



AGENDA

REGULAR MEETING OF THE CARSON RECLAMATION AUTHORITY

"In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk's office at 310-952-1720 at least 48 hours prior to the meeting." (Government Code Section 54954.2)

CALL TO ORDER: CARSON RECLAMATION AUTHORITY

ROLL CALL:

CLOSED SESSION (None)

ORAL COMMUNICATIONS – CLOSED SESSION ITEMS ONLY

ANNOUNCEMENT OF CLOSED SESSION ITEMS

RECESS INTO CLOSED SESSION

RECONVENE: OPEN SESSION

REPORT ON CLOSED SESSION ACTIONS

ORAL COMMUNICATIONS FOR MATTERS LISTED ON THE AGENDA (MEMBERS OF THE PUBLIC) (LIMITED TO ONE HOUR)

The public may address the members of the Carson Reclamation Authority on any matters within the jurisdiction of the Carson Reclamation Authority or on any items on the agenda of the Carson Reclamation Authority, other than closed session matters, prior to any action taken on the agenda. Speakers are limited to no more than three minutes, speaking once. Oral communications will be limited to one(1) hour unless extended by order of the Chair with the approval of the Authority Board.

APPROVAL OF MINUTES: NONE

CONSENT (Items 1-3)

These items are considered to be routine items of AUTHORITY business and have, therefore, been placed on the CONSENT CALENDAR. If AUTHORITY wishes to discuss any item or items, then such item or items should be removed from the CONSENT CALENDAR. For items remaining on the CONSENT CALENDAR, a single motion to ADOPT the recommended action is in order.

Item No. 1. 2016-288

CONSIDER RESOLUTION NO. 16-04-CRJPA APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$578,363.90

Recommendation:

TAKE the following actions:

1. APPROVE Resolution No. 16-04-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY OF THE CITY OF CARSON, CALIFORNIA, APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$578,363.90."
2. AUTHORIZE the Chairman to execute the Resolution following approval as to form by the City Attorney.

Item No. 2. 2016- 199

REPORT ON THE AUDIT OF THE RECORDS AND ACCOUNTS OF THE CARSON RECLAMATION JOINT POWERS AUTHORITY FOR THE YEAR ENDED JUNE 30, 2015

Recommendation:

RECEIVE and FILE.

Item No. 3. 2016-264

CONSIDER APPROVAL OF THE FIRST AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES BETWEEN THE CARSON RECLAMATION AUTHORITY AND SEG ADVISORS

Recommendation:

TAKE the following action:

APPROVE the First Amendment to the Agreement for Consulting Services between the Carson Reclamation Authority and SEG Advisors and AUTHORIZE the Authority Chairman to execute the First Amendment as attached hereto upon approval as to form by Authority Counsel.

SPECIAL ORDERS OF THE DAY (None)

Public testimony is restricted to three minutes per speaker, speaking once (excepting applicants who are afforded a right of rebuttal, if desired), unless extended by order of the Chair with the approval of the Authority.

DISCUSSION (None)

ORAL COMMUNICATIONS FOR MATTERS NOT LISTED ON THE AGENDA (MEMBERS OF THE PUBLIC)

The public may at this time address the members of the Carson Reclamation Authority on any matters within the jurisdiction of the Carson Reclamation Authority. No action may be taken on non-agendized items except as authorized by law. Speakers are requested to limit their comments to no more than three minutes each, speaking once.

ORAL COMMUNICATIONS (AUTHORITY MEMBERS)

ANNOUNCEMENT OF UNFINISHED OR CONTINUED CLOSED SESSION ITEMS (AS NECESSARY)

RECESS TO CLOSED SESSION

RECONVENE TO OPEN SESSION

ADJOURNMENT



File #: 2016-288, Version: 2

Report to Mayor and City Council

Tuesday, March 01, 2016

Consent

SUBJECT:

CONSIDER RESOLUTION NO. 16-04-CRJPA APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$578,363.90

I. SUMMARY

This action approves invoices in the amount of \$578,363.90 submitted for work pursuant to contracts and agreements previously approved by the Carson Reclamation Authority (CRA) Board.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Resolution No. 16-04-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY OF THE CITY OF CARSON, CALIFORNIA, APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$578,363.90."
2. AUTHORIZE the Chairman to execute the Resolution following approval as to form by the City Attorney.

