. We will audit the Coalition's basic financial statements in accordance with Generally Accepted Auditing Standards (GAAS) in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
2. We will express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the Coalition and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditor's report stating this opinion.
3. We will test internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with *Government Auditing Standards*.
4. We will apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A), budgetary comparison information, and the supplementary information.
5. We will prepare and present to the Board of Directors and Management a report that identifies control deficiencies, significant deficiencies and material weaknesses, if any, and your recommendations for improvements in accounting and administrative controls.
6. We will prepare a written letter of communication to the Audit Committee that will include the following:
 - 1) auditor's responsibility under generally accepted auditing standards, 2) significant accounting policies, 3) management judgments and accounting estimates, 4) significant audit adjustments, 5) disagreements with management, 6) management consultation with other accountants and 7) difficulties encountered in performing the audit.
7. We will prepare and submit the State Controller's Report for the Coalition.

AUDIT APPROACH

We are confident that we will provide high-quality services based on our experience in working with governmental entities of similar size and scope to yours. Our high client satisfaction rate can be attributed to our effective communication and our efficient proprietary audit methodology.

Audit Procedures and Phases of the Engagement

Price Paige & Company provides value to our clients by creating a custom audit approach that is based on a client's specific needs, risks and opportunities. Our audit approach under generally accepted audit standards is depicted in the graphic below.

Our professional responsibility is to obtain sufficient audit evidence before an opinion is rendered on any financial statement. To achieve this, we will conduct our work in the following phases:

- ♦ Audit Planning and Risk Assessment
- ♦ Year-End Fieldwork
- ♦ Reporting
- ♦ Audit Focus
- ♦ Closing Conferences and Formal Presentation

Details about each of these phases are listed on the on the following pages.

Audit Planning and Risk Assessment

No other phase of the process affects the success of an engagement more than the time spent on planning the general scope and direction of the audit, including assessing the risks of financial statement misstatements. We will schedule audit planning and interim fieldwork to be done prior to final fieldwork with your personnel.

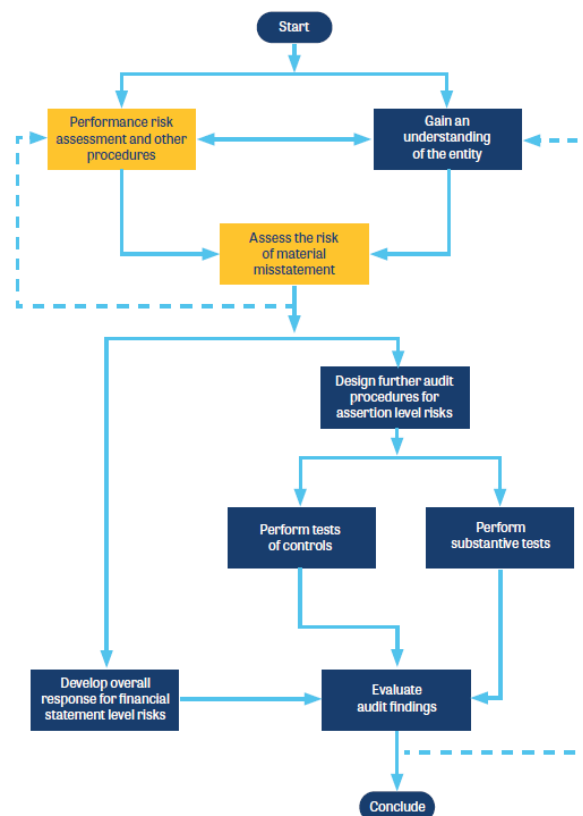
We will hold a planning session with the key members of our engagement team and your personnel.

During our planning session with management, we will also address AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit." This auditing standard requires that we conduct certain meetings and interviews and perform and document certain procedures for identifying and responding to fraud risks.

As part of the audit planning and risk assessment phase of the audit, we will request a meeting with management to discuss our planned audit approach and any significant audit and accounting issues, as well as address any concerns.

As part of that process, we will conduct a pre-audit conference with appropriate management personnel to discuss the scope and timing of the audit.

The risk assessment audit standards require assessments based on an understanding of the internal controls over your financial reporting and our determination of the areas that present risks of material misstatement to your financial statements. We will then design our audit approach to include tests of the specific internal controls and substantive audit procedures that are tailored to the identified risks. Our risk assessment includes consideration of the factors depicted on the chart below.





Year-End Fieldwork

During the year-end phase of our audit, we will complete our audit work based on the audit programs designed specifically for the Coalition. This will include the results of our risk assessment and interim testing results, and we will issue a report on the financial statements in a timely and efficient manner.

Reporting

This phase will include the following:

- ♦ reviewing the financial statements and reconciling them to underlying audited records,
- ♦ evaluating the financial statements for compliance with GAAP requirements,
- ♦ formulating an opinion as to the fair presentation of the financial statements and
- ♦ preparing management letter with recommendations and communication letter to management.

We will immediately submit to management a written report of all irregularities and illegal acts, or indications of illegal acts, of which we become aware.

