

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712**

9:00 A.M., FRIDAY, OCTOBER 22, 2010

AGENDA

Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "For Information" or "For Discussion" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

1. DETERMINATION OF A QUORUM

2. PLEDGE OF ALLEGIANCE

3. INVOCATION

4. PUBLIC COMMENT

5. CONSENT CALENDAR

Consent Calendar items are considered routine by the Board of Directors and will be adopted by one motion. There will be no separate discussion of these items unless a Board Member so requests, in which event the item will be removed from the Consent Calendar and considered separately immediately following action on the remaining items.

A. MINUTES OF THE MEETING OF JUNE 18, 2010

Staff Recommendation: Approve the minutes as submitted.

B. MINUTES OF THE MEETING OF SEPTEMBER 10, 2010

Staff Recommendation: Approve the minutes as submitted.

**C. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD
ENDING JULY 31, 2010**

Finance Committee Recommendation: Approve the Investment Report for July 31, 2010.

D. DEMANDS – AUGUST 2010

Finance Committee Recommendation: Receive and file the Demands for August 31, 2010.

E. FINANCIAL STATEMENTS – AUGUST 31, 2010

Finance Committee Recommendation: Approve the Financial Statements for August 31, 2010.

**F. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD
ENDING AUGUST 31, 2010**

Finance Committee Recommendation: Approve the Investment Report for August 31, 2010.

- G. FIELD VEHICLE**
Water Resources Committee Recommendation: Authorize staff to enter into a purchase contract for the specified field vehicle from Western Truck Exchange. In the event the specified vehicle from Western Truck Exchange has already been sold, then to authorize staff to proceed with a purchase contract with the next lowest priced dealership on the list that has the truck in stock for an amount not to exceed \$52,000.
- H. REQUEST FOR PROPOSALS FOR MODELING RECYCLED WATER INJECTION FOR PERMIT COMPLIANCE, ALAMITOS AND DOMINGUEZ SEAWATER BARRIERS**
Water Resources Committee Recommendation: Authorize staff to Issue Request for Proposals for groundwater modeling of the Alamitos and Dominguez Gap seawater barriers for permit compliance.
- 6. GROUNDWATER BASINS MASTER PLAN UPDATE**
Water Resources Committee Recommendation: For information.
- 7. MEMORANDUM OF UNDERSTANDING WITH THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT FOR SALT/NUTRIENT MANAGEMENT PLANNING**
Water Resources Committee Recommendation: Enter into a Memorandum of Understanding with LACFCD to co-fund the strategic planning and interagency coordination related to the development of the Salt / Nutrient Management Plan for the Central and West Coast Basins, for a cost to WRD not-to-exceed one-half of the proposed amount, or \$75,000, subject to approval to form by District Counsel.
- 8. AGREEMENT WITH PAUL, HASTINGS, JANOFSKY & WALKER FOR SALT / NUTRIENT MANAGEMENT PLANNING**
Water Resources Committee Recommendation: Enter into an Agreement with Paul, Hastings, Janofsky & Walker to perform strategic planning related to the Salt / Nutrient Management Plan for the Central and West Coast Basins, for a total cost not-to-exceed \$150,000, subject to approval to form by District Counsel.
- 9. PROPOSED ADMINISTRATIVE CODE AMENDMENTS TO CHAPTER 7.3.1 – EXPENSES OVER 90 DAYS**
Administrative Committee Recommendation: Consensus was not reached by the Committee regarding changes to Section 7.3.1 of the Administrative Code. Director Murray recommended the Board of Directors adopt the proposed changes and Director Kawasaki recommended no change be made to the existing policy.
- 10. GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP) ALTERNATIVES ANALYSIS UPDATE**
Staff Recommendation: For information.

11. GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP) JOINT POWERS AGREEMENT

GRIP Joint Ad Hoc Committee Recommendation: Approve Resolution No. 10-890 authorizing the President, or his/her designee, to execute the Joint Powers Agreement, subject to approval of form by District Counsel.

12. AWARD OF CONTRACT TO THE ROGERS GROUP TO PERFORM PUBLIC OUTREACH SERVICES FOR THE GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP)

GRIP Joint Ad Hoc Committee Recommendation: Enter into an Agreement with The Rogers Group, subject to approval of form by District Counsel, to perform a public outreach effort for the Groundwater Reliability Improvement Program (GRIP), for \$ 1,695,000 plus a contingency of \$189,000 for a total authorized amount not to exceed \$1,884,000 for a two-year term. This cost is to be shared among the GRIP Partnership agencies, with WRD's contribution not to exceed \$628,000.

13. GENERAL MANAGER'S REPORT

14. DISTRICT COUNSEL'S REPORT

15. AB 1234 COMPLIANCE REPORTS AND DIRECTORS' REPORTS

16. WRD BOARD MEETING DATES

- A. November 19, 2010 – 9:00 a.m. – Board of Directors Meeting
- B. December 17, 2010 – 9:00 a.m. – Board of Directors Meeting
- C. January 21, 2011 – 9:00 a.m. – Board of Directors Meeting
- D. February 18, 2011 – 9:00 a.m. – Board of Directors Meeting

17. CLOSED SESSION

- A. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a), California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806
- B. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a) Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786,656
- C. Conference with Labor Negotiator: Clifton Albright
Employee Organization: American Federation of State, County and Municipal Employees (AFSCME)
- D. Conference with Legal Counsel – Anticipated Litigation, Pursuant to Government Code §54956.9 (b), Two Cases
- E. Conference with Legal Counsel – Pending Litigation
Pursuant to Government Code §54956.9
Name of Case: City of Cerritos, City of Downey and City of Signal Hill v. Water Replenishment District of Southern California
Case No.: Los Angeles County Superior Court BS128136

18. ADJOURNMENT

Agenda posted by Abigail C. Andom, Deputy Secretary, October 19, 2010. In compliance with ADA requirements, this document can be made available in alternative formats upon request.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the Board meeting, please contact Deputy Secretary Abigail Andom at (562) 921-5521 for assistance to enable the District to make reasonable accommodations.

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 4040 Paramount Boulevard, Lakewood, California 90712.

Agendas and minutes are available at the District's website, www.wrd.org.

UNAPPROVED
MINUTES

UNAPPROVED
MINUTES

**MINUTES OF JUNE 18, 2010
MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Board of Directors of the Water Replenishment District of Southern California was held on June 18, 2010 at 9:20 a.m. in the District office located at 4040 Paramount Boulevard, Lakewood, California. President Sergio Calderon called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

1. DETERMINATION OF A QUORUM

President Calderon declared that a quorum of Directors was present, which in addition to himself included Directors Lillian Kawasaki and Albert Robles. Director Willard H. Murray, Jr. arrived while the meeting was in progress. Director Rob Katherman was excused.

2. PLEDGE OF ALLEGIANCE

Director Robles led the Pledge of Allegiance.

3. INVOCATION

President Calderon gave the invocation.

4. ADDITIONAL ITEMS TO AGENDA

Director Robles stated that he would like to add an item to the agenda, that the request came subsequent to the posting of the agenda for the meeting, and there is an immediate need to take action on a request from Covina Irrigating Company for a letter of support for grant funding.

Upon a motion duly made by Director Robles, seconded by Director Kawasaki, and unanimously approved, it was

RESOLVED: That the Board adds an item to the agenda, that the request came subsequent to the posting of the agenda for today's meeting, and there is an immediate need

to take action on a request from Covina Irrigating Company for a letter of support to obtain grant funding.

The item was added to the agenda as Agenda Item 11.A.

Director Murray arrived.

5. PUBLIC COMMENT

None.

6. CONSENT CALENDAR

- A. MINUTES OF THE MEETING OF APRIL 2, 2010**
- B. MINUTES OF THE MEETING OF APRIL 16, 2009**
- C. DEMANDS – APRIL 2010**
- D. FINANCIAL STATEMENTS – APRIL 30, 2010**
- E. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING APRIL 30, 2010**
- F. LANDSCAPE MAINTENANCE CONTRACT**
- G. INDEPENDENT FINANCIAL AUDITOR CONTRACT**
- H. TRAVEL REQUEST – AMERICAN WATER WORKS ASSOCIATION (AWWA) ANNUAL CONFERENCE, JUNE 21-24, 2010, CHICAGO AND THE NATIONAL ASSOCIATION OF LATINO ELECTED OFFICIALS (NALEO) ANNUAL CONFERENCE, JUNE 24-26, 2010, DENVER**
- I. AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT WITH ALBRIGHT, YEE & SCHMIT, LLP**
- J. TIME EXTENSION FOR PROFESSIONAL SERVICES AGREEMENT WITH M. ARTHUR GENSLER JR. & ASSOCIATES, INC.**
- K. PUBLIC AGENCY RETIREMENT SERVICES (PARS) AMENDMENT #2**
- L. SELECTION OF RECRUITMENT FIRM**
- M. AB 1774 (SALDANA) – RECYCLED WATER: STATE AGENCY LANDSCAPE IRRIGATION**
- N. AB 1793 (SALDANA) – COMMON INTEREST DEVELOPMENTS: ARTIFICIAL TURF**

- O. **AB 2182 (HUFFMAN) – CONTRACTUAL ASSESSMENTS:
SEWER LATERAL LINES**
- P. **SB 918 (PAVLEY) – RECYCLED WATER: STATE AGENCY
LANDSCAPE IRRIGATION**
- Q. **SB 1284 (DUCHENY) – WATER QUALITY: MANDATORY
MINIMUM CIVIL PENALTIES**

President Calderon stated that Agenda Items 6.M, 6.N, and 6.Q are removed from the agenda.

Director Kawasaki stated that she would like to remove Agenda Items 6.H and 6.P from the Consent Calendar.

Upon a motion duly made by Director Robles, seconded by President Calderon, and unanimously approved, it was

RESOLVED: That the Board approves the Consent Calendar of June 18, 2010, as amended.

6.H. TRAVEL REQUEST – AMERICAN WATER WORKS ASSOCIATION (AWWA) ANNUAL CONFERENCE, JUNE 21-24, 2010, CHICAGO AND THE NATIONAL ASSOCIATION OF LATINO ELECTED OFFICIALS (NALEO) ANNUAL CONFERENCE, JUNE 24-26, 2010, DENVER

Director Kawasaki stated that she is certainly very supportive of the American Water Works Association (AWWA) and also appreciated that the District is going to be represented at the conference but her question has nothing to do with the travel but why the item is agendized as a travel request. She explained that the Board worked through the budget so that there would be a travel allocation for the directors and staff. She noted that there was also a contingency set up for the President to approve director travel in the event there was some additional travel that was necessary. She stated that her question is on the Finance Committee

recommendation of why the Board has to authorize this particular travel for directors.

President Calderon stated that it is his understanding that one of the Directors went slightly over their travel budget and that the President's contingency is going to be used to cover part of or all of this travel and that it would not have any additional fiscal impact on the budget.

Director Kawasaki asked if the budget that was set aside for each Director as well as the contingency would not be enough to cover this travel, noting that currently no one knows who else would be travelling. Director Calderon asked Chief Financial Officer Scott Ota if the President's contingency would cover the travel.

Chief Financial Officer Scott Ota stated that the President's contingency may cover the expenses but staff will not know for sure until all travel reimbursement requests have been submitted.

