

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

305B



FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
June 29, 2010

SUBJECT: Multi-year Auditing Services Agreement
Professional Services Agreement

RECOMMENDED MOTION:

1. Approve the multi-year Professional Services Agreement between the District and Teaman, Ramirez & Smith, Inc.;
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 2011-12, 2012-13, 2013-14 and 2014-15.

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

RLN:mc

WARREN D. WILLIAMS
General Manager-Chief Engineer

FINANCIAL DATA	F.Y. 2010-11 District Cost:	\$31,000.00	In F.Y. 2010-11 Budget:	Yes
	Current F.Y. County Cost:	N/A	Budget Adjustment:	No
	Annual Net District Cost: (FY2011-12 through FY2014-15)	\$31,000.00 to \$33,000.00	For Fiscal Years:	10/11 - 14/15

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

County Executive Office Signature

by Alex Gann

MINUTES OF THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT

On motion of Supervisor Stone, seconded by Supervisor Tavaglione and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione and Stone
 Nays: None
 Absent: Benoit and Ashley
 Date: June 29, 2010
 xc: Flood

Kecia Harper-Ihem
 Clerk of the Board
 By:
 Deputy

Prev. Agn. Ref.:

District: All

Agenda Number:

11.5

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES - APPROVED
 TAN M. CHANG, FINANCIAL DIRECTOR
 6/15/2010
 Departmental Concurrence
 NEAL R. KIPNIS
 DATE 6/19/10

**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 29, 2010

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, 2010 through 2015. 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. Teaman, Ramirez & Smith, Inc., 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 Teaman, Ramirez & Smith, Inc., 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 Teaman, Ramirez & Smith, Inc., 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 2010-2011 and will be included in future budget years 2011-12, 2012-13, 2013-14, and 2014-15.

AGREEMENT

Financial Auditing Services

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RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, hereinafter called "DISTRICT", and Teaman, Ramirez & Smith, Inc., hereinafter called "CONSULTANT", hereby agree as follows:

- 1. PROJECT – CONSULTANT shall serve as the independent auditors for DISTRICT and perform the audit examination of DISTRICT'S financial statements for fiscal years ending June 30, 2010 through June 30, 2015.
- 2. SCOPE OF SERVICES – DISTRICT hereby retains CONSULTANT, as an independent contractor, to perform all technical and professional services including but not limited to expertise, labor, equipment, tools, facilities, materials, supervision, and other incidental services necessary to fully and adequately perform and complete in a skillful and professional manner those services set forth in Exhibit "A" attached hereto and made a part hereof.
- 3. TIME FOR PERFORMANCE – CONSULTANT shall commence performance of services upon receipt of a written Notice to Proceed from DISTRICT authorizing CONSULTANT to initiate work pursuant to this Agreement. CONSULTANT shall diligently perform the services to full completion through June 30, 2011. By mutual consent of DISTRICT and CONSULTANT, this Agreement may be renewed for four (4) additional years through June 30, 2015.
- 4. COMPENSATION – DISTRICT shall pay CONSULTANT for services performed and expenses incurred in accordance with the cost proposal and the standard rates as set forth on Exhibit "B" attached hereto and made a part hereof. The total amount of compensation paid to CONSULTANT under this Agreement shall not exceed the sum of

1 thirty-one thousand dollars (\$31,000.00) in Fiscal Year 2010-11, thirty-one thousand
2 dollars (\$31,000.00) in Fiscal Year 2011-12, thirty-one thousand dollars (\$31,000.00) in
3 Fiscal Year 2012-13, thirty-two thousand dollars (\$32,000.00) in Fiscal Year 2013-14,
4 and thirty-three thousand dollars (\$33,000.00) in Fiscal Year 2014-15 unless a written
5 amendment to this Agreement is executed by both parties prior to performance of
6 additional services.

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

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

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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 DISTRICT.