III. ALTERNATIVES

1. TAKE another action the Authority deems appropriate.

IV. BACKGROUND

Since May, 2015 the CRA Board has taken a number of actions to move the remediation of the former Cal-Compact Landfill project forward and to create systems that allow the review and approval of the work undertaken by the remediation contractor, Tetra Tech, and other contractors and consultants in a fair

but transparent manner.

This action includes the approval of a Claims and Demands Resolution approving several Tetra Tech invoices, which have been reviewed and approved by the CRA's Project Manager (SEG Advisors) and Environmental Services Advisor (SCS Engineers), prior to staff approval. It also approves monthly payments to SCS and SEG as well.

V. FISCAL IMPACT

The total expenditure in this period is \$578,363.90.

VI. EXHIBITS

1. Resolution No. 16-04-CRJPA. (pgs. 3-5)

Prepared by: John Raymond, Community Development Director

RESOLUTION NO. 16-04-CRJPA

RESOLUTION NO. 16-04-CRJPA, A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY RATIFYING CLAIMS AND DEMANDS IN THE AMOUNT OF \$578,363.90

THE CARSON RECLAMATION AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: The following claims and demands have been audited as required by law and are hereby ratified in the amount hereinafter set forth:

Payee Name	Payment Number	Purpose	Invoice Number	Payment Amount
Tetra Tech, Inc.	96	(200) Project Management	51014904	\$22,841.19
Tetra Tech, Inc.	97	(205) Storage Yard Maintenance	51014914	\$1,705.16
Tetra Tech, Inc.	98	(206) Quarterly Soil Gas Monitoring	51014899	\$10,854.65
Tetra Tech, Inc.	99	(208) Construction Management	51014902	\$2,130.08
Tetra Tech, Inc.	100	(213) Reclaimed Water for Dust Control	51014911	\$532.52
Tetra Tech, Inc.	101	(203) Site Security and Maintenance	51015724	\$32,757.24
Tetra Tech, Inc.	102	(204) Watering the Prescriptive Clay Cover	51015729	\$4,298.95
Tetra Tech, Inc.	103	(WO215) Concrete Crushing	51015737	\$141,755.14
Tetra Tech, Inc.	104	(WO18) Evaluate New Conceptual Mall Plan	51015738	\$21,165.14
Tetra Tech, Inc.	105	(201) Perimeter Air Monitoring	51015874	\$13,588.03
Tetra Tech, Inc.	106	(202) Vector Control	51015878	\$3,220.76
Tetra Tech, Inc.	107	(211) Alternative Compliance Plan	51015888	\$4,795.24
Tetra Tech, Inc.	108	(209) SWPPP	51015881	\$107,627.13
Tetra Tech, Inc.	109	(WO25) Project Management	51015894	\$57,371.88
Tetra Tech, Inc.	110	(WO19) Perimeter Air Monitoring	51015897	\$21,508.03
Tetra Tech, Inc.	111	(WO20) Vector Control	51015900	\$699.35
Tetra Tech, Inc.	112	(WO21) Site Security and Maintenance	51016247	11,613.49
Tetra Tech, Inc.	113	(WO22) Watering the Prescriptive Clay Cover	51016254	\$1,990.82
Tetra Tech, Inc.	114	(WO16) Import of Fill and Stockpiling	51016265	\$2,135.92
Tetra Tech, Inc.	115	(WO/17) Interim Air Intrusion Controls	51016505	\$3,955.33
Tetra Tech, Inc.	116	(207) Waterproof LFG Vaults	51016684	\$181.06

[MORE]

EXHIBIT NO.-1

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		& Close Liner Windows		
Tetra Tech, Inc.	117	(WO23) Maintain Storage Yard	51016686	\$704.97
Tetra Tech, Inc.	118	(WO26) Support for AIG Negotiations	51016689	\$8,150.97
Tetra Tech, Inc.	119	(212) LFG OM&M for Cells 3 and 5	51016770	\$22,992.83
Tetra Tech, Inc.	120	(WO24) LFGETS OM&M	51016778	\$39,070.02
Subtotal Tetra Tech				\$537,645.90
Other Invoices Submitted for Payment				
SCS ENGINEERS	Consulting Services - December		0269449	\$9,538.50
SCS ENGINEERS	Consulting Services – January		0272387	\$11,179.50
SEG ADVISORS, INC.	Project Management – February		SEG - 2016 – 00009	\$20,000.00
TOTAL ALL INVOICES				\$578,363.90

On March 1, 2016, the Carson Reclamation Authority ratified the above Demands and the City Treasurer is hereby directed by pay, out of the funds named hereon, to each of the Claimants listed above, the amount of warrant appearing opposite their respective names, for the purpose stated on the respective demands, making a total of \$578,363.90.