Audit Focus

Based on our audit experience with similar governmental entities, the primary areas of the audit on which we will focus include:

- ♦ Cash and investments
- ♦ Inventory
- ♦ Capital assets
- ♦ Accounts payable and expenditures
- ♦ Compliance with laws and regulations
- ♦ Commitments and contingencies
- ♦ Implementation of pronouncements of the Governmental Accounting Standards Board (GASB)

Closing Conferences and Formal Presentation

We believe regular communication with management will be a critical part of the success of our audit engagement. Therefore, we will provide regular updates to management regarding the progress of the audit during meetings with key personnel.

Additionally, the engagement partner will meet with management to review any potential adjusting journal entries, drafts of the management comment letter, communication with those charged with governance (AU-C 260) letters and a draft of the financial statements.

We will complete our work in sufficient time to meet the applicable deadlines. If required, we will make a formal presentation of the audit results and reports to management and will remain available to respond to their questions.

COST QUOTE

Description of Services	Total \$ FY 2024-25	(Optional) Total \$ FY 2025-26
Financial Statement Audit	\$ 7,480	\$ 7,480
State Controller's Report	800	800
Total All-Inclusive Maximum Fee	<u>\$ 8,280</u>	<u>\$ 8,280</u>

Staff Classification	Quoted Hourly Rate (FY 2024-25)	Hours	Total
Partner	400	2	\$ 800
Manager	300	-	-
Supervisor	235	8	1,880
Senior	200	10	2,000
Audit Staff	135	15	2,025
Support Staff	105	15	1,575
Total			<u>\$ 8,280</u>

Our proposed fees are based upon our current understanding of the work to be performed as outlined under the Scope of Services, and we give you a "Total All-Inclusive Maximum Fee" for these services. These fees are made with the following assumptions: 1) the Coalition's books will be properly closed and reconciled, 2) records will be complete and readily available at the start of the engagement and 3) representations made to us during this quote process will remain effective throughout the engagement.

In the event disclosures in the audit engagement indicate extraordinary circumstances that warrant more intensive and detailed services, we will provide to management in writing and in advance the reasons for the additional services together with the firm's estimate of costs, and a statement that no work will be performed without advance approval by the Auditor. Any and all additional work as agreed in advance by the Auditor will be compensated for at the same rate quoted in this cost quote.

PEER REVIEW REPORT



Report on the Firm's System of Quality Control

To the Partners of
PRICE PAIGE & COMPANY
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Price Paige & Company (the firm) in effect for the year ended April 30, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs ■ Advisors

4120 Concours, Suite 100, Ontario, CA 91764
909.948.9990 / 800.644.0696 / FAX 909.948.9633
gyl@gylcpa.com
www.gylcpa.com

CPAmerica
Member  Crowe Global

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Price Paige & Company in effect for the year ended April 30, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Price Paige & Company has received a peer review rating of *pass*.

GYL LLP

Ontario, California
October 17, 2024





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

Date: December 4, 2025
To: Southeast Water Coalition Board of Directors
From: Albert Mendoza, AE Chair, City of Norwalk

**Subject: DISCUSSION/ACTION REGARDING POTENTIAL NEW MEMBERSHIP
OF THE SOUTHEAST WATER COALITION**

Discussion:

During the April Board Meeting, there was discussion regarding the process and interest of adding new member cities/agencies to the Southeast Water Coalition (SEWC). At the August Board Meeting, Board members requested Administrative Entity (AE) members update the map to include an overlay of the Central Basin Municipal Water District service area, provide a list of potential cities for outreach, and to draft an outreach letter.

Since then, Staff and AE members have helped create a draft outreach letter, a one-page fact sheet detailing the membership application process, a one-page fact sheet detailing the membership benefits of SEWC, a map of cities that are current or potential members of SEWC, and a list of recommended cities for outreach.

At the August Board meeting, the consensus was that the outreach letter should be sent out with a copy of the updated 2025 Strategic Plan and member benefits and application process one-page fact sheets.

The purpose of this agenda item is to discuss the draft outreach letter, fact sheets, updated map, list of cities for initial outreach, and determine the next steps.

Recommendation: Discuss and approve the outreach letter, updated map, list of cities, and overall invitation packet for potential new members.

Attachments:

1. Draft Outreach Letter
2. Membership Application Process One-page Fact Sheet
3. Membership Benefits One-page Fact Sheet
4. SEWC Regional Map
5. List of Cities for Outreach

Subject: Invitation to Join the Southeast Water Coalition (SEWC)

Dear [City Council Member's Name],

The Southeast Water Coalition (SEWC) formally invites your city to join our organization. We believe that your participation would be a valuable contribution to our collective efforts to ensure a secure and high-quality water supply for the region.

The SEWC was founded in July 1991 as a Joint Powers Authority of eleven member cities, and we are united by the shared need to address regional water issues, particularly the threat of groundwater contamination. Our mission is to improve and protect the quantity and quality of our regional water supply through a unified and collective voice. Current members include Cerritos, Commerce, Downey, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, South Gate, Vernon, and Whittier.

Our priorities include advocating for fair water rates, ensuring efficient permitting processes, and representing our members in legislative and regulatory discussions. We are also deeply committed to protecting and overseeing the Central Groundwater Basin to prevent contamination and ensure long-term sustainability for all users. The annual membership dues are \$10,000; however, dues are currently reduced at \$5,500 per year, supporting our ongoing advocacy work and operational costs.

If you feel that our objectives align with your city's priorities and you have interest in amplifying our collective voice, we would love to hear from you. Please feel free to contact us for a more detailed overview of our work, our recent accomplishments, and how your city can benefit from joining.

