



Meeting:

**Reservoir Committee & Authority Board  
Agenda Item 1.5**

**August 22, 2025**

Subject:

**Consulting Service for Financial Accounting Services**

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**Requested Action:**

Reservoir Committee and Authority Board consider approval of a consulting agreement/contract with Starting Line Advisory to provide Financial Accounting services in the amount not to exceed \$50,000(\$5,000/month) for the period of September 1, 2025, through June 30, 2026.

**Detailed Description/Background:**

As discussed at the July Board meeting, one of Sites Project Authority core competencies is the design, implementation, and maintenance of controls to safeguard assets, ensure accurate and transparent financial records, and comply with applicable laws, regulations, and policies.

Currently, Sites' accounting functions, primarily account receivable, accounts payable, grant accounting and financial reporting, are performed by two different consultants. The proposed contract will consolidate these accounting services under a single organization. This change is expected to enhance efficiency, streamline processes, and improve overall management of Sites' financial operations. By centralizing accounting functions, Sites can reduce redundancy, improve communication, ensure more consistent application of financial controls and reporting standards as well as design workflows for implementation during Phase 3.

The anticipated scope of services includes:

- General ledger maintenance and reconciliation
- Support for accounts payable and receivable
- Bank account reconciliations
- Fund and grant accounting
- Preparation of accurate and timely financial reports
- Ensuring compliance with applicable accounting standards
- Support for annual audit processes
- Recommending and assisting in implementing internal controls

In addition, the selected firm will be a key partner in helping the Authority evaluate, select, and implement a new Enterprise Resource Planning (ERP) system in 2026.

A Request for Proposals (RFP) was released in June for Accounting services. The RFP was posted on PlanetBids.com, the Authority's newly retained depository for procurement solicitations, and was posted to the Authority's website. The Authority received nine proposals, all of which were highly qualified. The selection process was led by the Finance Manager with support from Project Controls staff, the Authority Board Treasurer and the Owner's Advisor for Financing. Five of the nine proposers were interviewed. Starting Line Advisory was determined to be best qualified for the role and a contract meeting the needs of the Authority has been negotiated with a monthly retainer fee of \$5,000. The firm's Principal, Ian Berg, will serve as the primary point of contact and brings considerable experience in governmental and construction accounting. Additionally, Mr. Berg brings a passion for the Project and a long history in the water and public service industries. Other staff within the firm will provide the services (within the monthly retainer) that will meet the payable, receivables, and reporting needs of the Authority. It is anticipated that Starting Line Advisory will completely eliminate the need for Pinion and BC efforts on accounting duties. BC will continue to perform budget and financial planning services.

The contract is the standard Addendum A consulting agreement and has a start date of September 1, 2025. The scope of work is attached. The compensation has been reviewed and determined to be in line with similar accounting firms with similar experience. The contract duration aligns with the current planned ending for Amendment 3 of June 30, 2026. Starting Line Advisory has expressed a strong interest in serving in this position beyond this date.

### **Future Organizational Needs**

This is a key position to be filled, which will ultimately report to the future Accounting Manager, marking another step in developing the Sites Organization as we prepare for the transition to Phase 3/4. The revised future organization chart is attached for reference.

### **Prior Action:**

None.

**Fiscal Impact/Funding Source:** With the transition of duties from Pinion LLC & Brown and Caldwell to Starting Line Advisory, there will be a transfer of budget in the Accounts Payable task in Brown Caldwell and a transfer of budget in the

Accounting Services task from Pinion LLC to fund Starting Line Advisory services. A reduced budget amount will remain in each task to cover the transition period.

**Staff Contact:**

Shayleen O'Connell

**Primary Service Provider:**

None.