23
24 In the event CONSULTANT subcontracts any portion of CONSULTANT'S duties under
25 this Agreement, CONSULTANT shall require its subcontractors to comply with the
26 terms of this Agreement in the same manner as required of CONSULTANT. The fact
27 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	TEAMAN, RAMIREZ &
6 AND WATER CONSERVATION DISTRICT	SMITH, INC.
7 1995 Market Street	Attn.: Greg W. Frankhanel, Partner
8 Riverside, CA 92501	4201 Brockton Ave., Suite 100
Attn: Finance Division	Riverside, CA 92501

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

13 A. Workers' Compensation:

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

21 B. Commercial General Liability:

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

9
10 C. Vehicle Liability:

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

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22 D. Professional Liability:

23 CONSULTANT shall maintain Professional Liability Insurance providing
24 coverage for CONSULTANT'S performance of work included within this
25 Agreement, with a limit of liability of not less than \$1,000,000 per occurrence
26 and \$2,000,000 annual aggregate. If CONSULTANT'S Professional Liability
27 Insurance is written on a claims made basis rather than an occurrence basis,
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1 such insurance shall continue through the term of this Agreement and
2 CONSULTANT shall purchase at his sole expense either 1) an Extended
3 Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates
4 Coverage from a new insurer with a retroactive date back to the date of, or
5 prior to, the inception of this Agreement; or 3) demonstrate through Certificates
6 of Insurance that CONSULTANT has maintained continuous coverage with the
7 same or original insurer. Coverage provided under items: 1), 2) or 3) will
8 continue as long as the law allows.
9

10 E. General Insurance Provisions – All Lines:

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

3 c. CONSULTANT shall cause their insurance carrier(s) to furnish
4 DISTRICT with 1) a properly executed original Certificate(s) of
5 Insurance and certified original copies of Endorsements effecting
6 coverage as required herein; and 2) if requested to do so orally or in
7 writing by the County Risk Manager, provide original certified copies of
8 policies including all Endorsements and all attachments thereto, showing
9 such insurance is in full force and effect. Further, said Certificate(s) and
10 policies of insurance shall contain the covenant of the insurance carrier(s)
11 that thirty (30) days written notice shall be given to DISTRICT prior to
12 any material modification, cancellation, expiration or reduction in
13 coverage of such insurance. In the event of a material modification,
14 cancellation, expiration or reduction in coverage, this Agreement shall
15 terminate forthwith, unless DISTRICT receives, prior to such effective
16 date, another properly executed original Certificate of Insurance and
17 original copies of Endorsements or certified original policies, including
18 all endorsements and attachments thereto, evidencing coverages set forth
19 herein and the insurance required herein is in full force and effect.
20 *CONSULTANT shall not commence operations until DISTRICT has been*
21 *furnished with original Certificate(s) of Insurance and certified original*
22 *copies of Endorsements and if requested, certified original policies of*
23 *insurance including all endorsements and any and all other attachments*
24 *as required in this Section. An individual authorized by the insurance*
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1 agents and representatives) from any and all liability, claim, damage, proceeding or
2 action, present or future, based upon, arising out of or in any way relating to
3 CONSULTANT'S (including its officers, employees, subcontractors and agents) actual
4 or alleged negligent, reckless or willful misconduct, acts or omissions related to this
5 Agreement, performance under this Agreement, or failure to comply with the
6 requirements of this Agreement, including but not limited to: (a) property damage; (b)
7 bodily injury or death; or (c) any other element of any kind or nature whatsoever.
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9 CONSULTANT shall defend, at its sole expense, including all costs and fees
10 (including but not limited to attorney fees, cost of investigation, defense and settlements
11 or awards), DISTRICT (its officers, Board of Supervisors, elected and appointed
12 officials, employees, agents and representatives) in any claim, proceeding or action for
13 which indemnification is required.

14 With respect to any of CONSULTANT'S indemnification requirements,
15 CONSULTANT shall, at its sole cost, have the right to use counsel of their own choice
16 and shall have the right to adjust, settle, or compromise any such claim, proceeding or
17 action without the prior consent of DISTRICT; provided, however, that such adjustment,
18 settlement or compromise in no manner whatsoever limits or circumscribes
19 CONSULTANT'S indemnification obligations to DISTRICT.
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21 CONSULTANT'S indemnification obligations shall be satisfied when
22 CONSULTANT has provided to DISTRICT the appropriate form of dismissal (or
23 similar document) relieving DISTRICT from any liability for the claim, proceeding or
24 action involved.
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26 The specified insurance limits required in this Agreement shall in no way limit or
27 circumscribe CONSULTANT'S obligations to indemnify and hold harmless DISTRICT
28 from third party claims.

1 In the event there is conflict between this section and California Civil Code
2 Section 2782, this section shall be interpreted to comply with Civil Code 2782. Such
3 interpretation shall not relieve CONSULTANT from indemnifying DISTRICT or the
4 County of Riverside to the fullest extent allowed by law.