Thank you for your time and consideration.

Sincerely,

Ana Valencia – SEWC Chair
Council Member – City of Norwalk

Cc: Southeast Water Coalition Board Members:

Frank Aurelio Yokoyama – SEWC Vice Chair – Mayor – City of Cerritos

Kevin Lainez – Vice Mayor – City of Commerce

Horacio Ortiz – Council Member – City of Downey

Todd Rogers – Council Member – City of Lakewood

Isabel Aguayo – Council Member – City of Paramount

Andrew C. Lara – Council Member – City of Pico Rivera

Joe Angel Zamora – Mayor Pro Tem – City of Santa Fe Springs

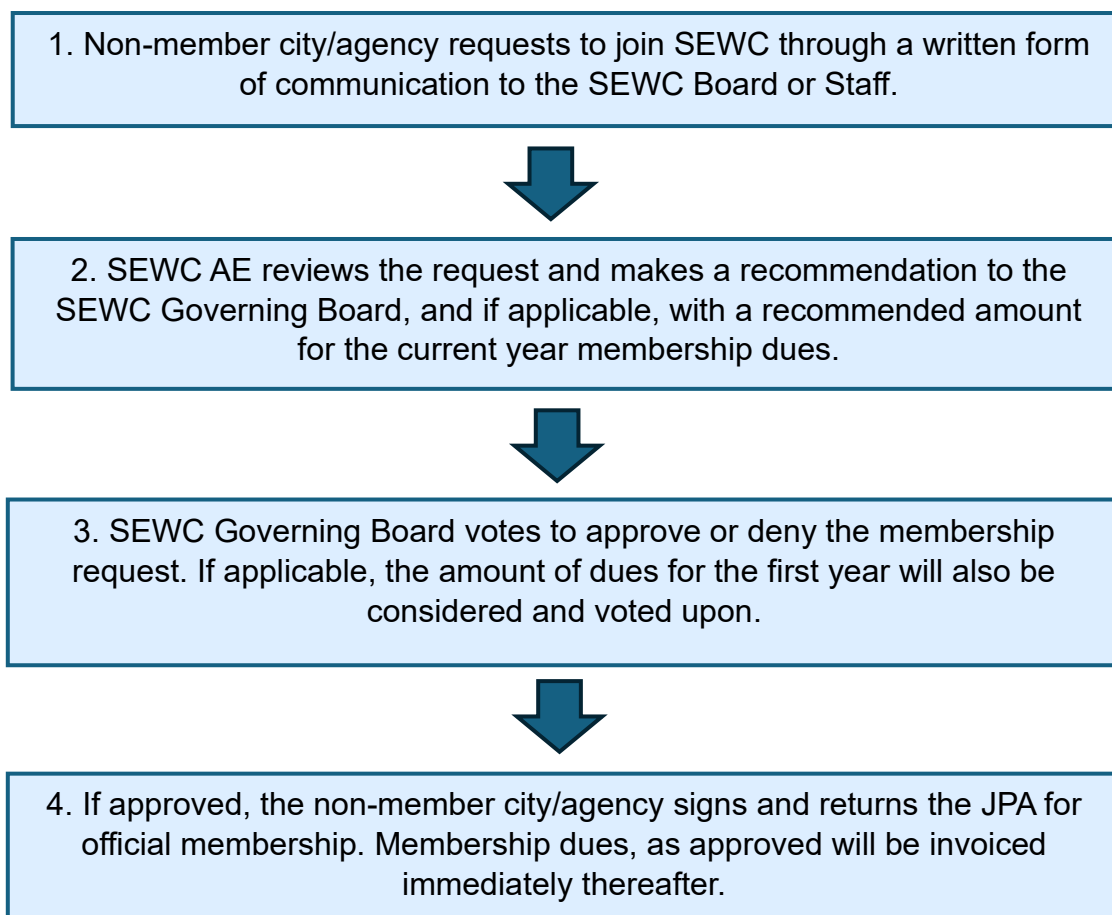
Maria del Pilar Avalos – Council Member – City of South Gate

Melissa Ybarra – Mayor Pro Tem – City of Vernon

Octavio Cesar Martinez – Mayor Pro Tem – City of Whittier

SEWC MEMBERSHIP APPLICATION PROCESS

The process in which a non-member city or agency can join Southeast Water Coalition (SEWC) as a member city is a four-part process. First, the non-member city or agency submits a request to join as a full-voting member, in writing signed by its Governing Board Mayor/Chair or City Manager/General Manager. The second step is for the Administrative Entity (AE) to make a recommendation to the SEWC Governing Board (“SEWC Board”) regarding the request and presenting it to the SEWC Board for consideration. The SEWC Board then considers the AE’s recommendation and votes to approve or not approve the request to join. If approved, the last step in the process is for SEWC Staff to send the JPA Agreement along with a copy of the most recent, adopted strategic plan to ensure alignment and set expectations. Membership is official once the signed JPA Agreement is returned to SEWC. Depending on the time of year for beginning the official membership, the amount of dues for that year will be considered on a case-by-case basis.