PASSED, APPROVED and ADOPTED this 1st day of March, 2016.

CARSON RECLAMATION AUTHORITY, a
public body

By: _____
Executive Director John S. Raymond

ATTEST:

Deputy Secretary Joy Simarago

CERTIFICATION

In accordance with Section 37.202 of the California Government Code, I hereby certify that the above demands are accurate and that funds are available for payment thereof. I certify under penalty of perjury that the foregoing is true and correct.

EXECUTED THE _____ DAY OF
_____ AT CARSON, CALIFORNIA

EXECUTIVE DIRECTOR
JOHN S. RAYMOND

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File #: 2016-199, Version: 1

Report to Carson Reclamation Authority

Tuesday, March 01, 2016

Consent

SUBJECT:

REPORT ON THE AUDIT OF THE RECORDS AND ACCOUNTS OF THE CARSON RECLAMATION JOINT POWERS AUTHORITY FOR THE YEAR ENDED JUNE 30, 2015

I. SUMMARY

According to Section 3.09 of the Bylaws of the Carson Reclamation Joint Powers Authority (Authority), the records and accounts of the Authority shall be audited annually by an independent Certified Public Accountant.

The audit was conducted by Vasquez and Co., LLP (Auditor). The report on the audit was completed and is being presented to the Board at today's meeting.

II. RECOMMENDATION

RECEIVE and FILE.

III. ALTERNATIVES

None.

IV. BACKGROUND

Section 3.09 of the Bylaws of the Carson Reclamation Joint Powers Authority requires an annual audit of the records and accounts of the Authority by an independent Certified Public Accountant. On August 4, 2015, the Authority awarded a professional services agreement to Vasquez and Company, LLP for the financial audit. Summarized below are the salient information from the report of the Auditor for the year ended June 30, 2015.

1. The Auditor rendered an unqualified opinion on the financial statements which, in all material respects, presented fairly the financial position of the Authority, in conformity with generally accepted accounting principles.

2. The total Assets of the Authority was \$1,451,000 of which \$1,200,000 was advances from the developer for project costs and \$251,000 was restricted for future projects.

The complete report will be provided to each Board Member and a copy is attached as Exhibit No. 1.

V. FISCAL IMPACT

None

VI. EXHIBITS

1. CRJPA Audited Financial Statements for the Year Ended June 30, 2015.
(pgs. 3-15)

Prepared by: Trini H. Catbagan



Carson Reclamation Joint Powers Authority
Financial Statements
Year Ended June 30, 2015
With Report of Independent Auditors

An Independently Owned Member
McGLADREY ALLIANCE



Vasquez
& Company LLP
Certified Public Accountants and Business Consultants

Carson Reclamation Joint Powers Authority
Financial Statements
Year ended June 30, 2015
With Report of Independent Auditors

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Report of Independent Auditors

The Board of Directors
Carson Reclamation Joint Powers Authority
Carson, California

Report on the Financial Statements

We have audited the statement of net position as of June 30, 2015, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to financial statements of the Carson Reclamation Joint Powers Authority (Authority), which collectively comprise the Authority's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Carson Reclamation Joint Powers Authority as of June 30, 2015, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Authority has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Vasquez + Company LLP

**Los Angeles, California
January 27, 2016**

Carson Reclamation Joint Powers Authority
Statement of Net Position
June 30, 2015

ASSETS		
Due from City of Carson		\$ <u>1,451,000</u>
	Total assets	<u>1,451,000</u>
LIABILITIES		
Liabilities		
Advances for project costs		<u>1,200,000</u>
	Total liabilities	<u>1,200,000</u>
NET POSITION		
Restricted for future projects		<u>251,000</u>
	Total net position	\$ <u><u>251,000</u></u>

See notes to financial statements.

Carson Reclamation Joint Powers Authority
Statement of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2015

Revenues		
Miscellaneous fees		\$ 251,000
	Total revenues	<u>251,000</u>
Expenditures		
Current:		
Development services		-
	Total expenditures	<u>-</u>
Change in net position		251,000
Net position, beginning of year		-
Net position, end of year		<u>\$ 251,000</u>

See notes to financial statements.

