

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

210 B



FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
June 23, 2009

SUBJECT: Multi-year Auditing Services Agreement
Professional Services Agreement

RECOMMENDED MOTION:

1. Approve the multi-year Professional Services Agreement between the District and Mayer Hoffman McCann P.C.;
2. Authorize the Chairman to execute the Agreement on behalf of the District; and
3. Authorize the District's General Manager-Chief Engineer to renew the Agreement for Fiscal Years 2010-11, 2011-12, 2012-13 and 2013-14.

BACKGROUND:

Pursuant to California Government Code Section 26909 and the Riverside County Flood Control and Water Conservation District Act, the District shall contract with a certified public accountant to make an annual audit of the District's accounts and records in compliance with the Comptroller General of the United States and generally accepted auditing standards.

Continued on Page 2

Enclosures

JRH:mc

WARREN D. WILLIAMS
General Manager-Chief Engineer

FINANCIAL DATA

| | | | |
|--|-------------------------------|-------------------------|---------------|
| F.Y. 2009-10 District Cost: | \$23,930.00 | In F.Y. 2009-10 Budget: | Yes |
| Current F.Y. County Cost: | N/A | Budget Adjustment: | No |
| Annual Net District Cost: (FY2010-11 through FY2013-14) | \$24,406.00 to \$25,740.00 | For Fiscal Years: | 09/10 - 13/14 |

SOURCE OF FUNDS:

15100 947200 524560 Flood Control District Administration, Auditing and Accounting

| | |
|----------------------------------|--------------------------|
| Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE

BY:
Alex Gann

County Executive Office Signature

FISCAL PROCEDURES APPROVED
IVAN M. CHAND, FINANCE DIRECTOR
BY:
JEANINE REY-HAWKINS

FORM APPROVED BY COUNTY COUNSEL
BY:
NEAL R. KIPNIS

DATE
Departmental Concurrence
Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District: ALL

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

11.5

**FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD SUBMITTAL
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

SUBJECT: Multi-year Auditing Services Agreement
Professional Services Agreement

SUBMITTAL DATE: June 23, 2009

Page 2

BACKGROUND: Continued

The Agreement sets forth the terms and conditions by which the Consultant will serve as the independent auditors for the Riverside County Flood Control and Water Conservation District and perform the audit examination of the District's financial statements for fiscal years ending June 30, 2009 through 2013. The examination will be conducted in accordance with generally accepted auditing standards, State Controller audit guidelines, the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide, *Audits of State and Local Government Units*, and the *Government Auditing Standards* issued by the Comptroller General of the United States.

In accordance with the County of Riverside, California, Board of Supervisors, Policy A-18, a Request for Proposal (RFP) was prepared and sent to known vendors as well as being posted on the Internet. All qualifying bids were evaluated based on pre-established criteria such as Scope of Work, certifications and qualifications, responsiveness to the RFP, feasibility and cost. Mayer Hoffman McCann P.C., an independent Certified Public Accountant (CPA) firm, met the District's requirements and was the highest ranked respondent in overall scoring after evaluation of all of the proposals submitted for consideration in the RFP process.

PRICE REASONABLENESS:

The proposal prepared by Mayer Hoffman McCann P.C. is a competitive bid proposal submitted as the result of a RFP or formal bid process initiated by the Riverside County Flood Control and Water Conservation District. After careful evaluation of the proposals submitted for consideration based upon the pre-established criteria including cost, the proposal Mayer Hoffman McCann P.C. submitted establishes their CPA firm as a responsible bidder and represents the lowest cost responsive bid for the services outlined and specified in Exhibit A, Scope of Services.

FINANCIAL:

Sufficient funds are included in the District's Proposed Budget for Fiscal Year 2009-2010 and will be included in future budget years 2010-11, 2011-12, 2012-13 and 2013-14.