Director Robles stated that the Administrative Code is very clear in that each director is allocated a travel budget to attend conferences like this and if the travel budget is exceeded, the request has to come to the Board of Directors for approval prior to attendance. He noted that the conferences before the Board for approval are consistent with the Administrative Code and, to the extent that an individual director has approached the end or exceeded his allocated travel budget, the approval process is being followed.

Director Kawasaki stated that she thought the reason the Board put the contingency budget was so there would be discretion for the President to allow others to travel if there was some shortage. She stated that there is

carryover or others kinds of processes where budgets are merged and she is urging everyone to live within their budget. She noted that if these travel requests get approved, it is outside of the budget allocation and should then come out of reserves.

Director Robles stated that it is not outside the budget allocation in the sense that collectively, as a body, the Board has a travel budget and it is within that. He noted that individually each director has a travel budget of \$7,500 to attend these conferences and that amount is what is being exceeded and according to the Administrative Code requires approval by the Board. He clarified that it is not the total budget allocated for travel for the entire body that has been exceeded and it is as President Calderon noted that this travel is within the overall travel budget that was approved. Director Robles explained that it would not require going into reserves but it is only in excess of the individual's travel allocation.

Director Kawasaki stated that it is her position that a travel budget allocation has been set. She stated that it sounds like there is a difference of policy opinion on this and that it is her recommendation that if in fact there is a shortfall it would come out of next year's allocation for any director and or staff but that is not the motion before them.

Upon a motion duly made by Director Robles, seconded by Director Murray, and with Director Kawasaki dissenting, it was

RESOLVED: That the Board authorizes travel to the American Water Works Association (AWWA) Annual Conference, June 21 – 24, 2010 in Chicago, IL and the National Association of Latino Elected Officials (NALEO) Annual Conference, June 24-26, 2010 in Denver, CO for interested directors and two staff as designated by the General Manager.

6. P. SB 918 (PAVLEY) – RECYCLED WATER: STATE AGENCY LANDSCAPE IRRIGATION

Director Kawasaki stated that she is supportive of SB 918 but she wanted to make sure that SB 918 would not impact the District's Groundwater Reliability Improvement Program (GRIP) project. She requested that the item come back to the Ad Hoc Legislative Committee if any substantial amendments are made to the bill.

Upon a motion duly made by Director Kawasaki, seconded by Director Robles, and unanimously approved, it was

RESOLVED: That the Board supports SB 918 – Recycled Water: State Agency Landscape Irrigation.

7. THE SAN GABRIEL RIVER JUDGMENT (LONG BEACH JUDGMENT) AND THE SAN GABRIEL RIVER WATERMASTER: AN OVERVIEW

Dick Rhone of GEI Consultants and Board member of the San Gabriel Watermaster provided an overview of the duties of the San Gabriel Watermaster and summary of the San Gabriel River Judgment.

8. CONTRACT TERM AND BUDGET MODIFICATIONS FOR RECYCLED WATER RESEARCH – COLORADO SCHOOL OF MINES

Upon a motion duly made by Director Robles, seconded by Director Kawasaki, and unanimously approved, it was

RESOLVED: That the Board amends the existing agreement with the Colorado School of Mines, subject to approval of form by District Counsel, to extend the expiration day by one year to June 30, 2011, and to increase the budgetary amount by an additional \$30,800.

9. GRANT APPLICATION WITH DXV WATER TECHNOLOGIES FOR USBR WATERSMART ADVANCED WATER TREATMENT PROJECT

General Manager Robb Whitaker stated that staff is in discussions with DXV Water Technologies, LLC (DXV) about a “tank-based nanofiltration system,” an innovative advanced water treatment technology patented by DXV that employs nanofiltration membranes in a configuration that is highly resistant to fouling. Mr. Whitaker stated that this new microfiltration process would afford significant cost savings to WRD. He noted that it is staff’s recommendation to use this technology at the District’s Leo J. Vander Lans Water Treatment Facility for pretreatment of the reclaimed water prior to reverse osmosis. He stated that staff also intends to submit an application with the U.S. Bureau of Reclamation (USBR) for a WaterSMART grant using the DXV tank-based nanofiltration technology . He explained that the WaterSMART grant opportunity would make available cost-shared funding on a competitive basis for pilot and demonstration projects that will accelerate the adoption and use of advanced water treatment technologies to increase water supply. Three to five projects will be awarded up to \$600,000 per project and the recipient must cost share 50% or more of the project cost.

Upon a motion duly made by Director Robles, seconded by Director Kawasaki, and unanimously approved, it was

RESOLVED: That the Board, subject to District Counsel review, (1) authorizes the General Manager to submit an application to USBR for a WaterSMART Advanced Water Treatment Pilot and Demonstration Project Grant, and adopt Resolution No. 10-883, a resolution to commit WRD to the financial and legal obligations associated with receipt of financial assistance; and (2) executes an agreement with DXV Water Technologies, LLC to conduct a DXV tank-based nanofiltration system demonstration for enhanced reuse pretreatment at the Leo J. Vander Lans Water Treatment Facility.

RESOLUTION NO. 10-883

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
AUTHORIZING THE GENERAL MANAGER TO SUBMIT A GRANT APPLICATION TO
THE UNITED STATES BUREAU OF RECLAMATION FOR THE WATERSMART:
ADVANCED WATER TREATMENT PILOT AND DEMONSTRATION PROJECT
GRANTS PROGRAM FOR THE LEO J. VANDER LANS FACILITY

(Reference is hereby made to Resolution No. 10-883 in the Draft Resolution file and by this reference is incorporated herein and included a part hereof as though fully set forth at length.)

Director Kawasaki stated that she would like a status report on the project as it moves forward.

**10. USBR WATERSMART SYSTEM OPTIMIZATION REVIEW GRANT
RESOLUTION FOR CENTRAL AND WEST COAST BASIN MASTER
PLAN SCOPE OF WORK**

Upon a motion duly made by Director Kawasaki, seconded by President Calderon, and unanimously approved, it was

RESOLVED: That the Board authorizes the General Manager to submit an application to USBR for a WaterSMART System Optimization Review Grant for the Central and West Coast Basin master plans, and adopt Resolution No. 10-884, a resolution to commit WRD to the financial and legal obligations associated with receipt of financial assistance.

RESOLUTION NO. 10-884

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
AUTHORIZING THE GENERAL MANAGER TO SUBMIT A GRANT APPLICATION TO
THE UNITED STATES BUREAU OF RECLAMATION FOR THE WATERSMART:
SYSTEM OPTIMIZATION REVIEW GRANTS PROGRAM FOR THE WEST COAST
AND CENTRAL BASINS OF LOS ANGELES COUNTY

(Reference is hereby made to Resolution No. 10-884 in the Draft Resolution file and by this reference is incorporated herein and included a part hereof as though fully set forth at length.)

11. CONSERVATION PROGRAM UPDATE FOR FY 2009-2010

Manager of External Affairs Elsa Lopez provided an update on WRD's Treasure Beneath Our Feet Conservation Program. Ms. Lopez stated that the District's conservation efforts consist of various education and conservation projects namely, the Eco Gardener Training Program, the *It All flows To Me*[™] Education Program at the Aquarium of the Pacific, the *Treasure Beneath Our Feet*[®] Program at the Cabrillo Marine Aquarium, and partnership efforts with the Cities of Long Beach, Huntington Park and Torrance, and the West Basin Municipal Water District and the Metropolitan Water District of Southern California.

11.A. SUBSEQUENT NEED ITEM – COVINA IRRIGATING COMPANY

Upon a motion duly made by Director Robles, seconded by Director Murray, and unanimously approved, it was

RESOLVED: That the Board approves sending a letter of support to the Covina Irrigating Company to obtain grant funding through Proposition 84 program for a treatment plant.

12. GENERAL MANAGER'S REPORT

General Manager Whitaker stated that staff attended the IRWMP Leadership Committee Meeting where discussion was held regarding strategy to position projects to be included in the region's application for Proposition 84 funding.

Mr. Whitaker also announced that the District received its sixth Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

13. DISTRICT COUNSEL REPORT

Deferred to closed session.

14. AB 1234 COMPLIANCE REPORTS AND DIRECTORS' REPORTS

Director Kawasaki stated that she would submit her report in writing. She noted that she just came back from Washington, D.C. where she had very good meetings with legislators and their senior staff. She also noted that the Water Resources Development Act (WRDA) bill is currently being reviewed by the House.

Director Robles stated that he would submit his report in writing. He also requested the Administrative Committee to review reimbursement of expenses for directors' travel.

President Calderon stated that he would submit his report in writing. He also presented the Board with a plaque from the Arc of Southeast Los Angeles County recognizing WRD's participation in the Arc Walk for Independence which contributes and supports people with intellectual and developmental disabilities.

15. WRD BOARD MEETING DATES

- A. July 16, 2010 – 9:00 a.m. – Board of Directors Meeting
- B. August 20, 2010 – 9:00 a.m. – Board of Directors Meeting
- C. September 17, 2010 – 9:00 a.m. – Board of Directors Meeting
- D. October 15, 2010 – 9:00 a.m. – Board of Directors Meeting

16. CLOSED SESSION

- A. Conference with Legal Counsel – Existing litigation, pursuant to Government Code §54956.9(a), California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806
- B. Conference with Legal Counsel – Existing litigation, pursuant to Government Code §54956.9(a), Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786, 656
- C. Conference with Labor Negotiator: Clifton Albright
Employee Organization: American Federation of State County & Municipal Employees (AFSCME)

- D. Conference with Legal Counsel – Anticipated Litigation, pursuant to Government Code §54956.9(b), One Case

The Board went into closed session. The Board reconvened in open session.

District Counsel Jamie Casso reported that for Agenda Item 16.C, an update was provided and no reportable action was taken. For Agenda Items 16.A, 16.B, and 16.D, Mr. Casso reported no reportable action was taken.

17. ADJOURNMENT

President Calderon asked if there was any further business to come before the Board, and there being none the meeting was adjourned at 12:30 p.m.

Sergio Calderon, President

ATTEST:

Willard H. Murray, Jr., Secretary

UNAPPROVED
MINUTES

UNAPPROVED
MINUTES

**MINUTES OF SEPTEMBER 10, 2010
SPECIAL MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A special meeting of the Board of Directors of the Water Replenishment District of Southern California was held on September 10, 2010, 10:20 a.m., at the District Office, 4040 Paramount Boulevard, Lakewood, California. President Sergio Calderon called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

1. DETERMINATION OF A QUORUM

President Calderon declared that a quorum of Directors was present, which in addition to himself included Directors Rob Katherman, Lillian Kawasaki and Albert Robles. Director Willard H. Murray, Jr. arrived while the meeting was in progress.

2. PLEDGE OF ALLEGIANCE

President Calderon led the Pledge of Allegiance.

3. INVOCATION

President Calderon gave the Invocation.

4. PUBLIC COMMENT

None.

The agenda items were taken out of order.

6. CLOSED SESSION

Conference with Legal Counsel – Pending Litigation

Pursuant to Government Code §54956.9

Name of Case: City of Cerritos, City of Downey and City of Signal Hill v.
Water Replenishment District of Southern California

Case No.: Los Angeles County Superior Court BS128136

The Board went into closed session. The Board reconvened in open session.