SEWC MEMBER BENEFITS

The Southeast Water Coalition (SEWC) is a Joint Powers Authority that formed in July 1991 and is comprised of eleven cities. These agencies formed a joint power authority to improve and protect the quantity and quality of the regional water supply. SEWC's water purveyors service a population of 670,000 in a service area of 93+ square miles.

SEWC's mission is to prevent the contamination of the Central Groundwater Basin from migrating contaminated groundwater and to encourage good governance of water policies to ensure the availability of reliable, quality, and affordable water.

Current SEWC member cities include:

**Cerritos – Commerce – Downey – Lakewood – Norwalk – Paramount – Pico Rivera
– Santa Fe Springs – South Gate – Vernon – Whittier**

While there are many benefits to being a member of SEWC, there are a few that stand out the most, including:

A unified and collective voice to
amplify concerns on regional
issues

Partnerships and potential
discounts from consultants and
associations

Collaboration on common goals
and objectives

Updates and presentations on
relevant legislation and
regulations

Agency networking
opportunities

Advocacy and representation
for regulatory and legislative
policies

Enhanced community
engagement and influence

Support from fellow member
cities on relevant concerns or
challenges

SEWC MAP

DRAFT

Legend

 Central Basin Boundary

Los Angeles County

 No Information

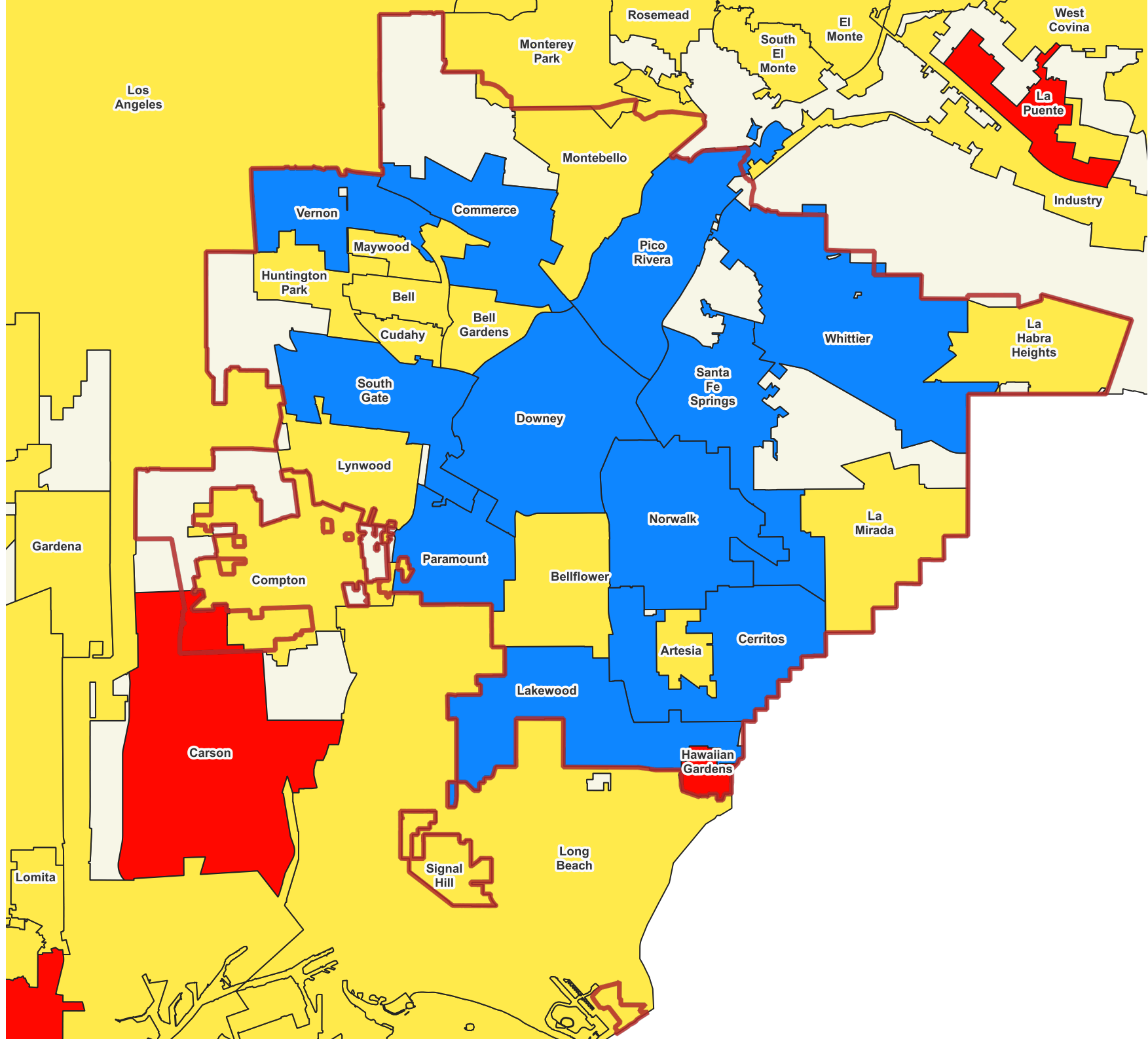
 Potential Party

 Unincorporated Area

 Member Cities



0 1 2 mi



List of Initial Cities to Reach Out to For Potential Membership of SEWC:

- City of Bell Gardens
- City of Compton
- City of Lynwood
- City of Huntington Park
- City of Signal Hill



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

Date: December 4, 2025
To: Southeast Water Coalition Board of Directors
From: Albert Mendoza, AE Chair, City of Norwalk

Subject: DISCUSSION/ACTION REGARDING STRATEGIC PLAN UPDATE

Discussion:

At the August Board meeting, Administrative Entity (AE) members presented the 2017 version of the Strategic Plan to the Board for review and recommended edits. Board members stated that the names of Board and AE members needed to be updated. There were no additional recommended major changes at that time. Board members requested AE members review the Strategic Plan in depth and bring recommended changes to a future Board meeting for consideration.