PROFESSIONAL SERVICES AGREEMENT

1
2 RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION
3 DISTRICT, hereinafter called "DISTRICT", and MAYER HOFFMAN McCANN P.C.,
4 hereinafter called "CONSULTANT", hereby agree as follows:
5

- 6 1. PROJECT – CONSULTANT shall serve as the independent auditors for DISTRICT and
7 perform the audit examination of DISTRICT'S financial statements for fiscal years
8 ending June 30, 2009 through 2013.
- 9 2. SCOPE OF SERVICES – DISTRICT hereby retains CONSULTANT, as an independent
10 contractor, to perform all technical and professional services including but not limited to
11 expertise, labor, equipment, tools, facilities, materials, supervision, and other incidental
12 services necessary to fully and adequately perform and complete in a skillful and
13 professional manner those services set forth in Exhibit "A" attached hereto and n
14 part hereof.
- 15 3. TIME FOR PERFORMANCE – CONSULTANT shall commence performan
16 services upon receipt of a written Notice to Proceed from DISTRICT autho
17 CONSULTANT to initiate work pursuant to this Agreement. CONSULTANT
18 diligently perform the services to full completion through June 30, 2010. By mutual
19 consent of DISTRICT and CONSULTANT, this Agreement may be renewed for four (4)
20 additional years through June 30, 2014.
- 21 4. COMPENSATION – DISTRICT shall pay CONSULTANT for services performed and
22 expenses incurred in accordance with the cost proposal and the standard rates as set forth
23 on Exhibit "B" attached hereto and made a part hereof. The total amount of
24 compensation paid to CONSULTANT under this Agreement shall not exceed the sum of
25 twenty-three thousand nine hundred thirty dollars (\$23,930.00) in fiscal year 2009-10,
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1 twenty-four thousand four hundred and six dollars (\$24,406.00) in fiscal year 2010-11,
2 twenty-four thousand eight hundred eighty-two dollars (\$24,882.00) in fiscal year 2011-
3 12, twenty-five thousand three hundred fifty-eighty dollars (\$25,358.00) in fiscal year
4 2012-13, and twenty-five thousand seven hundred and forty dollars (\$25,740.00) in
5 fiscal year 2013-14 unless a written amendment to this Agreement is executed by both
6 parties prior to performance of additional services.

7 5. PAYMENT – Upon satisfactory performance of CONSULTANTS services as set forth
8 herein, DISTRICT shall pay CONSULTANT within thirty (30) days after DISTRICT’S
9 receipt of CONSULTANT’S appropriate monthly invoices. CONSULTANT shall keep
10 employee and expense records according to customary accounting methods and such
11 records shall be available for inspection by DISTRICT to verify the invoices of
12 CONSULTANT.
13

14 6. LICENSES – CONSULTANT, SUBCONSULTANT, their employees, agents,
15 contractors and subcontractors shall maintain professional licenses required by the laws
16 of the State of California at all times while performing services under this Agreement.
17

18 7. SUBCONTRACTING – CONSULTANT may, at CONSULTANT’S own expense,
19 employ special consultants to accomplish the work covered by this Agreement however,
20 except as specifically provided in Exhibit "A" or as expressly identified in this
21 Agreement, no portion of the services pertinent to this Agreement shall be subcontracted
22 without prior written approval and authorization by the DISTRICT.

23 In the event CONSULTANT subcontracts any portion of CONSULTANT’S duties under
24 this Agreement, CONSULTANT shall require its subcontractors to comply with the
25 terms of this Agreement in the same manner as required of CONSULTANT. The fact
26 that CONSULTANT employs special consultants not in his regular employ shall not
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1 relieve CONSULTANT of any responsibility regarding the adequacy of the special
2 consultant's work performed or services provided pursuant to this Agreement.

- 3 8. NOTICES - Any and all notices sent or required to be sent to the parties of this
4 Agreement will be mailed by first class mail, postage prepaid to the following addresses:

| | |
|-----------------------------------|---------------------------------|
| 5 RIVERSIDE COUNTY FLOOD CONTROL | MAYER HOFFMAN |
| 6 AND WATER CONSERVATION DISTRICT | McCANN P.C. |
| 7 1995 Market Street | Attn.: Ken Al-Iman, Shareholder |
| Riverside, CA 92501 | 2301 Dupont Dr., Suite 200 |
| | Irvine, CA 92612 |