- 5 11. WORK PRODUCT – CONSULTANT shall provide DISTRICT with all power point
6 presentations, data, materials, drawings, logs and reports as described in Exhibit "A".
7 All work products or deliverables furnished under this Agreement shall be and remain
8 the sole property of DISTRICT. CONSULTANT shall not publish or transfer any
9 material produced by CONSULTANT or resulting from activities supported by this
10 Agreement without the written consent of the General Manager-Chief Engineer. If any
11 such material is subject to copyright or trademark, the parties agree that the right to any
12 and all copyright and/or trademark in and to the material is expressly reserved to
13 DISTRICT. If any such material is copyrighted, the parties hereto understand and agree
14 that DISTRICT reserves a royalty-free, non-exclusive, and irrevocable license to
15 reproduce, publish and use such material, in whole or in part, and to authorize others to
16 do so, provided written credit is given the author.

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19 12. TERMINATION – At any time during the term of this Agreement, DISTRICT may:
20 a. Terminate this Agreement without cause upon providing CONSULTANT thirty
21 (30) days written notice stating the extent and effective date of termination; or
22 b. Upon five (5) days written notice, terminate this Agreement for CONSULTANT
23 default, if CONSULTANT refuses or fails to comply with the provisions of this
24 Agreement or fails to make progress so as to endanger performance and does not
25 cure such failure within a reasonable period of time. In the event of such
26 termination, the DISTRICT may proceed with the work in any manner deemed
27 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.

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

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

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

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

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

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

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.

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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

JUN 29 2010

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

By Warren D. Williams
WARREN D. WILLIAMS
General Manager-Chief Engineer

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

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

APPROVED AS TO FORM:

PAMELA J. WALLS
County Counsel
By Neal Kipnis
NEAL KIPNIS
Deputy County Counsel

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board
By Kecia Harper-Ihem
Deputy

(SEAL)

TEAMAN, RAMIREZ & SMITH, INC.

By Greg Frankhanel
GREG W. FRANKHANEL
Partner

Professional Services Agreement
Auditing Services
6/29/2010
RLN: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, 2010, 2011, 2012, 2013 and 2014. 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 2009-10 or shortly thereafter; and
 - b. By June 1st, or shortly thereafter, prior to each of the audited fiscal years 2010-11, 2011-12, 2012-13 and 2013-14.
4. Perform *interim audit work* on an agreed upon date prior to commencing the *year-end substantive (final) audit* on August 16, 2010 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 A

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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, 2010, 2011, 2012, 2013 and 2014. 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.
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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>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 175	\$ 3,500
Manager	10	150	1,500
Senior Accountant	150	120	18,000
Supervisory Staff	26	100	2,600
Staff	<u>72</u>	75	<u>5,400</u>
Total all-inclusive maximum price for FY 2010	<u>278</u>		<u>\$ 31,000</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>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 175	\$ 3,500
Manager	10	150	1,500
Senior Accountant	150	120	18,000
Supervisory Staff	26	100	2,600
Staff	<u>72</u>	75	<u>5,400</u>
Total all-inclusive maximum price for FY 2011	<u>278</u>		<u>\$ 31,000</u>

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

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2012 FISCAL YEAR

<u>Level of Position/Title:</u>	<u>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 175	\$ 3,500
Manager	10	150	1,500
Senior Accountant	150	120	18,000
Supervisory Staff	26	100	2,600
Staff	<u>72</u>	75	<u>5,400</u>
Total all-inclusive maximum price for FY 2012	<u>278</u>		<u>\$ 31,000</u>

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

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2013 FISCAL YEAR

<u>Level of Position/Title:</u>	<u>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 175	\$ 3,500
Manager	10	150	1,500
Senior Accountant	150	120	18,000
Supervisory Staff	36	100	3,600
Staff	<u>72</u>	75	<u>5,400</u>
Total all-inclusive maximum price for FY 2013	<u>288</u>		<u>\$ 32,000</u>

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

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PAYMENT PROVISION
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2014 FISCAL YEAR

<u>Level of Position/Title:</u>	<u>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 175	\$ 3,500
Manager	10	150	1,500
Senior Accountant	150	120	18,000
Supervisory Staff	46	100	4,600
Staff	<u>72</u>	75	<u>5,400</u>
Total all-inclusive maximum price for FY 2014	<u>278</u>		<u>\$ 33,000</u>

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