**Carson Reclamation Joint Powers Authority
Statement of Cash Flows
Year ended June 30, 2015**

There were no cash activities during the fiscal year ended June 30, 2015.

See notes to financial statements.

NOTE 1 ORGANIZATION

Pursuant to the Joint Exercise of Powers Act, commencing with Section 6500 *et seq.* of the Government Code, in February 2015, the Carson Reclamation Joint Powers Authority (Authority) was formed by the governing boards of the City of Carson Housing Authority (Housing Authority) and Carson Community Facilities Districts Nos. 2012-1 and 2012-2 (Districts).

The purpose of the Authority is to oversee and facilitate the remediation of contaminated properties in the City of Carson. The Authority role is to facilitate and fund the environmental study, investigation, and remediation and reclamation of any and all contaminated properties in the City, or the acquisition and subsequent reclamation of contaminated properties. These powers also include any improvements on property related to environmental clean-up and any negotiations or processing of property reclamation required in connection with the California Department of Toxic Substances Control (DSTC) or any other State or Federal environmental agency.

The Authority is governed by a Board of Directors composed of five directors appointed as follows:

- (1) One appointment by the Chair of the Housing Authority
- (2) One appointment by the Chair of the District's Board
- (3) One seat filled by a member of Carson Planning Commission
- (4) One seat filled by a member of the Carson Environmental Commission
- (5) One seat filled by either the Chair of the Carson Economic Development Commission or the Secretary to the Housing Authority

The accompanying financial statements reflect the financial activities of the Authority. The Authority has no component units.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's more significant accounting policies are described below.

Basis of Accounting and Measurement Focus

The Authority is considered an enterprise fund for financial reporting purposes. The accompanying financial statements have been prepared using the economic measurement focus and the accrual basis of accounting. Under this basis of accounting and measurement focus, revenues are recognized when they are earned and expenses are recognized when they are incurred.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Authority's financial statements are presented in accordance with the provisions of GASB Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments* as amended by GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Statement No. 34 established standards for external financial reporting for all state and local governmental entities. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. The Authority's net position is entirely restricted, representing external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

NOTE 3 DUE FROM OTHER GOVERNMENT

As of June 30, 2015, the Authority has funds deposited with the Trust and Agency account of the City of Carson. Its position in the cash and investment pool of the City of Carson is reported as Due from the City of Carson in the accompanying statement of net position.

Effective August 18, 2015, the Authority opened a depository account at a banking institution and transferred its entire position from the City's cash and investment pool to the Authority's new bank account.

Disclosures about interest rate risks, concentration of credit risks and custodial and credit risks of the City's pooled cash and investment account as of June 30, 2015 are included in the City's Comprehensive Annual Financial Report.

NOTE 4 SETTLEMENT, RELEASE AND INDEMNITY (SRI) AGREEMENT

In May 2015, Cardinal Cavalry, LLC (Cardinal), a Delaware Limited Liability Company, assigned and the Authority accepted, title to a certain unimproved real property of approximately 157 acres (Property) located in the City of Carson, which Cardinal purchased from Carson Marketplace LLC (CM).

Prior to Cardinal's purchase, this Property was subject to a Development Agreement and an Owner Participation Agreement (OPA) entered into by and between the City and CM, and the Dissolved Carson Redevelopment Agency (now the Successor Agency to the Dissolved Carson Redevelopment Agency).

NOTE 4 SETTLEMENT RELEASE AND INDEMNITY AGREEMENT (CONTINUED)

With this designation, the Authority assumed all the rights and obligations to enforce existing agreements in relation to the Property, including rights and obligations to the Remediation Escrow and trusts, and rights to any inventories, equipment and materials related to the remediation process.

Moreover, pursuant to an assignment agreement, the City of Carson and the Successor Agency jointly assigned to the Authority all of their rights, obligations and interests, under the OPA, as well as the promissory note secured by the Deed of Trust pertaining to the Property. CM also assigned its rights to receive the remaining \$50.500 million of the \$120.000 million of financial assistance from the Successor Agency for the cost of funding the remediation activities at the Property in accordance with the OPA.

The OPA provides that the Successor Agency will fund the \$50.500 million financial assistance through the issuance of taxable tax allocation bonds issued pursuant to Health and Safety Code Section 34177.5(a)(4) which shall be secured by a pledge and lien of tax revenues in accordance with Health and Safety Code Section 34177.5(a)(4) and (g) and ultimately through the issuance of taxable tax allocation refunding bonds issued pursuant to Health and Safety Code Section 34177.5(a)(1) or (2).