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9 9. REQUIRED INSURANCE

10 Without limiting or diminishing CONSULTANT'S obligation to indemnify or hold the
11 DISTRICT harmless, CONSULTANT shall procure and maintain or cause to be
12 maintained, at its sole cost and expense, the following insurance coverages during the
13 term of this Agreement:

14 Workers' Compensation:

15 If CONSULTANT has employees as defined by the State of California,
16 CONSULTANT shall maintain Workers' Compensation Insurance (Coverage A)
17 as prescribed by the laws of the State of California. Policy shall include
18 Employer's Liability (Coverage B) including Occupational Disease with limits not
19 less than \$1,000,000 per person per accident. Policy shall be endorsed to waive
20 subrogation in favor of DISTRICT and, if applicable, to provide a Borrowed
21 Servant/Alternate Employer endorsement.

22 Commercial General Liability:

23 Commercial General Liability insurance coverage, including but not limited to,
24 premises liability, contractual liability, completed operations, personal and
25 advertising injury covering claims which may arise from or out of
26 CONSULTANT'S performance of its obligations hereunder. Policy shall name the
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1 Riverside County Flood Control and Water Conservation District, the County of
2 Riverside, special districts, their respective directors, officers, Board of
3 Supervisors, elected officials, employees, agents or representatives as additional
4 insureds. Policy's limit of liability shall not be less than \$1,000,000 per occurrence
5 combined single limit. If such insurance contains a general aggregate limit, it shall
6 apply separately to this Agreement or be no less than two (2) times the occurrence
7 limit.

8
9 Vehicle Liability:

10 If CONSULTANT'S vehicles or mobile equipment are used in the performance of
11 the obligations under this Agreement, CONSULTANT shall maintain liability
12 insurance for all owned, non-owned or hired vehicles in an amount not less than
13 \$1,000,000 per occurrence combined single limit. If such insurance contains a
14 general aggregate limit, it shall apply separately to this Agreement or be no less
15 than two (2) times the occurrence limit. If CONSULTANT does not own vehicles,
16 CONSULTANT shall maintain coverage for non-owned or hired vehicles in an
17 amount not less than \$1,000,000 per occurrence combined single limit. Such non-
18 owned or hired coverage may be included on the Commercial General Liability
19 policy. Policy shall name the Riverside County Flood Control and Water
20 Conservation District, the County of Riverside, special districts, their respective
21 directors, officers, Board of Supervisors, elected officials, employees, agents or
22 representatives as additional insureds.
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25 Professional Liability

26 CONSULTANT shall maintain Professional Liability Insurance providing
27 coverage for CONSULTANT'S performance of work included within this
28 Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and

1 \$3,000,000 annual aggregate. If CONSULTANT'S Professional Liability
2 Insurance is written on a claims made basis rather than an occurrence basis, such
3 insurance shall continue through the term of this Agreement and CONSULTANT
4 shall purchase at his sole expense either 1) an Extended Reporting Endorsement
5 (also known as Tail Coverage) or; 2) Prior Dates Coverage from a new insurer
6 with a date retroactive to the date of, or prior to, the inception of this Agreement
7 or; 3) demonstrate through Certificates of Insurance that CONSULTANT has
8 maintained continuous coverage with the same or original insurer. Coverage
9 provided under items; 1), 2) or 3) will continue for a period of three (3) years
10 beyond the termination of this Agreement.
11

12 General Insurance Provisions – All Lines:

- 13 a. Any insurance carrier providing insurance coverage hereunder shall be
14 admitted to the State of California and have an A.M. BEST rating of not less
15 than an A: VIII (A: 8) unless such requirements are waived, in writing, by
16 the County Risk Manager. If the County's Risk Manager waives a
17 requirement for a particular insurer such waiver is only valid for the specific
18 insurer and only for one policy term.
19
20 b. CONSULTANT'S insurance carrier(s) must declare its insurance deductibles
21 or self-insured retentions. If such deductibles or self-insured retentions
22 exceed \$500,000 per occurrence such deductibles and/or retentions shall
23 have the prior written consent of the County Risk Manager before the
24 commencement of operations under this Agreement. Upon notification of
25 deductibles or self-insured retentions which are deemed unacceptable to the
26 DISTRICT, at the election of the County's Risk Manager, CONSULTANT'S
27 carriers shall either; 1) reduce or eliminate such deductibles or self-insured
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1 retentions with respect to this Agreement with DISTRICT, or 2) procure a
2 bond which guarantees payment of losses and related investigations, claims
3 administration, defense costs and expenses.