The names have been updated and recommended edits by the AE have been made. The attached Strategic Plan is the most up to date version. The purpose of this item is to review the 2025 Strategic Plan and discuss any additional recommended edits before it is sent as part of the new membership outreach efforts.

Recommendation: Review and approve recommended updates to 2017 SEWC Strategic Plan.

Attachments:

1. 2025 SEWC Strategic Plan

2025 Southeast Water Coalition Strategic Plan

Message from the Board

Welcome to the Southeast Water Coalition's (SEWC) Strategic Plan. This document is a blueprint for how SEWC will respond to current challenges and make the best of future opportunities for the benefit of our customers. It confirms our vision, mission, goals, strategies, and objectives as a Joint Powers Authority dedicated to providing regional water service, supporting the high quality of life and economy of the region.

SEWC was created in July 1991 and is comprised of eleven member cities. The SEWC "region" represents the combined boundaries of the member cities. These agencies formed a Joint Powers Authority (JPA) to improve and

protect the quantity and quality of their regional water supply. SEWC's water purveyors service a population of approximately 670,000 in a service area of 93+ square miles.



The initial purpose for the formation of the Southeast Water Coalition was to protect the Central Groundwater Basin from contamination migrating from the San Gabriel Valley Groundwater Basin. Over the years, SEWC has worked diligently with the U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers to improve the monitoring of groundwater contaminants, determine cost-effective remediation to protect the Whittier Narrows and Central Groundwater Basin from the South El Monte plume, and lobby the EPA for early implementation of remediation projects.

The SEWC Policy Board consists of one representative (normally a Councilmember) from each member city. The Administrative Entity carries out the policies of the Policy Board and consists of one representative from each member city. It may include representatives that are employees of Public Utility Commission-regulated private water companies providing retail water service within the SEWC area, ex-officio members, or non-voting advisory members nominated by California Department of Water Resources. The member cities are:

- Commerce
- Cerritos
- Downey

2025 Southeast Water Coalition Strategic Plan

- Lakewood
- Norwalk
- Paramount
- Pico Rivera
- Santa Fe Springs
- South Gate
- Vernon
- Whittier

SEWC's Policy Board is charting a course for continued success in the future through the development and execution of this Strategic Plan. The Strategic Plan defines the vision, mission, goals, and future business strategy for SEWC. Our commitments to the communities we serve fall into three areas: Groundwater Protection, Advocacy and Communications, and Funding. These commitments are established as the six goals of the Strategic Plan. Our Board actions will consistently support these commitments and we will track the progress against this plan, revisiting the Strategic Plan regularly to adjust as conditions warrant.

Board Member Frank Aurelio Yokoyama
City of Cerritos

Board Member Kevin Lainez
City of Commerce

Board Member Horacio Ortiz
City of Downey

Board Member Todd Rogers
City of Lakewood

Board Member Ana Valencia
City of Norwalk

Board Member Isabel Aguayo
City of Paramount

2025 Southeast Water Coalition Strategic Plan

Board Member Andrew Lara
City of Pico Rivera

Board Member Joe Angel Zamora
City of Santa Fe Springs

Board Member Maria del Pilar Avalos
City of South Gate

Board Member Melissa Ybarra
City of Vernon

Board Member Octavio Martinez
City of Whittier

Administrative Entity Members

- Jose Arroyo-Gutierrez – Cerritos
- Alvin Papa - Cerritos
- Jaime Morales – Cerritos
- Andrew Caraveo – Commerce
- Dan Mueller – Downey
- Matt Robertson – Downey
- Derek Nguyen – Lakewood
- Anthony Manzano – Lakewood
- Glen Kau – Norwalk
- Adriana Figueroa – Paramount
- Michelle Tse – Paramount
- Michelle Müller - Paramount
- Adrian Rodriguez – Pico Rivera
- Sandra Castro – Pico Rivera
- Frank Sanchez – Santa Fe Springs
- Sarina Morales-Choate – Santa Fe Springs



2025 Southeast Water Coalition Strategic Plan

- Chris Castillo – South Gate
- Derwin Dy – South Gate
- Art Cervantes – South Gate
- Gladis Deras – South Gate
- Joanna Moreno – Vernon
- Ray Cordero – Whittier
- Kyle Cason – Whittier

Consultant Support

- Koa Consulting, Inc.

Introduction

The Strategic Plan was developed under the guidance of the SEWC Board of Directors and Administrative Entity. This team met over an approximate six-month period including multiple Administrative Entity and Board workshops.