District Counsel Jamie Casso stated that for Agenda Item 6, no reportable action was taken. Mr. Casso noted that Director Murray joined the discussion at 10:55 a.m.

5. CONSIDERATION OF HARRIS AND ASSOCIATES LEGAL SERVICES

Director Robles stated that the Ad Hoc Legal Selection Committee met and discussed the lawsuit filed by the Cities of Cerritos, Downey and Signal Hill regarding Proposition 218 allegations. He explained that the Committee reviewed the Statement of Qualifications submitted by Harris and Associates including previous work the firm had handled for the Metropolitan Water District (MWD) regarding Proposition 218 matters. Director Robles stated that the Ad Hoc Legal Selection Committee would like to recommend that the District retain the services of Harris and Associates to assist District Counsel in defending the lawsuit. He noted that the fee structure would be the same as that of District Counsel Meyers and Nave.

Director Kawasaki stated that she expects this lawsuit to be significant and comprehensive and she understands the need for additional counsel assistance but she wanted to know what the scope of work would be.

Director Robles responded that the legal representation would cover the lawsuit filed by the Cities of Cerritos, Downey and Signal Hill and expects Harris and Associates to be the lead counsel handling the case. He noted that the Ad Hoc Legal Selection Committee would provide her with a copy of the firm's Statement of Qualifications.

Director Kawasaki stated that she would like to know if other firms were reviewed by the Committee. Director Robles stated that he did contact other firms and no other submissions were received.

Director Kawasaki stated that this essentially is a sole source contract.

Director Robles stated that the lawsuit was filed on August 24 and a response to the pleadings is due on October 12. He explained that there is not much time to prepare and advertise for law firms under the District's normal procurement procedures and that played a role in the Ad Hoc Committee's decision to recommend Harris and Associates to handle the case.

Upon a motion duly made by Director Robles, seconded by Director Katherman, and with Director Kawasaki dissenting, it was

RESOLVED: That the Board retain the services of Harris and Associates to provide legal counsel representation, subject to approval of form by District Counsel, and defend the District in the lawsuit filed by the Cities of Cerritos, Downey and Signal Hill.

7. ADJOURNMENT

President Calderon asked if there was any further business to come before the Board, and there being none the meeting was adjourned at 11:05 a.m.

Sergio Calderon, President

ATTEST:

Willard H. Murray, Jr., Secretary



MEMORANDUM

ITEM NO. 5.C

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING
JULY 31, 2010**

Each month, the Finance Department reports the District's reserve balances as well as cash & investment activities to the Finance Committee for subsequent approval by the Board of Directors.

RESERVE BALANCE

Based on §60290 of the Water Code, the District may establish an annual reserve fund in an amount not to exceed ten million dollars (\$10,000,000). This ten million dollars may be adjusted for the percentage increase or decrease in the blended cost of water from district water supply sources on an annual basis.

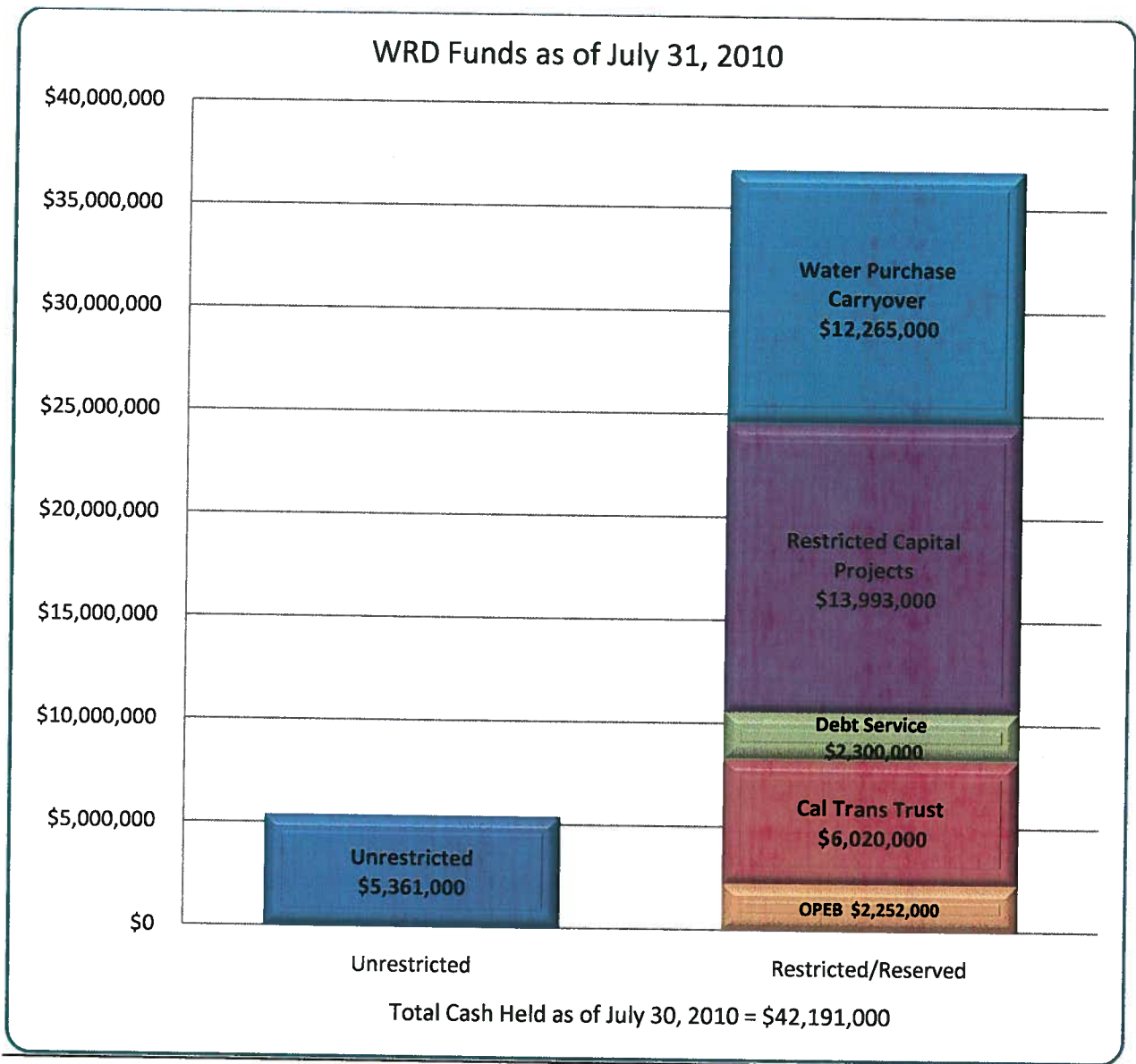
In addition, §60291 states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

If for some reason, the District has more than \$10,000,000 (adjusted for the blended cost of water), §60328.1 states that the District shall apply the estimated fiscal year end balance in excess of the amount allowed in §60290 to a replenishment assessment rate reduction or to the purchase of water in the succeeding fiscal year.

Currently the District has \$5,361,000 in operating reserve. The following pages provide specific breakdowns of the District cash and investments.

The District's reserve balances are presented in Figure A below:

Operating Reserve Fund	\$ 5,361,000
Reserved or Encumbered:	
Water Purchase Carryover Fund	12,265,000
Restricted for Capital Projects	13,993,000
Debt Service Reserve Fund	2,300,000
Cal Trans Trust Fund	6,020,000
Other Post Employment Benefit Obligation (OPEB)	2,252,000
Reserved or Encumbered Subtotal	<u>36,830,000</u>
 Total Cash and Investments	 <u>\$ 42,191,000</u>



Water Purchase Carryover Fund – This category of represents:

Source of Funds:

Replenishment Assessment

Use of Funds:

Restricted for Water Purchases Only

1. Monthly accrual of budgeted amount for fiscal year 10/11

Untreated Tier 1 Spreading Water Budgeted in 10/11	\$ 13,424,000
In Lieu Budgeted in 10/11	3,608,000
3,500 acre feet of Make Up Water Budgeted in 10/11	<u>2,237,000</u>
Total Budget for Spreading Water in 10/11	\$ 19,269,000
	÷ 12 months
Accrual per month (1/12 th – rounded)	<u>\$ 1,610,000</u>

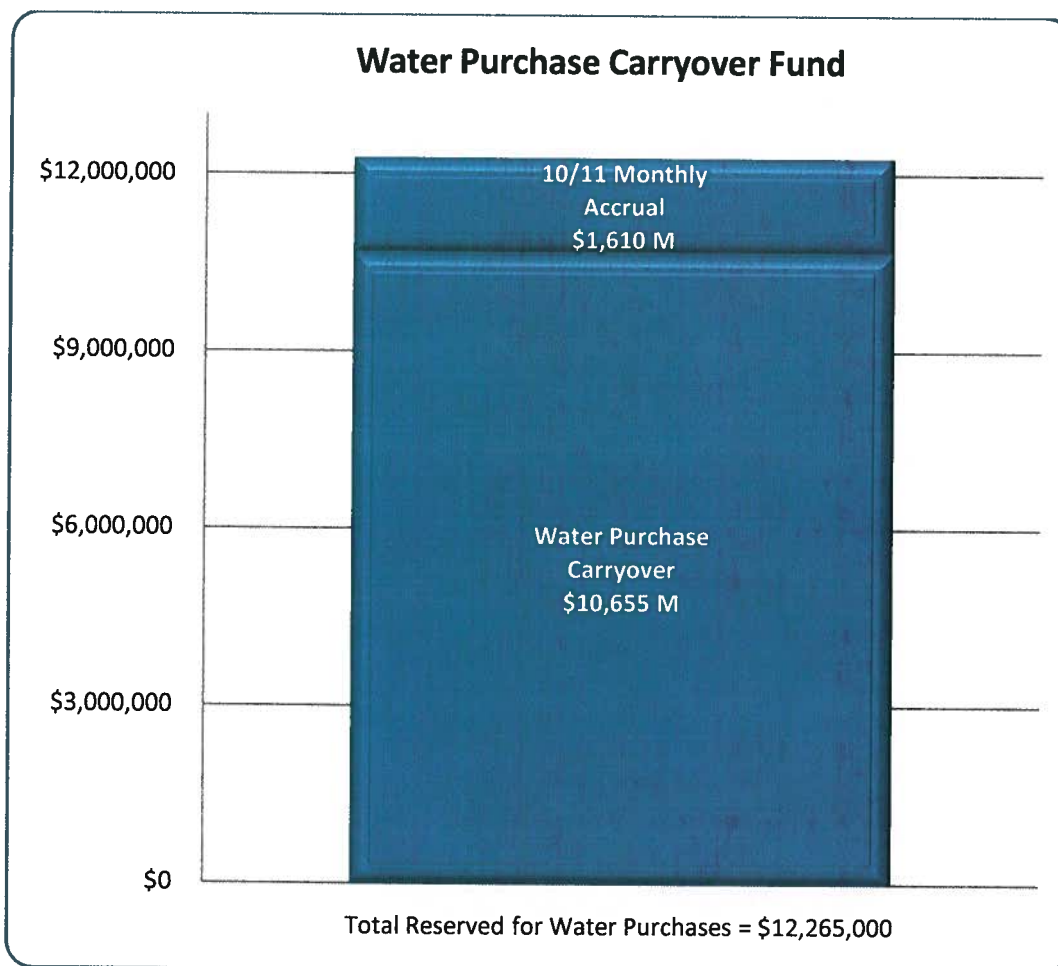
2. Budget 10/11 Rate Relief – As a result of public budget workshops,