- 4 c. CONSULTANT shall cause their insurance carrier(s) to furnish DISTRICT
5 1) a properly executed original certificate(s) of insurance and original
6 certified copies of endorsements effecting coverage as required herein; or 2)
7 if requested to do so orally or in writing by the County Risk Manager,
8 provide original certified copies of policies including all endorsements and
9 all attachments thereto, showing such insurance is in full force and effect.
10 Further, said certificate(s) and policies of insurance shall contain the
11 covenant that the insurance carrier(s) shall provide no less than thirty (30)
12 days written notice be given to DISTRICT prior to any material modification
13 or cancellation of such insurance. In the event of a material modification or
14 cancellation of coverage, this Agreement shall terminate forthwith, unless
15 DISTRICT receives, prior to such effective date, another properly executed
16 original certificate of insurance and original copies of endorsements or
17 original certified policies, including all endorsements and attachments
18 thereto, evidencing coverages and the insurance required herein is in full
19 force and effect. Individual(s) authorized by the insurance carrier to do so
20 on its behalf shall sign the original endorsements for each policy and the
21 certificate of insurance.

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24 CONSULTANT shall not commence operations until DISTRICT has been
25 furnished with original certificate(s) of insurance and original certified
26 copies of endorsements or policies of insurance including all endorsements
27 and any and all other attachments as required in this Section.
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- 1 d. It is understood and agreed by the parties hereto and CONSULTANT'S
2 insurance company(ies), that the certificate(s) of insurance and policies shall
3 so covenant and shall be construed as primary insurance, and the
4 DISTRICT'S insurance and/or deductibles and/or self-insured retentions or
5 self-insured programs shall not be construed as contributory.
- 6 e. If, during the term of this Agreement or any extension thereof, there is a
7 material change in the scope of services; or there is a material change in the
8 equipment to be used in the performance of the scope of work which will
9 add additional exposures (such as the use of aircraft, watercraft, cranes,
10 etc.); or the term of this Agreement, including any extensions thereof,
11 exceeds five (5) years, the County reserves the right to adjust the types of
12 insurance required under this Agreement and the monetary limits of liability
13 for the insurance coverage's currently required herein, if, in the County Risk
14 Manager's reasonable judgment, the amount or type of insurance carried by
15 the CONSULTANT has become inadequate.
- 16 f. CONSULTANT shall pass down the insurance obligations contained herein
17 to all tiers of subcontractors working under this Agreement.
- 18 g. The insurance requirements contained in this Agreement may be met with a
19 program(s) of self-insurance acceptable to DISTRICT.
- 20 h. CONSULTANT agrees to notify DISTRICT of any claim by a third party or
21 any incident or event that may give rise to a claim arising from the
22 performance of this Agreement.
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26 10. INDEMNIFICATION – CONSULTANT shall indemnify and hold harmless DISTRICT
27 (including its Board of Supervisors, elected and appointed officials, employees, agents
28 and representatives) from any liability, claim, damage, proceeding or action, present or

1 future, based upon, arising out of or in any way relating to CONSULTANT'S (including
2 its officers, employees, subcontractors and agents) actual or alleged negligent, reckless
3 or willful misconduct, acts or omissions related to this Agreement, performance under
4 this Agreement, or failure to comply with the requirements of this Agreement, including
5 but not limited to: (a) property damage; (b) bodily injury or death; or (c) any other
6 element of any kind or nature whatsoever.