The California Department of Finance approved the transfer of the Property, the release and indemnification of CM by the Successor Agency, the issuance of bonds by the Successor Agency to satisfy the remaining financial assistance obligations under the OPA, and the use of the remaining funding under the OPA for completion of the remediation work and other improvements under the OPA.

On May 18, 2015, the Successor Agency to the Carson Redevelopment Agency issued \$60.995 million of Taxable Subordinated Tax Allocation Bonds, Series 2015A for the purpose of providing funds to finance the enforceable obligations of the Agency including the financial assistance for the remediation of the Property, infrastructure, and other obligations of the JPA consistent with the intent of the OPA and the SRI Agreement. The bonds were refunded on August 20, 2015. See Note 8.

NOTE 5 DESIGNATION, TRANSFER AND OPTION (DTO) AGREEMENT

Stadium Election and Funding of Authority Costs

An initiative was circulated which would permit the development on the Property of a stadium for use by National Football League (NFL) team. A decision regarding the NFL's approval and an election by Cardinal to proceed with the Stadium Project were expected to occur by April 30, 2016 (Decision Period). Cardinal has the right and sole discretion during the decision period to elect not to proceed with the Stadium Project. Cardinal is required to notify the Authority in writing of its election (Determination Notice) prior to the expiration of the decision period.

NOTE 5 DESIGNATION, TRANSFER AND OPTION (DTO) AGREEMENT (CONTINUED)

If Cardinal elects during the decision period not to proceed with the Stadium Project, Cardinal is required to reimburse the Authority for the carrying costs paid by the Authority through the date of the determination notice plus an amount to cover the period the earlier of (a) an additional three month period beyond such determination notice date or (b) the date on which Authority has entered into an agreement for the development of the property with an alternative developer.

As security for the payment of carry costs obligations, Cardinal shall cause a deed of trust to be recorded against the 11-acre property. The deed of trust shall be in the amount of \$7.5 million. Within five days of Cardinal's payment of all amounts owing by Cardinal to Authority under Section 2 of the (DTO), Authority shall deliver to Cardinal a full and unconditional reconveyance of the deed of trust recorded against the 11-acre property in a form acceptable to Cardinal and in form suitable for recording.

Option Agreement

If Cardinal elects to proceed with the Stadium Project, upon closing, the Authority, as the owner of the Property, will grant Cardinal or its assignee the exclusive option to lease the surface lot of the Property solely for development of the Stadium Project. The period during which Cardinal may exercise this option commenced on May 12, 2015, the effective date of the agreement, and will expire or terminate on April 30, 2016 or the date of its Determination Notice, whichever is earlier.

On January 12, 2016, the City of Carson lost its bid to the Stadium Project. The NFL owners voted to relocate the Rams to the City of Inglewood. See also Note 8. On January 21, 2016, Cardinal notified the Authority of its election not to proceed with the development of the Stadium Project in Carson, and accordingly, relinquished the option.

NOTE 6 ADVANCES FROM CARDINAL

Cardinal advanced to the Authority \$1,200,000 to allow the Authority to pay the carrying costs for the period prior to the issuance of the bonds. This advance plus carrying costs previously paid by Cardinal is to be reimbursed to Cardinal from bond proceeds.

NOTE 7 COMMITMENTS AND CONTINGENCIES

The Authority's purpose is to facilitate the remediation of contaminated properties in the City of Carson. Upon obtaining title to the Property, the Authority also assumed completion of the remediation and development of the Property. Because the remediation project is expected to be funded through issuance of bonds by the Successor Agency, management is of the opinion that the potential liability of the Authority for such projects will not have a material adverse effect upon the financial position of the Authority as of June 30, 2015.

NOTE 8 SUBSEQUENT EVENTS

The Authority has evaluated events subsequent to June 30, 2015 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through January 27, 2016, the date the financial statements were available to be issued. Based upon this evaluation, except for the following, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

On August 20, 2015, the Carson Successor Agency refunded the Series 2015 A bonds with the issuance of the \$52.920 million Subordinate Tax Allocation Refunding Bonds, 2015 Series B (Taxable). The \$1,200,000 advances from Cardinal were repaid to Cardinal from bond proceeds. The refunding bonds were issued as planned, hence, the Authority waived all interests due on the Series 2015 A bonds.