\$8,270M was allocated from the Water Purchase Carryover Fund as rate relief (1/12th accrual per month: \$8,270,000 ÷ 12 = \$689,000 rounded) \$ (689,000)

09/10 Water Purchase Carryover (decreases by \$689,000 monthly for fiscal year 10/11)

Total 11,344,000

\$ 10,655,000



Restricted for Capital Projects – This category represents funds encumbered for the following:

1. Safe Drinking Water Program

Source of Funds:

Replenishment Assessment

Use of Funds:

Encumbered for Safe Drinking Water Projects

City of Lakewood – Central Basin	\$ 524,000
Maywood Mutual Water Company #2 – Central Basin	261,000
Park Water Company – Central Basin	2,000,000
Vernon Wells #9 and #10 – Central Basin	1,000,000
Huntington Park Well #17 – Central Basin	143,000
Total	<u>\$ 3,928,000</u>

2. Capital Replacement / Construction

Source of Funds:

Replenishment Assessment

Use of Funds:

Encumbered for Projects Below

Leo J. Vanderlans Water Treatment Facility:	
Capital Replacement	\$ 911,000
Preliminary and Final Design for Expansion	380,000 ¹
Goldsworthy Desalter:	
Capital Replacement	214,000
Preliminary Design	100,000 ¹
Total	<u>\$ 1,605,000</u>

3. Proceeds from the 2008 Certificates of Participation

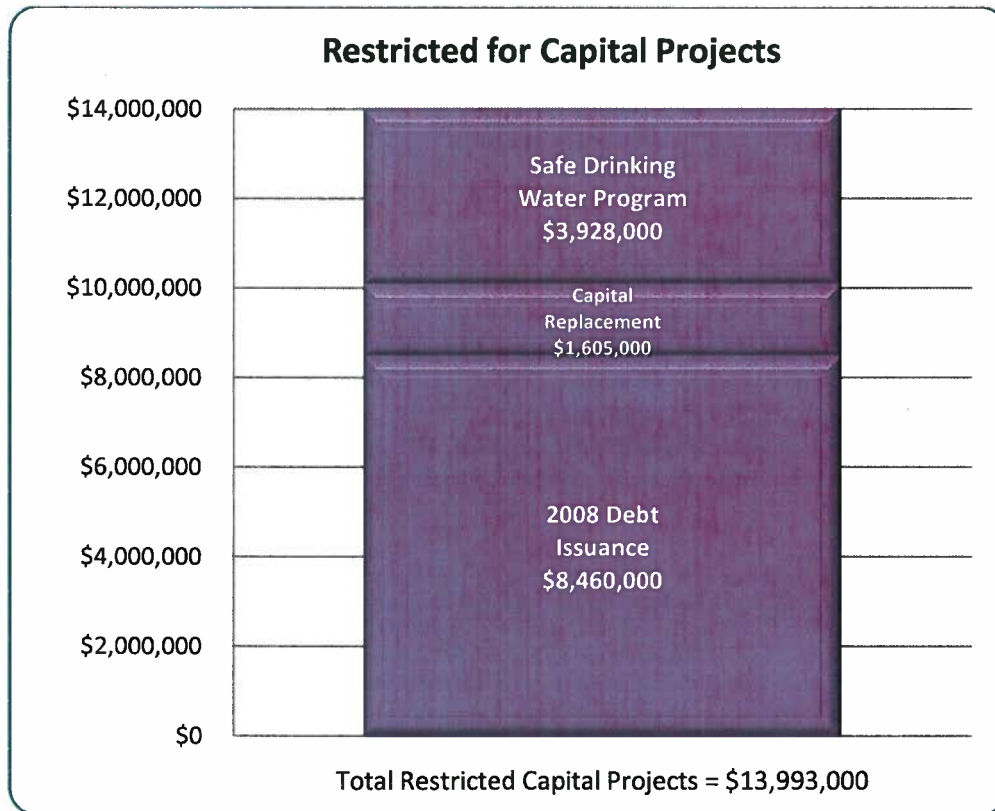
Source of Funds:

2008 Debt Issuance

Use of Funds:

Restricted for Capital Projects Only – Interconnection Pipeline and Regional Groundwater Monitoring Wells

Held by Independent Trustee – Restricted for Capital Projects Only	<u>\$ 8,460,000</u>
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¹ This amount was budgeted in fiscal year 2009/10 and encumbered for capital expenditure in fiscal year 2010/11

Debt Service Reserve Fund – Based on the District’s Master Trust Agreement related to the 2004 and 2008 Revenue Certificates of Participation (COP), the District must maintain a Reserve Fund, held by an independent Trustee to pay principal and interest in the event the WRD does not have the funds to properly pay its debt. These funds are unavailable to the District until the debt matures 30 years after issuance of the debt.

Source of Funds:

2004 and 2008 Debt Issuance

Use of Funds:

Restricted based on Master Trust Agreement

2004 Trustee Reserve Fund	\$ 968,000
2008 Trustee Reserve Fund	<u>1,332,000</u>
Total	<u>\$ 2,300,000</u>

Cal Trans Trust – These funds are held in trust by WRD as part of a settlement with the California Department of Transportation (CalTrans) for dewatering the 105 freeway.

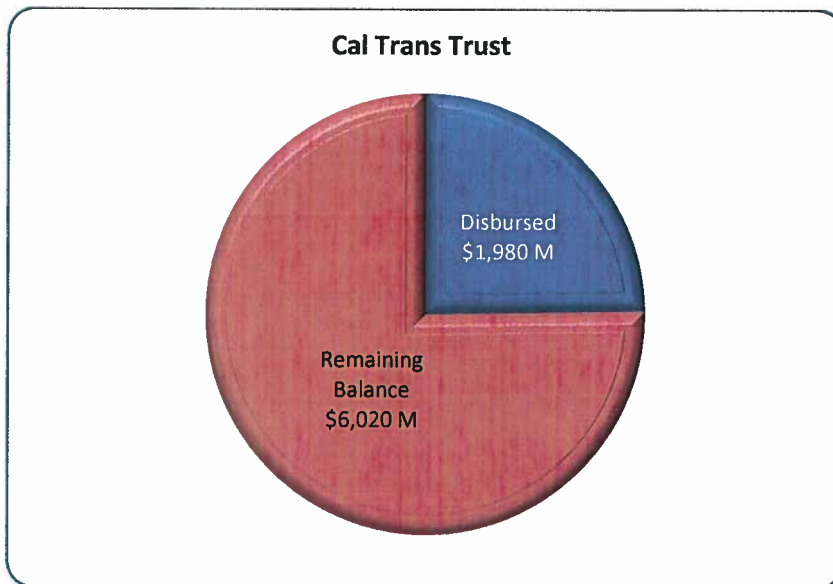
Source of Funds:

CalTrans Settlement

Use of Funds:

Restricted for CalTrans Project and RA

Originally, the CalTrans settlement of \$8 million was received in June 2004. Since that time, the District has been reimbursed \$1.98 million for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering of the freeway.



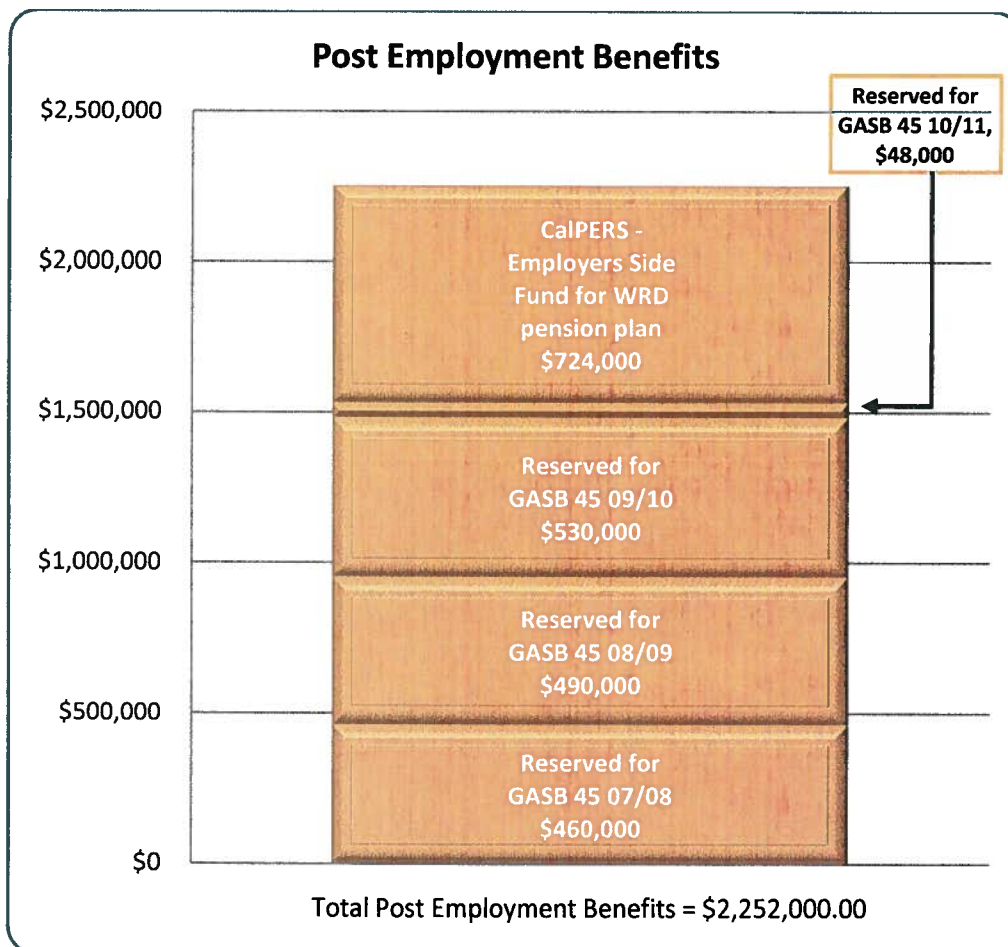
Other Post Employment Benefit Obligations (OPEB)

Source of Funds:
Use of Funds:

Replenishment Assessment
Post Employment Benefits

This category of funds accounts for the WRD's Annual Required Contribution (ARC) related to Other Post Employment Benefits (OPEB) in compliance with the Government Accounting Standards Board (GASB) statement number 45. The following costs have been accrued based on an independent actuarial study:

10/11 Annual Required Contribution	\$ 580,000
	$\div 12 \text{ months}$
10/11 Accrual per month (1/12 th – rounded)	\$ 48,000
09/10 Annual Required Contribution	530,000
08/09 Annual Required Contribution	490,000
07/08 Annual Required Contribution	460,000
 This category also includes the District's liability for required contributions to CalPERS related to the CalPERS risk pool for all employers with less than 100 employees. This amount was paid in August 2010.	 \$724,000