7 CONSULTANT shall defend, at its sole expense, including all costs and fees (including
8 but not limited to attorney fees, cost of investigation, defense and settlements or awards),
9 DISTRICT, (including its Board of Supervisors, elected and appointed officials,
10 employees, agents and representatives) in any claim, proceeding or action for which
11 indemnification is required.
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13 With respect to any of CONSULTANT'S indemnification requirements,
14 CONSULTANT shall, at its sole cost, have the right to use counsel of their own choice
15 and shall have the right to adjust, settle, or compromise any such claim, proceeding or
16 action without the prior consent of DISTRICT; provided, however, that such adjustment,
17 settlement or compromise in no manner whatsoever limits or circumscribes
18 CONSULTANT'S indemnification obligations to DISTRICT.
19

20 CONSULTANT'S indemnification obligations shall be satisfied when CONSULTANT
21 has provided to DISTRICT the appropriate form of dismissal (or similar document)
22 relieving DISTRICT from any liability for the claim, proceeding or action involved.

23 The specified insurance limits required in this Agreement shall in no way limit or
24 circumscribe CONSULTANT'S obligations to indemnify and hold harmless DISTRICT
25 from third party claims.
26

27 In the event there is conflict between this section and California Civil Code Section
28 2782, this section shall be interpreted to comply with Civil Code 2782. Such

1 interpretation shall not relieve the CONSULTANT from indemnifying DISTRICT to the
2 fullest extent allowed by law.

3 11. WORK PRODUCT – CONSULTANT shall provide DISTRICT with all power point
4 presentations, data, materials, drawings, logs and reports as described in Exhibit "A".
5 All provided items shall be and remain the sole property of DISTRICT.
6 CONSULTANT shall not publish or transfer any material produced by CONSULTANT
7 or resulting from activities supported by this Agreement without the written consent of
8 the General Manager-Chief Engineer. If any such material is subject to copyright or
9 trademark, the parties agree that the right to any and all copyright and/or trademark in
10 and to the material is expressly reserved to DISTRICT. If any such material is
11 copyrighted, the parties hereto understand and agree that DISTRICT reserves a royalty-
12 free, non-exclusive, and irrevocable license to reproduce, publish and use such material,
13 in whole or in part, and to authorize others to do so, provided written credit is given the
14 author.
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17 12. TERMINATION – At any time during the term of this Agreement, DISTRICT may:
18 a. Terminate this Agreement without cause upon providing CONSULTANT
19 thirty (30) days written notice stating the extent and effective date of
20 termination; or
21 b. Upon five (5) days written notice, terminate this Agreement for
22 CONSULTANT default, if CONSULTANT refuses or fails to comply with
23 the provisions of this Agreement or fails to make progress so as to endanger
24 performance and does not cure such failure within a reasonable period of
25 time. In the event of such termination, the DISTRICT may proceed with the
26 work in any manner deemed proper to DISTRICT.
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1 In the event DISTRICT issues a Notice of Termination, CONSULTANT shall (i) Stop
2 all work under this Agreement on the date specified in the Notice of Termination; and
3 (ii) Transfer to DISTRICT and deliver in the manner, and to the extent, if any, as
4 directed by DISTRICT, any equipment, data or reports which, if the Agreement had
5 been completed, would have been required to be furnished to DISTRICT.

6 In the event DISTRICT terminates this Agreement, DISTRICT shall make payment for
7 all services performed in accordance with this Agreement to the date of termination, a
8 total amount which bears the same ratio to the total maximum fee otherwise payable
9 under this Agreement as the services actually bear to the total services necessary for
10 performance of this Agreement. Notwithstanding any of the other provisions of this
11 Agreement, CONSULTANT'S rights under this Agreement shall terminate (except for
12 fees accrued prior to the date of termination) upon dishonesty, or a willful or material
13 breach of this Agreement by CONSULTANT, or in the event of CONSULTANT'S
14 unwillingness or inability for any reason whatsoever to perform the duties hereunder, or
15 if Agreement is terminated pursuant to Section 20 herein, titled NON-
16 DISCRIMINATION. In such event, CONSULTANT shall not be entitled to any further
17 compensation under this Agreement. The rights and remedies of DISTRICT provided in
18 this section shall not be exclusive and are in addition to any other rights and remedies
19 provided by law or under this Agreement.

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22 13. ASSIGNMENT – Neither this Agreement nor any part thereof shall be assigned by
23 CONSULTANT without the prior written consent of DISTRICT.