The focus of strategic deliberations was the recognition of key issues SEWC will face in the next five-year planning horizon (and beyond). Workshops identified strengths, weaknesses, opportunities, and threats (SWOT Analysis) that the Strategic Plan should consider. Major challenges for SEWC include actively tracking and synthesizing information for Policy Board consideration related to protecting the Central Basin from contamination, advocating for water policy that is in the interest of the Central Basin, and seeking funding to support SEWC programs and member projects. The Board adopted the original Strategic Plan in April of 2017, and the revised and current version was adopted in December of 2025.

The five-year Strategic Plan will be implemented and tracked through the annual budget process. Strategic Plan activities will be budgeted in later years and subject to Board review and approval. In the future, staff will ensure the proposed budgets reflect the priorities established in the Strategic Plan.

2025 Southeast Water Coalition Strategic Plan

Vision Statement

“SEWC is a valued advocate for safe and reliable water supplies that support the quality of life and economy of the southeast Los Angeles region”



Mission Statement

SEWC's mission is to advocate for water policies that ensure the availability of reliable, quality, and affordable water.

Values

The Policy Board and Administrative Entity have adopted the following values to guide the internal and external interactions of SEWC:

- Integrity - the quality of being honest and having strong moral principles
- Open communication – we will communicate in an unreserved and objective fashion
- Collaboration – we will work jointly to achieve the Coalition's goals
- Public stewardship of resources – we will carefully and prudently manage the resources that are entrusted to us
- Transparency – our Coalition activities will be visible and information/deliberations accessible

2025 Southeast Water Coalition Strategic Plan

Goals / Strategies / Objectives

The Board developed three goals that represent SEWC's key commitments to the community it serves. SEWC is committed to:

- **Goal 1: Groundwater Protection** – SEWC will provide leadership and collaborate to protect and sustain the Central Basin groundwater supply of the SEWC region
- **Goal 2: Advocacy and Communications** – SEWC will track, develop, coordinate, and communicate input into water policy affecting the SEWC region
- **Goal 3: Funding** – SEWC will seek funding for water resource projects and programs benefiting the SEWC region

Goal 1: Groundwater Protection – SEWC will provide leadership and collaborate to protect and sustain the Central Basin groundwater supply of the SEWC region

Strategy 1.1 – Enhance understanding of area hydrogeology:

Objective 1.1.1 Support tracking of groundwater quality/plume information (including modeling)

Objective 1.1.2 Engage Water Replenishment agencies, to periodically update SEWC on existing contamination plume movement



2025 Southeast Water Coalition Strategic Plan

Strategy 1.2 – Identify and support projects that enhance and protect groundwater in the SEWC region to “shovel-ready” status to take advantage of funding opportunities:

Objective 1.2.1 Develop a SEWC region plan including projects, policies, or programs that protect and enhance water quality within the SEWC region

Objective 1.2.2 Identify and collaborate to develop the conceptual project components required to achieve “shovel-ready” status, including preparation of preliminary studies for regional projects (including groundwater storage)

Objective 1.2.3 Analyze opportunities for developing system interties between member agencies to increase water supply resiliency

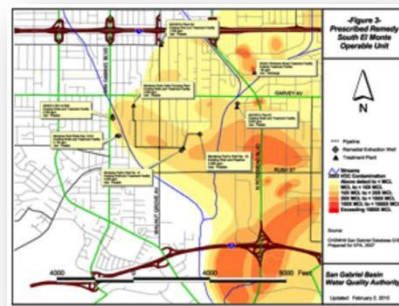
Goal 2: Advocacy and Communications – SEWC will track, develop, coordinate, and communicate input into water policy affecting the SEWC region

Strategy 2.1 – As directed by the Board, monitor and advocate for improvements to State, federal, and regional water policy and regulations:

Objective 2.1.1 Monitor and track State, federal and regional water-related legislation including tracking of Central Basin Water Association legislative reports

Objective 2.1.2 Develop and present water policy positions to the Board for action

Objective 2.1.3 Advocate Board positions



2025 Southeast Water Coalition Strategic Plan

Objective 2.1.4 Support good governance policy changes at regional water agencies

Objective 2.1.5 Actively develop relationships with regulators

Strategy 2.2 – Work in partnership with the Gateway Water Management Authority (GWMA) to implement the Integrated Regional Water Management Plan (IRWMP) for the southeast Los Angeles County and lower Los Angeles and San Gabriel Rivers Watershed:

Objective 2.2.1 Establish SEWC project priorities

Objective 2.2.2 Attend meetings of the GWMA

Objective 2.2.3 Advocate for SEWC priorities

Strategy 2.3 – Represent the regions' interests before local, State and federal agencies:

Objective 2.3.1 Work in partnership with USEPA and other agencies to continue to protect Central Basin drinking water wells from detectable contamination

Objective 2.3.2 Work in partnership with USEPA, State and local agencies to continue to prioritize cleanup of the Omega Chemical Site, to ensure compliance with State and federal drinking water standards



Objective 2.3.3 Work in partnership with DTSC, federal, and local agencies to continue to prioritize cleanup of the Whittier Narrows Operable Unit (WNOU), to ensure compliance with State and federal drinking water standards

2025 Southeast Water Coalition Strategic Plan

Objective 2.3.4 Track the San Gabriel Basin Water Quality Authority (SGBWQA) / South El Monte Operable Unit (SEMOU) barrier project and the long term SEMOU remediation project by USEPA/SGBWQA