On January 12, 2016, Carson lost its bid to be the site of a football stadium to be shared by the San Diego Chargers and the Oakland Raiders when the NFL owners voted instead to approve the relocation of the Saint Louis Rams to the City of Inglewood. On January 21, 2016, Cardinal notified the Authority of its election not to proceed with the development of the Stadium Project in Carson. The proposed NFL Stadium site in the City of Carson may be used for another commercial purposes. City management expects to resume its original plan of building out the 157-acre property and negotiate with an alternative commercial developer.



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Vasquez & Company LLP has over 45 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publically traded companies. Vasquez is a member of the McGladrey Alliance. McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. McGladrey Alliance provides its members with access to resources of RSM US LLP (formerly known as McGladrey LLP). McGladrey Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit <http://www.rsmus.com/aboutus> for more information regarding RSM US LLP and RSM International. McGladrey®, the McGladrey Alliance logo and the McGladrey Alliance signatures are proprietary to RSM US LLP, while RSM™ is used under license by RSM US LLP.

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File #: 2016-264, Version: 1

Report to Carson Reclamation Authority

Tuesday, March 01, 2016

Consent

SUBJECT:

CONSIDER APPROVAL OF THE FIRST AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES BETWEEN THE CARSON RECLAMATION AUTHORITY AND SEG ADVISORS

I. SUMMARY

SEG Advisors (Consultant) is currently under contract with the Carson Reclamation Authority (Authority) to provide project management consulting services for the remediation project located on the 157-acre former landfill site located in the Carson Marketplace Specific Plan Area ("Site"). The Agreement was originally for nine months commencing on July 1, 2015 and ending on March 31, 2016, with a not-to-exceed contract amount of \$180,000. The Consultant is compensated at \$20,000 per month. The March 31 deadline was tied to the relationship with the NFL teams, and how development of a stadium was likely to have proceeded.

Now that the Authority is evaluating a number of development options for the Site, Consultant services are still needed in order to complete the development of the Site. Therefore, an amendment to the Consultant's contract must be made to increase the contract amount and extend the contract term (First Amendment). Under the Amendment, the term is only extended by three months to bring the contract up to the end of the fiscal year. As the nature of the development project that will replace the stadium becomes clear, a new contract for advisory services will be presented at the beginning of next fiscal year.

II. RECOMMENDATION

TAKE the following action:

APPROVE the First Amendment to the Agreement for Consulting Services between the Carson Reclamation Authority and SEG Advisors and AUTHORIZE the Authority Chairman to execute the First Amendment as attached hereto upon approval as to form by Authority Counsel.

III. ALTERNATIVES

TAKE another action the Authority Board may deem appropriate.

IV. BACKGROUND

The Consultant provides project management services for the Site, which include:

- Acting as liaison between the Authority and environmental and development professionals including, but not limited to Department of Toxic Substances Control (“DTSC”) and Tetra Tech, on all construction, operation and monitoring activities on the Site.
- Conducting and attending meetings of the Authority, environmental and development professionals, and other stakeholders, as needed, and facilitating the flow and consistency of information between and among the Authority, environmental and development professionals regarding the Site.
- Assisting in the evaluation, processing and, as needed, adjudication of Tetra Tech change orders (now Work Orders) related to the Site in order to ensure the appropriateness of the scope and the pricing.
- Facilitating the implementation of mitigation measures identified in the 2006 Project EIR and the 2015 ballot measure related to the Site as adopted by the City of Carson.
- Identifying various options for development of the Site, and evaluating and advising the Authority as to the benefits, detriments and risks posed by same.

The Consultant is very familiar with the Site, since he has served as the project manager under the previous ownership. The consultant has worked with the DTSC and other regulatory agencies to ensure regulatory compliance.

There is still a tremendous amount of work to do on the Site in order to ensure successful development of the former landfill. The First Amendment (Exhibit No. 1) will extend the contract term to June 30, 2016 and increase the contract amount by \$60,000. The additional amount will be disbursed at \$20,000 per month starting on April 1, 2016.

V. FISCAL IMPACT

The \$60,000 increase in the contract amount will be funded from the Carson Reclamation Authority account. Total contract amount will be amended to \$240,000.