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25 14. CONFLICT OF INTEREST – CONSULTANT covenants that it presently has no
26 interest in, including but not limited to, other projects or independent contracts and shall
27 not acquire any such interest, direct or indirect, which would conflict in any manner or
28 degree with the performance of services required to be performed under this Agreement.

1 CONSULTANT further covenants that in the performance of this Agreement, no person
2 having any such interest shall be employed or retained by it under this Agreement.

3 15. CONFIDENTIALITY OF DATA - All financial, statistical, personal, technical or other
4 data and information which is designated confidential by DISTRICT and subsequently
5 made available to CONSULTANT shall not be disclosed (in whole or in part) by
6 CONSULTANT to any third parties and shall be protected by CONSULTANT from
7 unauthorized use and disclosure. The only exception to this shall be if disclosure is
8 approved in advance in writing by DISTRICT or if the disclosure is made to
9 CONSULTANT'S subcontractors as anticipated by this Agreement.
10

11 CONSULTANT shall not issue any news release or public relations item regarding
12 designated confidential information or CONSULTANT'S work under this Agreement,
13 without prior review of the contents and written approval by DISTRICT.

14 These same requirements shall be applicable to any of CONSULTANT'S subcontractors.
15 CONSULTANT shall include the requirements stated in this section in the agreement
16 with any of its subcontractors.
17

18 16. INDEPENDENT CONTRACTOR – CONSULTANT and the agents and employees of
19 CONSULTANT shall act at all times in an independent capacity during the term of this
20 Agreement and in the performance of the services to be rendered hereunder and shall not
21 act as or shall not be and shall not in any manner be considered employees or agents of
22 DISTRICT.
23

24 17. EXTRA WORK – CONSULTANT shall not perform extra work beyond the scope of
25 services described in Exhibit "A" without the prior written approval of the DISTRICT.
26 Failure to obtain such prior written approval may result in CONSULTANT not receiving
27 any additional payment for such extra work.
28

1 CONSULTANT must immediately identify and notify DISTRICT in writing of any
2 extra work, and propose a revised scope, cost and schedule for PROJECT. DISTRICT'S
3 approval of such extra work shall be in the form of an amendment to this Agreement.

- 4 18. JURISDICTION/LAW/SEVERABILITY – This Agreement is to be construed in
5 accordance with the laws of the State of California. If any provision of this Agreement
6 is held by a court of competent jurisdiction to be invalid, void or unenforceable, the
7 remaining provisions shall be declared severable and shall be given full force and effect
8 to the extent possible.

9
10 Any legal action, in law or equity related to the performance or interpretation of this
11 Agreement shall be filed only in the Superior Court for the State of California located in
12 Riverside, California and the parties waive any provision of law providing for a change
13 of venue to another location. Prior to the filing of any legal action, the parties shall be
14 obligated to attend a mediation session with a neutral mediator to try to resolve the
15 dispute.

- 16
17 19. WAIVER – Any waiver by DISTRICT of any breach of any one or more of the terms of
18 this Agreement shall not be construed to be a waiver of any subsequent or other breach
19 of the same or any other term thereof. Failure on the part of DISTRICT to require exact,
20 full and complete compliance with any terms of this Agreement shall not be construed as
21 in any manner changing the terms hereof, or stopping DISTRICT from enforcement
22 hereof.

- 23
24 20. NON-DISCRIMINATION – In the performance of the terms of this Agreement,
25 CONSULTANT shall not engage in nor permit others he may employ to engage in
26 discrimination in the employment of persons because of the race, color, national origin
27 or ancestry, religion, physical handicap, disability as defined by the Americans with
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1 Disabilities Act (ADA), medical condition, marital status or sex of such persons, in
2 accordance with the provision of California Labor Code Section 1735.