Objective 2.3.5 Track the Water Quality Protection Program monitoring results

Strategy 2.4 – Support the development of recycled water:

Objective 2.4.1 Track the Groundwater Reliability Improvement Project (GRIP), now operational as the Albert Robles Center for Water Recycling & Environmental Learning (ARC), including monitoring of costs, benefits, and mitigation of impacts on local agencies

Objective 2.4.2 Track and engage the Sanitation Districts of Los Angeles County /Metropolitan Water District of Southern California Joint Water Pollution Control Facility recycled water indirect potable reuse project, and other potable reuse projects that affect the SEWC region

Objective 2.4.3 Track other regional recycled water projects (e.g. Central Basin MWD projects)

Strategy 2.5 – Communications: SEWC will inform, engage and respond to the community it serves:

Objective 2.5.1 Prepare coordinated message points for members to ensure uniform factual communications

Strategy 2.6 – Track and participate in area water policy groups:

Objective 2.6.1 Monitor Central Basin Municipal Water District activities

Objective 2.6.2 Monitor WRD activities

2025 Southeast Water Coalition Strategic Plan

Objective 2.6.3 Monitor Central Basin Water Association activities

Objective 2.6.4 Participate in activities of the Central Basin Watermaster

Goal 3: Funding and Effective SEWC Administration – SEWC will seek funding for water resource projects and programs benefiting the SEWC region

Strategy 3.1 – Identify funding opportunities for SEWC priority projects:

Objective 3.1.1 Maintain an updated list of funding resources for SEWC region projects and programs

Objective 3.1.2 Where appropriate, identify, advocate and pursue local, State, and federal commitment to fund projects and programs (including groundwater contamination cleanup) in the SEWC region

Objective 3.1.3 Track funding success

Strategy 3.2 – Identify, advocate and pursue improvements to the State and federal funding process for water, wastewater, and storm water projects and facilities:

Objective 3.2.1 Engage in State and federal funding initiatives to ensure the terms are supportive of SEWC project funding objectives

Strategy 3.3 – Administration of SEWC:

Objective 3.3.1 Schedule and support the activities of the Administrative Entity and the Policy Board

2025 Southeast Water Coalition Strategic Plan

Objective 3.3.2 Develop a staffing strategy/plan that meets the resource needs of SEWC

Objective 3.3.3 Create and present annual budgets to the Policy Board for approval
Objective 3.3.4 Effectively manage consultants to achieve the directives of the Policy Board

Objective 3.3.5 Develop an “on-boarding” process for new SEWC Administrative Entity and Policy Board members (consider mentoring, communication of JPA, responsibilities, “SEWC 101”, etc.)

Objective 3.3.6 Periodically review JPA documents to ensure they are current

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Implementation

The Strategic Plan is intended to be a living document that will be reviewed and updated periodically. It will be used in planning and budgeting the activities of SEWC. Implementation will occur through the SEWC management plans, action/implementation plans, programs, and the allocation of resources through the annual budget process.

We will establish clear priorities for implementation of our Strategic Plan in order to use our limited resources as effectively as possible. We will set these priorities using criteria developed by the Policy Board and staff, and will assess them regularly to ensure they reflect changes in our internal and external environments. We will effectively communicate these priorities so that staff can adjust their work program and our customers and ratepayers will understand the basis for our actions.

2025 Southeast Water Coalition Strategic Plan

Glossary

The following key terms are used in this strategic plan:

Goal – SEWC’s commitment to the community it serves

Issue – a problem or opportunity facing SEWC

Mission – the primary reason(s) for the existence of the organization

Objective – measurable work activity that, when accomplished, will directly lead to the success of the strategy

Plume – areas of elevated concentrations of groundwater contaminants

Strategy – how an issue is solved to achieve the goal

Strategic Plan – a structured plan to drive SEWC to achieve its goals

SWOT Analysis – description of strengths, weaknesses, opportunities, and threats to identify areas of focus in the strategic plan

Vision – what effect SEWC aspires to have



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

Date: December 4, 2025
To: Southeast Water Coalition Board of Directors
From: Albert Mendoza, AE Chair, City of Norwalk

**Subject: DISCUSSION/ACTION REGARDING A POLICY FOR ADMINISTRATIVE
ENTITY LETTERS**

Discussion:

At the November Administrative Entity (AE) meeting, there was a discussion regarding the ability for the AE to write and send letters on behalf of the Southeast Water Coalition (SEWC) without prior Board approval. The issue arose specifically as a result of concerns surrounding state proposed public health goals for contaminants in drinking water and associated deadlines for public comment. Such deadlines would pass prior to the next regular Board meeting. AE Members proposed that the AE group could develop a policy to include a generic template for future letters for the Board's consideration. The policy would outline SEWC's goals and purpose and provide direction on when and how the AE can act without Board approval. After further AE discussion, there was a proposal that there could be a stipulation regarding timelines for action, noting that this policy would only be used if there is not enough time before the next Board meeting in order to act.

The purpose of this agenda item is to discuss the potential need for this proposed policy for the Board to consider.

Recommendation: Discuss the option of creating a policy that would allow the Administrative Entity to collectively send correspondence without Board approval, if necessary.