VI. EXHIBITS

1. First Amendment. (pgs. 4-10)

Prepared by: Amelia Soto, A/Project Manager

**FIRST AMENDMENT
TO AGREEMENT FOR PROFESSIONAL SERVICES**

THIS FIRST AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES (“First Amendment”) by and between the **CARSON RECLAMATION AUTHORITY** (“Authority”) and **SEG ADVISORS** (“Consultant”) is effective as of the ____ day of March, 2016.

RECITALS

A. Authority and Consultant entered into that certain Agreement for Professional Services dated July 1, 2015 (“Agreement”) whereby Consultant agreed to provide professional services as described in Scope of Services.

B. The Contract Sum and Term will expire on March 31, 2016, but the Consultant Services are still needed.

C. Authority and Consultant now desire to amend the Agreement to extend the Term and increase the Contract Sum.

TERMS

1. **Contract Changes.** The Agreement is amended as provided herein.

a. Section 2.1 and Exhibit “C” of the Agreement are deleted and replaced by the following:

Subject to any limitations set forth in this Agreement, the Authority agrees to pay Consultant the amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “A” and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed Two Hundred Forty Thousand Dollars (\$240,000) (“Contract Sum”), unless additional compensation is approved pursuant to Section 1.8.

b. Section 3.4 and Exhibit “D” of the Agreement are deleted and replaced by the following:

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until June 30, 2016 as described in the Schedule of Performance attached hereto as Exhibit “B” and incorporated herein by this reference.

2. **Continuing Effect of Agreement.** Except as amended by this Agreement, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this First Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this First Amendment to the Agreement.

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3. **Affirmation of Agreement; Warranty Re Absence of Defaults.** Authority and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Consultant represents and warrants to Authority that, as of the date of this First Amendment, Authority is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

Authority represents and warrants to Consultant that, as of the date of this First Amendment, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this First Amendment.

5. **Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

AUTHORITY:

CARSON RECLAMATION AUTHORITY,
a joint-powers agency

Albert Robles, Authority Chairman

ATTEST:

Joy Simarago, Authority Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Sunny K. Soltani, Authority Counsel

CONSULTANT:

By: _____

Name:

Title:

By: _____

Name:

Title:

Address: _____

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____, 2015 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

<p><input type="checkbox"/> CAPACITY CLAIMED BY SIGNER</p> <p><input type="checkbox"/> INDIVIDUAL</p> <p><input type="checkbox"/> CORPORATE OFFICER</p> <p>_____</p> <p align="center">TITLE(S)</p> <p><input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED</p> <p> <input type="checkbox"/> GENERAL</p> <p><input type="checkbox"/> ATTORNEY-IN-FACT</p> <p><input type="checkbox"/> TRUSTEE(S)</p> <p><input type="checkbox"/> GUARDIAN/CONSERVATOR</p> <p><input type="checkbox"/> OTHER _____</p> <p>_____</p> <p>SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES))</p> <p>_____</p> <p>_____</p>	<p>DESCRIPTION OF ATTACHED DOCUMENT</p> <p>_____</p> <p align="center">TITLE OR TYPE OF DOCUMENT</p> <p>_____</p> <p align="center">NUMBER OF PAGES</p> <p>_____</p> <p align="center">DATE OF DOCUMENT</p> <p>_____</p> <p align="center">SIGNER(S) OTHER THAN NAMED ABOVE</p>
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Exhibit "A"

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

All tasks performed under this Exhibit "A" Scope of Services" shall be performed for the flat fee of Twenty Thousand Dollars (\$20,000) per month beginning July 1, 2015 and ending June 30, 2016.

II. The Authority will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:

- A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B. Line items for all materials and equipment properly charged to the Services.
- C. Line items for all other approved reimbursable expenses claimed, with supporting documentation. Insurance reimbursement in an amount not to exceed \$6,803.20 and HAZWOPER training required by OSHA reimbursement in an amount not to exceed \$285 are approved.
- D. Line items for all approved subcontractor labor, supplies, equipment, materials and travel properly charged to the Services.

III. The total compensation for the Services shall not exceed the Contract Sum as provided in the Agreement and in this First Amendment.

Exhibit "B"

SCHEDULE OF PERFORMANCE

I. Consultant shall make reasonable efforts to perform the following Services in accordance with the following schedule:

	<u>Time to Perform</u>	<u>Deadline Date</u>
A. Exhibit A	12 months	June 30, 2016

II. Consultant shall deliver the following tangible work products to the Authority by the following dates.

As requested.

III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.