- 3 21. NON-APPROPRIATION OF FUNDS – It is mutually agreed and understood that the
4 obligations of DISTRICT are limited by and contingent upon the availability of
5 DISTRICT funds for the reimbursement of CONSULTANT'S fees. In the event that
6 such funds are not forthcoming for any reason, DISTRICT shall immediately notify
7 CONSULTANT in writing. This Agreement shall be deemed terminated and have no
8 further force and effect immediately on receipt of DISTRICT'S notification by
9 CONSULTANT. In the event of such termination, CONSULTANT shall be entitled to
10 payment for work already performed in accordance with this Agreement.
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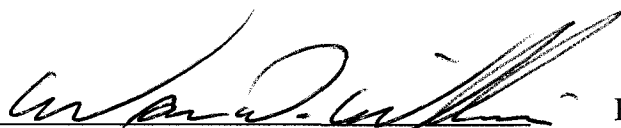
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

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(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

By 
WARREN D. WILLIAMS
General Manager-Chief Engineer

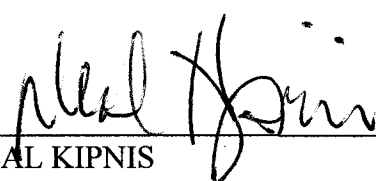
By _____
MARION ASHLEY, Chairman
Board of Supervisors, Riverside County Flood
Control and Water Conservation District

APPROVED AS TO FORM:

ATTEST:

PAMELA J. WALLS
County Counsel

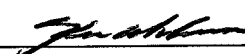
KECIA HARPER-IHEM
Clerk of the Board

By 
NEAL KIPNIS
Deputy County Counsel

By _____
Deputy

(SEAL)

MAYER HOFFMAN McCANN P.C.

By 
KEN AL-IMAN
Shareholder

Professional Services Agreement
FCARC – 029 Auditing Services
6/4/2009
JRH:mc

EXHIBIT A

SCOPE OF SERVICE

Services to be rendered:

1. Serve as the independent auditors for the Riverside County Flood Control and Water Conservation District (herein referred to as "District") and perform the audit examination of the District's financial statements for the five fiscal years ending June 30, 2009, 2010, 2011, 2012 and 2013. The examination will be conducted in accordance with generally accepted auditing standards, State Controller audit guidelines, the AICPA Audit and Accounting Guide, *Audits of State and Local Government Units*, and the *Government Auditing Standards* issued by the Comptroller General of the United States.
2. Review and comment on all documents contained in each section of the CAFR – *Introductory, Financial and Statistical* – provided by District personnel. Provide an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
3. Provide a check list of supporting documentation required for the audit process by the prescribed time as follows:
 - a. Upon execution of this agreement by all parties, prior to the end of the audited fiscal year 2008-09 or shortly thereafter; and
 - b. By June 1st, or shortly thereafter, prior to each of the audited fiscal years 2009-10, 2010-11, 2011-2012 and 2012-13.
4. Perform *interim audit work* on an agreed upon date prior to commencing the *year-end substantive (final) audit* on August 17, 2009 or on a date corresponding to the beginning of the third week in August of each applicable audit year.

Note: The District staff will substantially make all adjusting entries prior to the start of final fieldwork and will provide supporting schedules and reconciliations for all significant asset and liability balances.

5. Advise District staff of new accounting developments during the interim/planning stage of each year's audit including implementation of new and revised GASB pronouncements.
6. Provide the District with a final copy of the CAFR, compiled and formatted on CD – a printable version and a Web version – no later than the second week of November of each applicable year.
7. Prepare a letter to the Board of Supervisors reporting matters dealing with internal control that meet the threshold of being *material weaknesses* or *significant deficiencies* as defined by professional auditing standards. Immediately report any irregularities or illegal acts discovered to the Chairman of the Board of Supervisors.

8. Prepare a letter to District management that will provide other recommendations to the District ensuing from the review of the District's internal control procedures. This letter will address non-reportable conditions (constructive comments not required to be included in the letter of reportable conditions to the Board of Supervisors). Discuss comments with Finance Director and Assistant Finance Director prior to its finalization.

9. Provide the District unlimited telephone consultations regarding accounting and other technical matters. Provide advice in the application of generally accepted accounting principles and the establishment and segregation of funds. Advise the District regarding debt issuance, financial statement preparation and content and other matters relating to the District, including matters of taxation and policy relating to District fringe benefits.