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

Date: December 4, 2025
To: Southeast Water Coalition Board of Directors
From: Albert Mendoza, AE Chair, City of Norwalk

Subject: GENERAL LEGISLATIVE UPDATE

Discussion:

During the June and August Board Meetings, Mr. Nick Ghirelli of Richards Watson & Gershon (RWG) highlighted three bills that are of interest to our members pertaining to PFAS. The purpose of this agenda item is to receive an update on the status of each of these bills.

Assembly Bill 794 ("AB-794") would authorize the State Water Board to issue emergency regulations setting maximum contaminant levels ("MCL") for primary and secondary drinking water standards and require the State Water Board to adopt an emergency regulation and initiate a primary drinking water standard for PFAS by December 31, 2026. **As a reminder, this bill did not pass out of the Assembly prior to the legislative deadline and was placed in the inactive file. It is unclear whether it will be reconsidered in 2026 as a two-year bill.**

Senate Bill 454 ("SB-454") would create the PFAS Mitigation Fund ("Fund"), to be managed by the State Water Board. The Fund's contents would be used to assist local public entities like water suppliers and wastewater operators in covering the costs of treating PFAS contaminated water to remove the forever chemicals. **The Governor vetoed SB 454 because it did not include a dedicated funding source.**

Another bill that has received press coverage is AB 682, which would prohibit the use of certain PFAS chemicals in a variety of consumer products sold or distributed in California by January 1, 2028. **The Governor vetoed AB 682 due to concerns that it would affect the "availability of affordable options in cooking products."**

House of Representatives Bill 1267 ("HR-1267") proposes the "Water Systems PFAS Liability Protection Act," which would exempt certain entities from liability for release of PFAS substances under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). This bill remains pending and no action has been taken by the House.

Recommendation: Receive and file a general legislative update for relevant bills.

Attachments:

1. Memo Summarizing AB-794, SB-454, AB 682, and HR-1267



Nicholas R. Ghirelli

T 213.253.0287
F 213.626.8484
E nghirelli@rwglaw.com

1 Civic Center Circle, PO Box 1059
Brea, California 92822-1059
rwglaw.com

MEMORANDUM

TO: Southeast Water Coalition

FROM: Nicholas R. Ghirelli

DATE: November 26, 2025

SUBJECT: PFAS Legislation Update: AB-794, SB-454, and HR-1267

We have been asked to provide an update on four currently proposed bills (3 state and 1 federal), representing attempts to address contamination of water supplies with perfluoroalkyl and polyfluoroalkyl substances ("PFAS"), and associated liability for releases of PFAS.

Assembly Bill 794 would authorize the State Water Board to issue emergency regulations setting maximum contaminant levels ("MCL") for primary and secondary drinking water standards and require the State Water Board to adopt an emergency regulation and initiate a primary drinking water standard for PFAS by December 31, 2026. **This bill did not pass out of the Assembly prior to the legislative deadline and was placed in the inactive file. It is unclear whether it will be re-considered in 2026 as a two-year bill.**

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

Date: December 4, 2025
To: Southeast Water Coalition Board of Directors
From: Albert Mendoza, AE Chair, City of Norwalk
Submitted By: Derek Nguyen, AE Member, City of Lakewood

Subject: DISCUSSION REGARDING REGULATORY UPDATES

Discussion:

Two regulatory updates were brought forward for discussion: the revised Notification Levels and Response Levels for PFAS and the proposed Personal Health Goals (PHGs) for 1,4-Dioxane.

Revised Notification Levels and Response Levels for PFAS

The Division of Drinking Water (DDW) officially issued new and revised Notification Levels (NLs) and Response Levels (RLs) for four specific PFAS compounds. These changes, finalized after a period of proposal and presentation, aim to update public water system monitoring requirements.

For perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS), the NLs were lowered from previous values. The RL for perfluorohexane sulfonic acid (PFHxS) was significantly reduced from 20 nanograms per liter (ng/L) to 10 ng/L, while its NL remains at 3.0 ng/L. Additionally, perfluorohexanoic acid (PFHxA) now has established NLs and RLs of 1,000 ng/L and 10,000 ng/L, where none existed before.

PFAS	New (ng/L)	NL	New (ng/L)	RL	Previous (ng/L)	NL	Previous (ng/L)	RL
PFOA	4.0		10*		5.1		10	
PFOS	4.0		40*		6.5		40	
PFHxS	3.0*		10		3		20	
PFHxA	1,000		10,000		None		None	

**No change from previous values.*

Proposed PHG for 1,4-Dioxane

The Office of Environmental Health Hazard Assessment (OEHHA) is currently seeking public comment on a draft technical support document for a proposed PHG of 0.04 micrograms per liter or parts per billion (ppb) for 1,4-dioxane in drinking water. A PHG represents the concentration of a contaminant at which adverse health effects are not expected over a lifetime of exposure, and OEHHA is legally mandated to develop these goals based exclusively on public health considerations. These PHGs serve as a critical scientific basis for the State Water Resources Control Board when they set legally enforceable Maximum Contaminant Levels (MCLs) for California.

The proposed PHG of .04 ppb is determined by calculating health-protective concentrations for both cancer and noncancer effects and selecting the lowest, or most health-protective, value. Given that the United States Environmental Protection Agency (EPA) has classified 1,4-dioxane as a likely human carcinogen, the cancer risk drives this proposed goal.

Recommendation: Review and discuss relevant regulatory updates.