**Attachments:**

Scope of Work

Future Organization Chart



## **Exhibit A**

### **Financial Accounting Services Starting Line Advisory Statement of Standard Services**

#### **Scope of Services**

The Consultant's scope of Services is described as follows:

The Consultant will provide comprehensive financial services that support both the operational and capital project needs of the Authority. The Consultant will serve as the accounting staff for the Authority. The Consultant will provide a dedicated team for ongoing services to the Authority. These Services include, but are not limited to, the following:

#### **1. Financial Reporting and Bookkeeping**

- Maintain general ledger using accounting in accordance with generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) standards
- Prepare monthly, quarterly, and annual financial statements
- Reconcile bank accounts, credit card accounts, and all balance sheet accounts
- Maintain chart of accounts suitable for construction and utility fund tracking
- Ensure compliance with regulatory and tax requirements (e.g., Internal revenue Service's 1099, value added tax (VAT))
- Ensure timely and accurate compliance with State of California reporting requirements, including State Controller and Treasurer reporting.

#### **2. Invoice Processing**

- Receive, validate, and process supplier invoices (electronic and paper-based).
- Match purchase orders, receipts, and invoices as required and applicable.
- Obtain manager approval and accurate coding.
- Enter invoices into the Enterprise Resource Planning (ERP)/Accounting system.
- Provide regular Accounts Payable reports (aging reports, exceptions, Key Performance Indicators (KPIs), etc.).

#### **3. Payment Execution**

- Prepare payment batches for review and approval.

- Support multiple payment methods (ACH, wire, checks, etc.).
- Ensure timely payment in accordance with agreed terms.

#### **4. Invoice Management**

- Generate and issue timely and accurate Participant invoices based on client data, consistent with the Benefits and Obligations Contracts.
- Ensure timely delivery of invoices via email, mail, and/or electronic invoicing platforms.

#### **5. Cash Application**

- Apply incoming payments (checks, Automated clearing house (ACH), wires, credit cards) accurately to Participant accounts.
- Reconcile bank deposits with accounts receivable (AR) ledgers.

#### **6. Collections and Follow-up**

- Monitor aging reports and follow up on overdue accounts with Management.

#### **7. Budgeting and Forecasting**

- Assist in the development of annual budgets (operating and capital).
- Track budget-to-actual variances with explanations.
- Support multi-year financial forecasting and capital construction plans.

#### **8. Construction Accounting**

- Track expenditures by project, funding source, and phase.
- Ensure proper classification of capital vs. operational costs.
- Manage job costing, work-in-progress tracking, and depreciation schedules.
- Coordinate with engineering/project management/program controls teams for cost validation and tracking.

#### **9. Funding and Loan Compliance**

- Track grant and loan expenditures for compliance with funding agreements with State and Federal agencies.
- Assist with reimbursement requests and required reporting.
- Maintain detailed audit trails for all restricted funds.

#### **10. Audit and Compliance Support**

- Prepare year-end schedules and documentation for independent audits.
- Coordinate with external auditors and respond to audit inquiries.

- Ensure compliance with GAAP, GASB, and California State requirements.

#### **11. Internal Controls and Best Practices**

- Evaluate and recommend improvements to internal controls.
- Develop and implement accounting and reporting policies.
- Ensure segregation of duties and documentation of financial procedures.
- Provide training and guidance to in-house staff, if needed.
- Design future-state workflows for areas such as AP, AR, general ledger month-end/year-end close, bank reconciliation, financial reporting and compliance.
- Ensure designs are scalable, compliant, and technology-enabled.
- Create detailed process documentation, standard operating procedures (SOPs), and internal control checklists.
- Assist in deploying new workflows, including system configuration/ERP integration
- Provide change management, including staff training and user guides if applicable.

#### **12. Payroll and Benefits Support (if applicable in the future)**

- Reconcile payroll reports and benefit invoices.
- Ensure accurate posting of payroll-related liabilities.
- Track leave balances and labor distribution for grants/projects.

#### **13. Board and Public Reporting**

- Prepare monthly financial reports for Board meetings.
- Respond to public records requests related to financials, including expenditures, revenues, Participant contributions, federal and state grants.

# Organizational Chart

Start of Phase 3/4/5