CASH AND INVESTMENTS

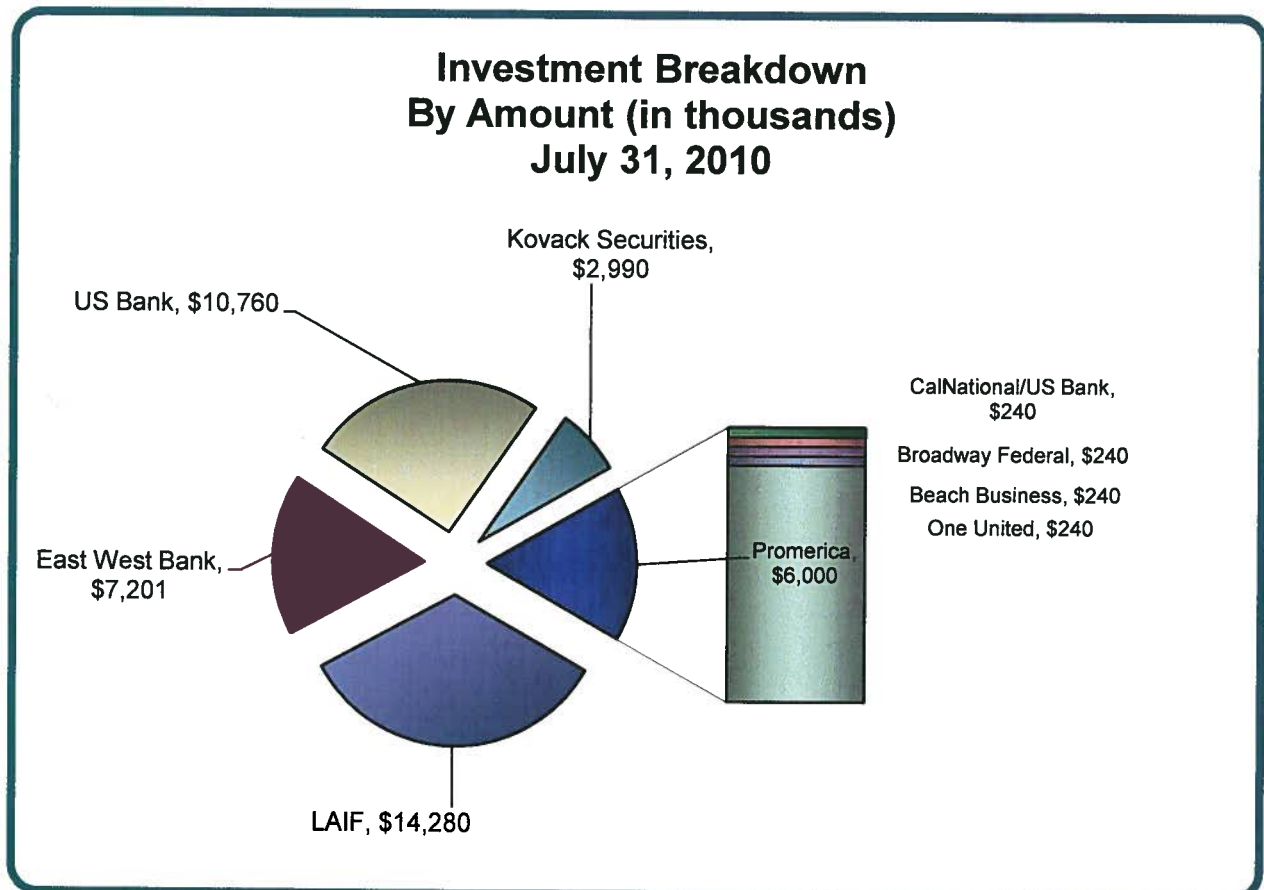
At the direction of the Board of Directors, on February 20, 2009 the District implemented its Community Banking Program and has invested in several community banks in addition to the Local Area Investment Fund (LAIF).

Cash and Investments By Institution (Rounded to nearest ten thousand)

Cash and Investments:

Local Area Investment Fund (LAIF) ¹	\$ 14,280,000
East West Bank ²	7,201,000
Beach Business Bank ²	240,000
One United Bank ²	240,000
Broadway Federal Bank ²	240,000
US Bank (formerly CalNational Bank) ²	240,000
Promerica Bank ²	6,000,000
US Bank (Trustee) ²	10,760,000
Kovack Securities ^{2,3}	<u>2,990,000</u>

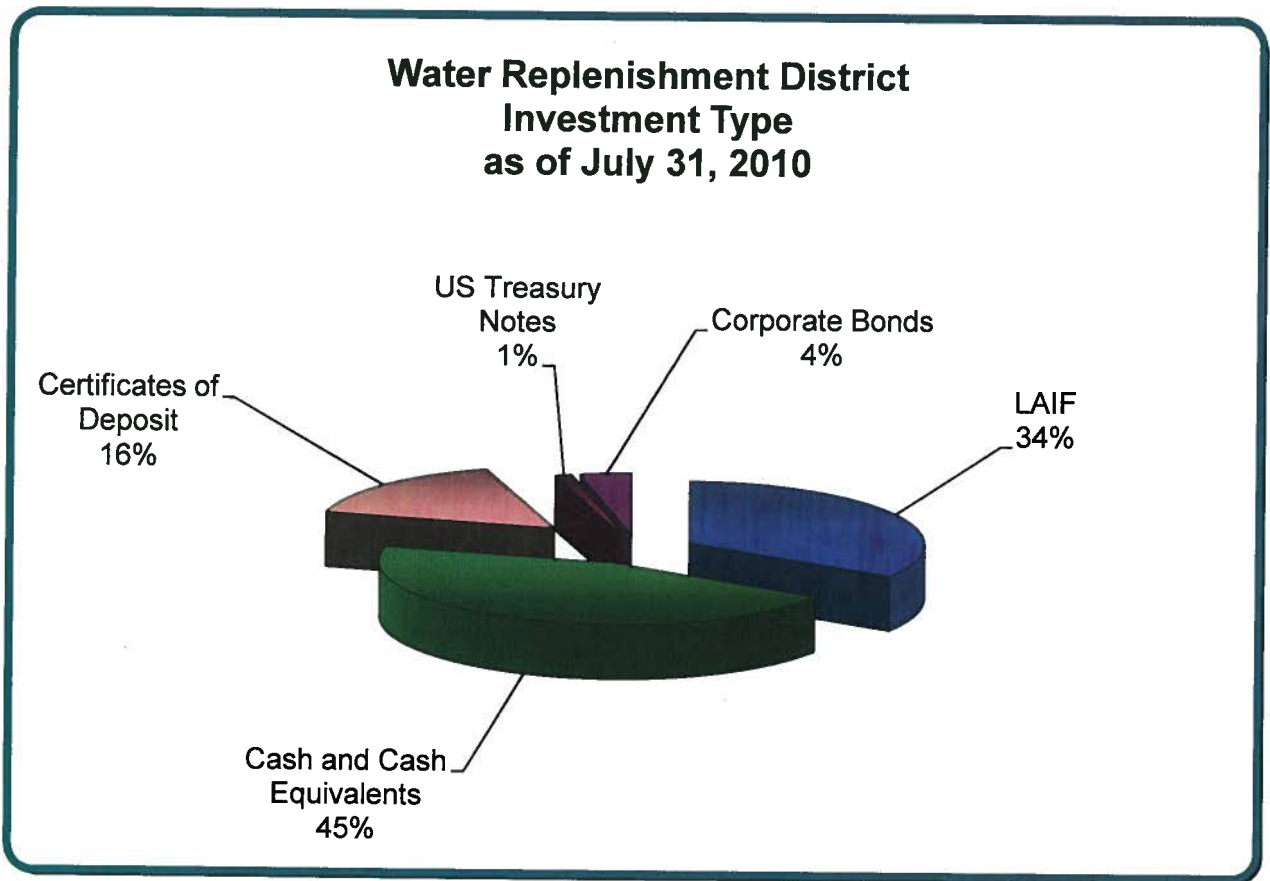
Total Cash and Investments \$ 42,191,000



Cash and Investments By Type
(Rounded to nearest ten thousand)

Cash and Investments:

Local Area Investment Fund (LAIF) ¹	\$ 14,280,000
Cash and Cash Equivalents ²	18,961,000
Certificates of Deposit ²	6,970,000
US Treasury Notes ³	490,000
Corporate Bonds ³	1,490,000
Total	<u>\$ 42,191,000</u>



Staff has attached a detailed investment report for July 31, 2010 for approval.

Footnotes:

¹ – The Local Area Investment Fund (LAIF): There is no insurance applied to individual securities, sectors of the portfolio, or the portfolio in general. However, due to the characteristics of the Pooled Money Investment Account for LAIF, credit risk is minimal. Additionally, LAIF monies are protected by statute. The State of California cannot borrow or withhold LAIF monies per California Government Code §16429.4.

² – Cash & Cash Equivalents and Certificates of Deposit: Amounts are either insured by the Federal Deposit Insurance Company (FDIC) or secured by the bank's assets. Most funds are held in Certificate of Deposit Account Registry Service or CDARS; a very safe way to invest funds up to \$50 million while continuing to be FDIC insured.

³ – US Treasury Notes and Corporate Bonds: These amounts are not insured by the FDIC however, they fall within the District's Investment Policy.

Any slight differences are due to rounding. For presentation purposes, staff has rounded dollar values to the nearest thousand.

FISCAL IMPACT

None.

FINANCE COMMITTEE RECOMMENDATION

Approve the Investment Report for July 31, 2010.

Water Replenishment District of Southern California
Cash and Investment Report
July 31, 2010

	LAIF	CalNational/ US Bank	East West Bank	Beach Business	One United Bank	Broadway Federal	Promerica Bank	US Bank	Kovak Securities	Total
BALANCE 7/1/2010	\$14,255,856	\$240,168	\$12,328,142	\$243,835	\$243,002	\$242,895	\$3,999,499	\$10,760,842	\$2,986,070	\$42,186,992
INTEREST RECEIVED/REINVESTED	19,764	102	3,424	299	120	44	999		34,508	
DISBURSEMENTS			(6,778,046)				(174)			
UNREALIZED GAIN/(LOSS)			3,632,762				(0)			
DEPOSITS/PURCHASES/FEEES			(2,000,000)				2,000,000			
TRANSFER IN/(OUT)									\$0	
ACCRUED INTEREST									(27,118)	
BALANCE 7/31/2010	\$14,275,620	\$240,270	\$7,186,281	\$244,134	\$243,122	\$242,939	\$6,000,324	\$10,760,842	\$2,993,460	\$42,186,992
<hr/>										
	LAIF	CalNational/ US Bank	East West Bank	Beach Business	One United Bank	Broadway Federal	Promerica Bank	US Bank	Kovak Securities	Total
CURRENT YIELD	0.531%	0.500%	1.01% / .5%	1.500%	0.600%	0.210%	varies	varies	varies	
INTEREST EARNED FISCAL YTD	\$19,764	\$102	\$3,424	\$299	\$120	\$44	\$999	\$0	\$34,508	\$59,260.14

I HEREBY CERTIFY THAT ALL INVESTMENT ACTIONS EXECUTED SINCE THE LAST REPORT HAVE BEEN MADE IN FULL COMPLIANCE WITH THE INVESTMENT POLICY.
AS TREASURER OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA,
I HEREBY CERTIFY THAT SUFFICIENT INVESTMENT LIQUIDITY AND ANTICIPATED REVENUE ARE AVAILABLE TO MEET ESTIMATED EXPENDITURES FOR THE NEXT SIX MONTHS.