EXHIBIT B
PAYMENT PROVISION
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE FINANCIAL STATEMENTS

2009 FISCAL YEAR

| <u>Level of Position/Title:</u> | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Total</u> |
|--|--------------|--------------------------------------|------------------------------------|--------------|
| Partner | 20 | \$ 195 | \$ 115 | \$ 2,300 |
| Manager | 30 | 155 | 110 | 3,300 |
| Supervisory Staff | 94 | 115 | 100 | 9,400 |
| Staff | 94 | 105 | 95 | 8,930 |
| Subtotal | 238 | | | 23,930 |
| Out-of-pocket expenses: | - | | | - |
| Other | - | | | - |
| Total all-inclusive maximum price for FY 2009 | 238 | | | \$ 23,930 |

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 17, EXTRA WORK of this Agreement.

EXHIBIT B
PAYMENT PROVISION
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE FINANCIAL STATEMENTS

2010 FISCAL YEAR

| <u>Level of Position/Title:</u> | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Total</u> |
|--|--------------|--------------------------------------|------------------------------------|------------------|
| Partner | 20 | \$ 195 | \$ 117 | \$ 2,340 |
| Manager | 30 | 155 | 112 | 3,360 |
| Supervisory Staff | 94 | 115 | 102 | 9,588 |
| Staff | 94 | 105 | 97 | 9,118 |
| Subtotal | 238 | | | 24,406 |
| Out-of-pocket expenses: | - | | | - |
| Other | - | | | - |
| Total all-inclusive maximum price for FY 2010 | <u>238</u> | | | <u>\$ 24,406</u> |

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 17, EXTRA WORK of this Agreement.

EXHIBIT B
PAYMENT PROVISION
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE FINANCIAL STATEMENTS

2011 FISCAL YEAR

| <u>Level of Position/Title:</u> | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Total</u> |
|--|--------------|--------------------------------------|------------------------------------|------------------|
| Partner | 20 | \$ 200 | \$ 119 | \$ 2,380 |
| Manager | 30 | 160 | 114 | 3,420 |
| Supervisory Staff | 94 | 120 | 104 | 9,776 |
| Staff | 94 | 110 | 99 | 9,306 |
| Subtotal | 238 | | | 24,882 |
| Out-of-pocket expenses: | - | | | - |
| Other | - | | | - |
| Total all-inclusive maximum price for FY 2011 | <u>238</u> | | | <u>\$ 24,882</u> |

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 17, EXTRA WORK of this Agreement.

EXHIBIT B
PAYMENT PROVISION
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE FINANCIAL STATEMENTS

2012 FISCAL YEAR

| <u>Level of Position/Title:</u> | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Total</u> |
|--|--------------|--------------------------------------|------------------------------------|------------------|
| Partner | 20 | \$ 200 | \$ 121 | \$ 2,420 |
| Manager | 30 | 160 | 116 | 3,480 |
| Supervisory Staff | 94 | 120 | 106 | 9,964 |
| Staff | 94 | 110 | 101 | 9,494 |
| Subtotal | 238 | | | 25,358 |
| Out-of-pocket expenses: | - | | | - |
| Other | - | | | - |
| Total all-inclusive maximum price for FY 2012 | <u>238</u> | | | <u>\$ 25,358</u> |

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 17, EXTRA WORK of this Agreement.

EXHIBIT B
PAYMENT PROVISION
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE FINANCIAL STATEMENTS

2013 FISCAL YEAR

| <u>Level of Position/Title:</u> | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Total</u> |
|--|--------------|--------------------------------------|------------------------------------|--------------|
| Partner | 20 | \$ 205 | \$ 123 | \$ 2,460 |
| Manager | 30 | 165 | 118 | 3,540 |
| Supervisory Staff | 94 | 125 | 108 | 10,152 |
| Staff | 94 | 115 | 102 | 9,588 |
| Subtotal | 238 | | | 25,740 |
| Out-of-pocket expenses: | - | | | - |
| Other | - | | | - |
| Total all-inclusive maximum price for FY 2013 | 238 | | | \$ 25,740 |

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 17, EXTRA WORK of this Agreement.