ROBERT KATHERMAN

DATE

\$14,280,000 \$240,000 \$7,190,000 \$240,000 \$240,000 \$240,000 \$240,000 \$6,000,000 \$10,760,000 \$2,990,000 \$42,190,000



MEMORANDUM

ITEM NO. 5.D

Prepared by: Binhyen Bui
Reviewed by: Scott M. Ota
Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010
TO: BOARD OF DIRECTORS
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: DEMANDS - AUGUST 2010

SUMMARY

At the request of the Finance Committee, the following items are attached:

- 1. The demands list for the period August 1st, 2010 –August 31st, 2010.
- 2. The demands sorted by vendor with an additional column showing fiscal year-to-date payments

Demands Summary – August 2010

Replenishment Fund	\$ 3,566,530.58
Clean Water Fund	<u>674,345.90</u>
Total	<u>\$ 4,240,876.48</u>

FINANCE COMMITTEE RECOMMENDATION

Receive and file the Demands for August 31, 2010.



DIRECTORS

SERGIO CALDERON, PRESIDENT
 LILLIAN KAWASAKI, VICE PRESIDENT
 WILLARD H. MURRAY, JR., SECRETARY
 ROBERT KATHERMAN, TREASURER
 ALBERT ROBLES, DIRECTOR

ROBB WHITAKER, P.E., GENERAL
 MANAGER

October 22, 2010

Board of Directors
 Water Replenishment District of Southern California

Submitted herewith for action by the Board of Directors are the following demands for the period ending August 31, 2010

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
DD	ALBERT ROBLES	07/10 DIRECTORS COMPENSATION	1,359.93	1,278.34	81.59
DD	ALBERT ROBLES	08/10 DIRECTORS COMPENSATION	1,241.45	1,166.97	74.48
DD	ALBERT ROBLES	08/10 EXPENSE REIMBURSEMENT	245.00	230.30	14.70
DD	SERGIO J. CALDERON	08/10 DIRECTORS COMPENSATION	1,214.17	1,141.30	72.87
DD	SERGIO J. CALDERON	08/10 EXPENSE REIMBURSEMENT	188.60	177.28	11.32
DD	SERGIO J. CALDERON	07/10 DIRECTOR'S COMPENSATION	226.65	213.04	13.61
DD	WILLARD H. MURRAY, JR	07/10 DIRECTOR'S COMPENSATION	700.79	658.74	42.05
DD	ROBERT E. KATHERMAN	07/10 DIRECTORS COMPENSATION	996.73	936.93	59.80
P0037	ROBERT E. KATHERMAN	07/10 DIRECTORS COMPENSATION	517.25	486.22	31.03
DD	AFSCME LOCAL 1902 UNION	UNION DUES	577.80	511.95	65.85
DD	AFSCME LOCAL 1902 UNION	UNION DUES	577.80	486.92	90.88
DD	EDD	DIR STATE TAX W/H	32.76	30.79	1.97
DD	EDD	STATE TAX DEPOSIT	5,380.43	4,729.75	650.68
DD	EDD	STATE TAX DEPOSIT	5,538.17	4,638.56	899.61
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	70,665.73	62,500.96	8,164.77
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	74,816.09	63,493.33	11,322.76
DD	FLEX-PLAN SERVICES, INC	HRA & FSA REIMBURSEMENTS	1,263.15	1,005.94	257.21
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	8,354.64	7,853.37	501.27
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	186.14	174.97	11.17
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	2,922.10	2,746.78	175.32
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	2,661.18	2,501.51	159.67
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	4,664.94	4,385.04	279.90
DD	INTERNAL REVENUE SERVICE	DIR FEDERAL TAX DEPOSIT	1,711.87	1,609.15	102.72
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	30,150.50	26,422.41	3,728.09
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	30,588.41	25,721.90	4,866.51
DD	PARS	DIR PARS PAYMENT	1,528.91	1,528.91	-
DD	PRUDENTIAL	DIR DEFERRED COMP	3,242.25	3,047.74	194.51
DD	PRUDENTIAL	DEFERRED COMP	21,886.97	19,060.83	2,826.14
DD	PRUDENTIAL	DEFERRED COMP	20,386.97	17,508.69	2,878.28
DD	PERS	DIR PERS PAYMENT	673.24	778.63	(105.39)
DD	PERS	PERS PAYMENT	30,926.14	27,244.09	3,682.05
DD	PERS	PERS PAYMENT	31,139.84	26,373.87	4,765.97
1798	PERS	SIDE FUND PAYMENT AS OF 8/31/2010	716,215.00	673,242.10	42,972.90
1640	ARCADIA SIGN COMPANY	DISTRICT BUILDING SIGN	(1,150.74)	(1,081.69)	(69.05)
1679	AT&T MOBILITY	CELL PHONE SERVICE THRU 07/15/10	144.40	135.74	8.66
1680	BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 06/26/10	2,137.50	2,137.50	-
1681	BROWNSTEIN HYATT FARBER SHRECK	LEGISLATIVE SERVICE thru 05/31/10	30,000.00	28,200.00	1,800.00
1682	CH2M HILL	005: PROF SERVICE THRU 05/28/10	19,612.17	19,612.17	-
1683	FM THOMAS AIR CONDITIONING	05/24/10 AC MAINT SERVICE	589.00	553.66	35.34
1684	GEIGER WEST MONROVIA	PROMOTIONAL ITEMS	2,288.87	2,151.53	137.34
1685	GOLDEN RAIN FOUNDATION	011: SITE RESTORATION	2,914.60	1,457.30	1,457.30
1686	LA EXPRESS ONE INC	COURIER SERVICE	258.80	243.27	15.53
1687	LOS ANGELES TIMES	07/10 SUBSCRIPTION FEE	66.75	62.75	4.00
1688	RMC WATER AND ENVIRONMENT	033: PROF SERVICE THRU 06/25/10	10,879.86	10,879.86	-
1689	STANDARD INSURANCE COMPANY	08/10 STD/LTD PREMIUM	1,629.00	1,531.26	97.74
1690	TORRANCE, CITY OF	002: 05/10 O & M SVC	34,496.60	-	34,496.60
1691	XEROX CORPORATION	07/10 COPIER SERVICE	1,371.90	1,289.58	82.32
1692	CBMWD	06/10 WATER PURCHASE	6,804.20	6,804.20	-
1693	VOID	VOID	-	-	-
1693	VOID	VOID	-	-	-
1693-2	WBMWD	06/10 WATER PURCHASE	1,473,561.17	1,474,903.33	(1,342.16)
1694	CITY OF CARSON	011: EXCAVATION PERMIT FEE	2,948.00	1,474.00	1,474.00

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
1695	AQUARIUM OF THE PACIFIC	WATERSHED GRNDWTR SCH TOUR	546.00	513.24	32.76
1696	ASBURY ENVIRONMENTAL	011: WTR DISPOSAL SVC	2,191.10	1,095.55	1,095.55
1697	DEP OF TOXIC SUBSTANCES CONTROL	006: PROF SERVICE THRU 12/31/09	17,500.00	-	17,500.00
1698	CALIFORNIA WATER SERVICE	WATER USAGE THRU 07/20/10	56.46	53.07	3.39
1699	VOID	VOID	-	-	-
1699-2	CH2M HILL	001: PROF SERVICE THRU 06/25/10	18,303.38	18,303.38	-
1700	CITY OF EL SEGUNDO	ENVIRONMENTAL EXPO SPONSOR	2,500.00	2,350.00	150.00
1701	COLORADO SCHOOL OF MINES	004: PROFESSIONAL SERVICE	15,000.00	15,000.00	-
1702	COUNTY SANITATION DISTRICT 2	03/10 WATER PURCHASE - WN	3,929.80	3,929.80	-
1703	COUNTY SANITATION DISTRICT 2	04/10 WATER PURCHASE - WN	3,500.70	3,500.70	-
1704	COUNTY SANITATION DISTRICT 2	05/10 WATER PURCHASE - WN	2,882.60	2,882.60	-
1705	COUNTY SANITATION DISTRICT 2	05/10 WATER PURCHASE - SJC	119,900.36	119,900.36	-
1706	COUNTY SANITATION DISTRICT 2	06/10 WATER PURCHASE - WN	3,015.60	3,015.60	-
1707	COUNTY SANITATION DISTRICT 2	06/10 WATER PURCHASE - SJC	106,300.10	106,300.10	-
1708	GEOTECH ENVIRONMENTAL	011: FIELD SUPPLIES	572.44	286.22	286.22
1709	HERMOSA BEACH CHAMBER	2011 MEMBERSHIP DUES	380.00	357.20	22.80
1710	INGLEWOOD AIRPT CHAMBER	BUSINESS DIRECTORY	1,495.00	1,405.30	89.70
1711	KINDEL GAGAN	06/10 PROF SERVICE	11,856.25	11,744.87	111.38
1712	LOS ANGELES BUSINESS COUNCIL	2010 MEMBERSHIP DUES	500.00	470.00	30.00
1713	LA EXPRESS ONE INC	COURIER SERVICE	66.88	62.87	4.01
1714	LAYNE CHRISTENSEN COMPANY	002: PROFESSIONAL SERVICE	6,900.00	-	6,900.00
1715	VOID	VOID	-	-	-
1716	MILLENNIUM ADVOCATES	07/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
1717	NORWALK PRINTING COMPANY	BUSINESS CARDS - RK	60.36	56.74	3.62
1718	OFFICE TEAM	TEMP SERVICE THRU 07/09/10 - JH	1,139.93	1,071.54	68.39
1719	VOID	VOID	-	-	-
1719-2	ORANGE COUNTY WATER DISTRICT	001: PROF SERVICE THRU 05/31/10	6,901.98	6,901.98	-
1720	SAN GABRIEL VALLEY TRIBUNE	06/07/10 WATER AWARENESS AD	4,488.30	4,219.00	269.30
1721	SCHLUMBERGER WATER SERVICES	011: 06/10 PROF SERVICE	25,266.15	12,633.08	12,633.07
1722	SOUTH GATE CHAMBER	2010-2011 MEMBERSHIP DUES	500.00	470.00	30.00
1723	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	373.28	350.89	22.39
1724	LONG BEACH, CITY OF	06/10 LOW FLOW WTR CHRGR	141.20	141.20	-
1725	LONG BEACH, CITY OF	WATER EXTRACTION REFUND	163,777.75	153,951.08	9,826.67
1726	ORION INDUSTRIES	LANDSCAPE SIGNS	3,209.03	3,016.49	192.54
1727	VOID	VOID	-	-	-
1728	COUNTY SANITATION DISTRICT 2	001: 4TH QTR WWTS PAYMENT	66,289.39	66,289.39	-
1729	LOS ANGELES, CITY OF DWP	06/21/10-07/21/10 WATER PURCHASE	94,420.26	94,420.26	-
1730	COUNTY SANITATION DISTRICT 2	002: 4TH QTR WWTS PAYMENT	42,693.86	-	42,693.86
1731	MAYWOOD MUTUAL NO. 2	012: PROGRESS PAYMENT #8	35,174.85	-	35,174.85
1732	AT&T	002: MONTHLY PHONE SERVICE	230.25	-	230.25
1733	BZ DISPOSAL SERVICES	WASTE & RECYCLE SERVICE	1,303.26	1,225.06	78.20
1734	CHEVRON AND TEXACO	07/10 FUEL CHARGES	138.88	130.55	8.33
1735	COSTCO BUSINESS DELIVERY	KITCHEN SUPPLIES	492.01	462.49	29.52
1736	DMJ CONSULTING GROUP	011: PROF SERVICE THRU 07/23/10	1,348.50	674.25	674.25
1737	KONE INC	06/30/10 ELEVATOR REPAIR SERVICE	407.70	383.24	24.46
1738	VOID	VOID	-	-	-
1738-2	LAKEWOOD, CITY OF	012: CONS WELL #27 - PAYMENT #4	298,448.66	-	298,448.66
1739	LOS ANGELES COUNTY DPW	004: 08/01/10-07/31/11 LEASE - 98-02	600.00	600.00	-
1740	MEYERS & NAVE	06/10 LEGAL SERVICE	47,806.54	44,665.20	3,141.34
1741	SOUTHERN CALIFORNIA EDISON	07/10 ENERGY USAGE	4,643.38	4,364.78	278.60
1742	SOUTHERN CALIFORNIA EDISON	002: ENERGY USAGE THRU 08/06/10	26,500.45	-	26,500.45
1743	U.S. GEOLOGICAL SURVEY	025: 04/01/10-06/30/10 PROF SERVICE	26,611.00	13,305.50	13,305.50
1744	U.S. GEOLOGICAL SURVEY	011: 10/01/08-06/30/10 CONS SERVICE	3,036.00	1,518.00	1,518.00
1745	VERIZON CALIFORNIA	MONTHLY PHONE CHARGES	341.52	321.03	20.49
1746	VERIZON WIRELESS	MONTHLY CELL PHONE SVC	1,162.93	1,093.15	69.78
1747	WESTERN EXTERMINATOR	07/10 PESTICIDE SERVICE	65.00	61.10	3.90
1748	ALSTON & BIRD LLP	005: 06/10 LEGAL SERVICE	8,068.85	8,068.85	-
1749	URBAN WATER INSTITUTE INC.	REGISTRATION FEE - AR	350.00	329.00	21.00
1750	AWWA	REGISTRATION FEE - TF	145.00	136.30	8.70
1751	BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 07/31/10	5,302.00	5,302.00	-
1752	VOID	VOID	-	-	-
1753	CLEAN SOURCE	GENERAL SUPPLIES	501.55	471.46	30.09
1754	GEOTRANS, INC.	025: PROF SERVICE THRU 06/25/10	7,797.50	3,898.75	3,898.75
1755	HELPMATES STAFFING	TEMP SERVICE THRU 08/01/10 - MC	5,161.20	4,851.52	309.68
1756	JAN-PRO CLEANING	08/10 JANITORIAL SERVICE	2,743.00	2,578.42	164.58
1757	KINDEL GAGAN	07/10 LEGISLATIVE SERVICE	956.25	898.88	57.37
1758	NORWALK PRINTING COMPANY	BROWN CRAFT ENVELOPES	2,084.15	1,959.10	125.05
1759	OFFICE TEAM	TEMP SERVICE THRU 07/30/10 - JH	1,560.90	1,467.25	93.65
1760	PACIFIC ATLANTIC PARTNERS	08/10 LEGISLATIVE SERVICE	30,000.00	28,200.00	1,800.00
1761	PARS	06/10 REP FEES	500.00	470.00	30.00
1762	REGALETTES, INCORPORATED	WHITE LINEN AFFAIR SPONSORSHIP	1,500.00	1,410.00	90.00

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
1763	ROBERT E. BUSH CORPORATION	005: 07/10 PROF SERVICE	3,000.00	3,000.00	-
1764	SCHLUMBERGER WATER SERVICES	011: 07/10 PROF SERVICE	6,000.00	3,000.00	3,000.00
1765	SEPARATION PROCESSES	002: 07/10 PROF SERVICE	2,160.00	-	2,160.00
1766	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	1,401.16	1,317.09	84.07
1767	TESTAMERICA	006: 07/10 PROF SERVICE	15,003.50	-	15,003.50
1768	TORRANCE, CITY OF	002: 08/10 PLANT SITE RENT	3,373.48	-	3,373.48
1769	TRES ES, LLC	06/10 LEGISLATIVE SERVICE	7,500.00	7,050.00	450.00
1770	VALVERDE CONSTRUCTION	SEWER CLEANOUT REPAIR SERVICE	1,952.00	1,834.88	117.12
1771	XEROX CORPORATION	08/10 COPIER SERVICE	3,160.91	2,971.25	189.66
1772	BROWNSTEIN HYATT	06/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
1773	ALBRIGHT, YEE & SCHMIT	LEGAL SERVICE THRU 06/30/10	19,230.83	18,076.98	1,153.85
1774	ALLIANCE FOR WATER EFFICIENCY	MEMBERSHIP DUES	500.00	470.00	30.00
1775	CALIFORNIA GRNDWTR COALITION	2010 MEMBERSHIP DUES	9,500.00	4,750.00	4,750.00
1776	ERHART'S CATERING	GRNDWTR CONTAMINATION FORUM	460.40	101.89	358.51
1777	FEDERAL EXPRESS	FEDEX SERVICE	600.49	538.06	62.43
1778	GEIGER WEST MONROVIA	PROMOTIONAL ITEMS	4,596.26	4,320.48	275.78
1779	GREATER HUNTINGTON PARK CHAMBER	FY10/11 MEMBERSHIP DUES	300.00	282.00	18.00
1780	INTER-TEL NETSOLUTIONS	MONTHLY PHONE SERVICE	865.70	813.76	51.94
1781	L.A.CHAMBER OF COMMERCE	GAVIN NEWSON LUNCHEON EVENT	20.00	18.80	1.20
1782	LOMITA CHAMBER OF COMMERCE	AWARD INSTALLATION DINNER	500.00	470.00	30.00
1783	LBACC	FY10/11 MEMBERSHIP DUES	595.00	559.30	35.70
1784	LOS ANGELES TIMES	08/10 SUBSCRIPTION FEES	24.00	22.56	1.44
1785	MANHATTAN BEACH CHAMBER	08/01/10-07/31/11 MEMBERSHIP DUES	395.00	371.30	23.70
1786	MARCIA FORKOS	MEDICAL REIMBURSEMENT	744.27	699.61	44.66
1787	MILLENNIUM ADVOCATES	08/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
1788	OFFICE TEAM	TEMP SERVICE THRU 07/30/10 - KH	4,472.00	4,203.68	268.32
1789	PALOS VERDES PENINSULA CHAMBER	LEGISLATIVE FORUM SPONSORSHIP	750.00	705.00	45.00
1790	PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	371.58	234.92	136.66
1791	SAN PEDRO PENINSULA CHAMBER	2011 MEMBERSHIP DUES	450.00	423.00	27.00
1792	SCHOOL OUTFITTERS	OFFICE SUPPLIES	3,719.63	3,496.45	223.18
1793	SOUTH GATE CHAMBER	INSTALLATION LUNCHEON	250.00	235.00	15.00
1794	STANLEY CONVERGENT SECURITY	09/10 ALARM MAINT SVC	105.64	99.30	6.34
1795	THE FRIENDS OF YOUTH FOUNDATION	HOLLYWOOD BOWL EVENT	1,000.00	940.00	60.00
1796	THE GAS COMPANY	MONTHLY UTILITY CHARGES	84.27	79.21	5.06
1797	WILMINGTON CHAMBER	2011 MEMBERSHIP DUES	340.00	319.60	20.40
1799	VOID	VOID	-	-	-
1800	F&M BANK: CC PAYMENT	07/10 CC CHARGES	262.75	246.98	15.77
1801	INTERIOR PLANT DESIGN	08/10 MAINT SERVICE	2,000.00	1,410.00	590.00
1802	WHITTIER BLVD MERCHANT'S ASSOC	EAST LA SUMMER FESTIVAL EVENT	1,450.00	1,363.00	87.00
1803	ACWA - HBA	09/10 MED/DEN/LIFE PREMIUM	42,254.18	39,718.94	2,535.24
1804	ANGEL FOR SIGHT	COMPTON HOMELESS VETERANS	500.00	470.00	30.00
1805	VOID	VOID	-	-	-
1806	BUREAU VERITAS NORTH AMERICA	004: PROF SERVICE THRU 07/23/10	2,396.25	2,396.25	-
1807	CALIFORNIA WATER SERVICE	WATER USAGE THRU 08/18/10	53.56	50.35	3.21
1808	CH2M HILL	PROF SERVICE THRU 07/30/10	74,286.60	74,286.60	-
1809	COUNTY OF LOS ANGELES DAC	2010/2011 LAFCO NOC ALLOCATION	9,431.37	8,865.49	565.88
1810	ERHART'S CATERING	08/11/10 ALAMITOS GW MODELING	365.56	365.56	-
1811	GEOTECH ENVIRONMENTAL	011: FIELD SUPPLIES	4,251.14	3,637.66	613.48
1812	GEOTRANS, INC.	025: PROF SERVICE THRU 07/23/10	15,855.69	7,927.84	7,927.85
1813	IN-SITU INC.	011: FIELD SUPPLIES	36,690.69	18,345.35	18,345.34
1814	INSTITUTE FOR LOCAL GOVERNMENT	CERT OF PARTICIPATION - AR	20.00	18.80	1.20
1815	LAKEWOOD, CITY OF	WATER USAGE THRU 08/18/10	340.52	320.10	20.42
1816	LAKEWOOD SELF STORAGE	STORAGE RENTAL-UNIT#1230	1,540.00	1,447.60	92.40
1817	MARTIN E WHELAN, JR.	09/10 MEDICAL PREMIUM	736.33	692.15	44.18
1818	VERIZON BUSINESS	MONTHLY INTERNET SERVICE	622.93	585.55	37.38
1819	McMASTER-CARR SUPPLY	018: FIELD SUPPLIES	38.65	38.65	-
1820	NELLOR ENVIRONMENTAL	004: 07/10 PROF SERVICE	540.00	540.00	-
1821	STANDARD INSURANCE COMPANY	09/10 STD/LTD PREMIUM	1,098.81	1,032.88	65.93
1822	TORRANCE, CITY OF	002: 09/10 PLANT SITE RENT	3,373.48	-	3,373.48
1823	WHITTIER AREA CHAMBER	FY 10/11 MEMBERSHIP DUES	465.00	437.10	27.90
1824	XO CORPORATION	PHONE CHARGES THRU 09/14/10	108.45	101.94	6.51
EVB10	VOID	VOID	-	-	-
STAPL	STAPLES CREDIT PLAN	OFFICE SUPPLIES	80.60	75.76	4.84
I0092	PEPSI BOTTLING	SUPPLIES	(245.41)	(230.69)	(14.72)
I0106	PEPSI BOTTLING	SUPPLIES	(241.60)	(227.10)	(14.50)
I0115	ENRIQUE'S MEXICAN	WATER RESOURCES COMM MTG	267.06	251.04	16.02
I0116	PEPSI BOTTLING	SUPPLIES	252.70	237.54	15.16
I0117	VOID	VOID	-	-	-
I0117-2	PEPSI BOTTLING	SUPPLIES - REPLACE CHK#0092	245.41	230.69	14.72
I0118	VOID	VOID	-	-	-
I0118-2	PEPSI BOTTLING	SUPPLIES - REPLACE CHK#10106	241.60	227.10	14.50

<u>Check #</u>	<u>Payee</u>	<u>Description</u>	<u>Total</u>	<u>Replenishment Fund</u>	<u>Clean Water Fund</u>
I0119	VOID	VOID	-	-	-
I0120	UPS	POSTAGE SERVICE	5.28	4.96	0.32
I0121	SPARKLETTS	SUPPLIES	63.49	59.68	3.81
I0122	BOSTON MARKET	08/24/10 GRNDWTR QUALITY MEETING	126.10	118.53	7.57
Total Demands from August 1, 2010 to August 31, 2010			4,240,876.48	3,566,530.58	674,345.90

Robb Whitaker, P.E., General Manager

Water Replenishment District of Southern California
Demands List - Current and YTD By Vendor

Payee	Description	Current Demands	YTD Demands
PAYROLL	BENEFIT/DEDUCTION/REIMBURSEMENT	847,207.07	992,346.46
PAYROLL	PAYROLL	145,481.82	295,508.25
PAYROLL	TAXES	73,402.14	148,047.62
ALBERT ROBLES	DIRECTORS' COMPENSATION	2,601.38	5,202.77
ALBERT ROBLES	EXPENSE REIMBURSEMENT	245.00	798.40
ROBERT E. KATHERMAN	DIRECTORS' COMPENSATION	996.73	1,760.12
ROBERT E. KATHERMAN	EXPENSE REIMBURSEMENT	517.25	1,513.98
SERGIO J. CALDERON	DIRECTORS' COMPENSATION	1,440.82	5,467.58
SERGIO J. CALDERON	EXPENSE REIMBURSEMENT	188.60	271.06
WILLARD H. MURRAY, JR	DIRECTORS' COMPENSATION	700.79	1,461.63
ACWA - HBA	09/10 MED/DEN/LIFE PREMIUM	42,254.18	92,812.98
ALBRIGHT, YEE & SCHMIT	LEGAL SERVICE THRU 06/30/10	19,230.83	29,230.82
ALLIANCE FOR WATER EFFICIENCY	MEMBERSHIP DUES	500.00	500.00
ALSTON & BIRD LLP	005: 06/10 LEGAL SERVICE	8,068.85	8,068.85
ANGEL FOR SIGHT	COMPTON HOMELESS VETERANS	500.00	500.00
AQUARIUM OF THE PACIFIC	WATERSHED GRNDWTR SCH TOUR	546.00	546.00
ARCADIA SIGN COMPANY	DISTRICT BUILDING SIGN	(1,150.74)	-
ASBURY ENVIRONMENTAL	011: WTR DISPOSAL SVC	2,191.10	4,023.55
AT&T	002: MONTHLY PHONE SERVICE	230.25	462.83
AT&T MOBILITY	CELL PHONE SERVICE THRU 07/15/10	144.40	290.96
AWWA	REGISTRATION FEE - TF	145.00	145.00
BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 06/26/10	2,137.50	2,137.50
BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 07/31/10	5,302.00	7,439.50
BOSTON MARKET	08/24/10 GRNDWTR QUALITY MEETING	126.10	378.30
BROWNSTEIN HYATT	06/10 LEGISLATIVE SERVICE	15,000.00	15,000.00
BROWNSTEIN HYATT	LEGISLATIVE SERVICE thru 05/31/10	30,000.00	45,000.00
BUREAU VERITAS NA	004: PROF SERVICE THRU 07/23/10	2,396.25	5,445.00
BZ DISPOSAL SERVICES	WASTE & RECYCLE SERVICE	1,303.26	1,303.26
CAL GRNDWTR COALITION	2010 MEMBERSHIP DUES	9,500.00	9,500.00
CALIFORNIA WATER SERVICE	WATER USAGE THRU 07/20/10	56.46	112.51
CALIFORNIA WATER SERVICE	WATER USAGE THRU 08/18/10	53.56	166.07
CBMWD	06/10 WATER PURCHASE	6,804.20	20,747.60
CH2M HILL	005: PROF SERVICE THRU 05/28/10	19,612.17	86,627.13
CH2M HILL	001: PROF SERVICE THRU 06/25/10	18,303.38	104,930.51
CH2M HILL	PROF SERVICE THRU 07/30/10	74,286.60	179,217.11
CHEVRON AND TEXACO	07/10 FUEL CHARGES	138.88	190.86
CITY OF CARSON	011: EXCAVATION PERMIT FEE	2,948.00	2,948.00
CITY OF EL SEGUNDO	ENVIRONMENTAL EXPO SPONSOR	2,500.00	2,500.00
CLEAN SOURCE	GENERAL SUPPLIES	501.55	501.55
COLORADO SCHOOL OF MINES	004: PROFESSIONAL SERVICE	15,000.00	18,239.00
COSTCO BUSINESS DELIVERY	KITCHEN SUPPLIES	492.01	492.01
COUNTY OF LOS ANGELES DAC	2010/2011 LAFCO NOC ALLOCATION	9,431.37	9,431.37
COUNTY SANITATION DISTRICT 2	03/10 WATER PURCHASE - WN	3,929.80	252,923.24
COUNTY SANITATION DISTRICT 2	04/10 WATER PURCHASE - WN	3,500.70	256,423.94
COUNTY SANITATION DISTRICT 2	05/10 WATER PURCHASE - WN	2,882.60	259,306.54
COUNTY SANITATION DISTRICT 2	05/10 WATER PURCHASE - SJC	119,900.36	379,206.90
COUNTY SANITATION DISTRICT 2	06/10 WATER PURCHASE - WN	3,015.60	382,222.50
COUNTY SANITATION DISTRICT 2	06/10 WATER PURCHASE - SJC	106,300.10	488,522.60
COUNTY SANITATION DISTRICT 2	001: 4TH QTR WWTS PAYMENT	66,289.39	554,811.99
COUNTY SANITATION DISTRICT 2	002: 4TH QTR WWTS PAYMENT	42,693.86	597,505.85
DEPT OF TOXIC SUBSTANCES CONTROL	006: PROF SERVICE THRU 12/31/09	17,500.00	17,500.00
DMJ CONSULTING GROUP	011: PROF SERVICE THRU 07/23/10	1,348.50	33,588.80
ENRIQUE'S MEXICAN	WATER RESOURCES COMM MTG	267.06	504.49
ERHART'S CATERING	GRNDWTR CONTAMINATION FORUM	460.40	2,003.23
ERHART'S CATERING	08/11/10 ALAMITOS GW MODEL	365.56	2,368.79
F&M BANK: CC PAYMENT	07/10 CC CHARGES	262.75	6,907.26
FEDERAL EXPRESS	FEDEX SERVICE	600.49	1,436.24
FM THOMAS AIR CONDITIONING	05/24/10 AC MAINT SERVICE	589.00	1,707.06
GEIGER WEST MONROVIA	PROMOTIONAL ITEMS	2,288.87	2,288.87
GEIGER WEST MONROVIA	PROMOTIONAL ITEMS	4,596.26	6,885.13

Water Replenishment District of Southern California
Demands List - Current and YTD By Vendor

<u>Payee</u>	<u>Description</u>	<u>Current Demands</u>	<u>YTD Demands</u>
GEOTECH ENVIRONMENTAL	011: FIELD SUPPLIES	572.44	572.44
GEOTECH ENVIRONMENTAL	011: FIELD SUPPLIES	4,251.14	4,823.58
GEOTRANS, INC.	025: PROF SERVICE THRU 06/25/10	7,797.50	49,238.03
GEOTRANS, INC.	025: PROF SERVICE THRU 07/23/10	15,855.69	65,093.72
GOLDEN RAIN FOUNDATION	011: SITE RESTORATION	2,914.60	2,914.60
HELPMATES STAFFING	TEMP SERVICE THRU 08/01/10 - MC	5,161.20	7,165.84
HERMOSA BEACH CHAMBER	2011 MEMBERSHIP DUES	380.00	380.00
HUNTINGTON PARK CHAMBER	FY10/11 MEMBERSHIP DUES	300.00	300.00
INGLEWOOD AIRPT CHAMBER	BUSINESS DIRECTORY	1,495.00	1,495.00
IN-SITU INC.	011: FIELD SUPPLIES	36,690.69	36,909.43
INSTITUTE FOR LOCAL GOVERNMENT	CERT OF PARTICIPATION - AR	20.00	20.00
INTERIOR PLANT DESIGN	08/10 MAINT SERVICE	2,000.00	4,000.00
INTER-TEL NETSOLUTIONS	MONTHLY PHONE SERVICE	865.70	1,785.41
JAN-PRO CLEANING	08/10 JANITORIAL SERVICE	2,743.00	5,486.00
KINDEL GAGAN	06/10 PROF SERVICE	11,856.25	11,856.25
KINDEL GAGAN	07/10 LEGISLATIVE SERVICE	956.25	12,812.50
KONE INC	06/30/10 ELEVATOR REPAIR SERVICE	407.70	1,097.82
L.A.CHAMBER OF COMMERCE	GAVIN NEWSON LUNCHEON EVENT	20.00	20.00
LA EXPRESS ONE INC	COURIER SERVICE	258.80	392.56
LA EXPRESS ONE INC	COURIER SERVICE	66.88	459.44
LAKEWOOD SELF STORAGE	STORAGE RENTAL-UNIT#1230	1,540.00	7,282.00
LAKEWOOD, CITY OF	012: CONS WELL #27 - PAYMENT #4	298,448.66	298,639.21
LAKEWOOD, CITY OF	WATER USAGE THRU 08/18/10	340.52	298,979.73
LAYNE CHRISTENSEN COMPANY	002: PROFESSIONAL SERVICE	6,900.00	6,900.00
LBACC	FY10/11 MEMBERSHIP DUES	595.00	595.00
LOMITA CHAMBER OF COMMERCE	AWARD INSTALLATION DINNER	500.00	500.00
LONG BEACH, CITY OF	06/10 LOW FLOW WTR CHRGR	141.20	45,648.33
LONG BEACH, CITY OF	WATER EXTRACTION REFUND	163,777.75	209,426.08
LOS ANGELES BUSINESS COUNCIL	2010 MEMBERSHIP DUES	500.00	500.00
LOS ANGELES COUNTY DPW	004: 08/01/10-07/31/11 LEASE - 98-02	600.00	650.00
LOS ANGELES TIMES	07/10 SUBSCRIPTION FEE	66.75	66.75
LOS ANGELES TIMES	08/10 SUBSCRIPTION FEE	24.00	90.75
LOS ANGELES, CITY OF DWP	06/21/10-07/21/10 WATER PURCHASE	94,420.26	179,534.52
MANHATTAN BEACH CHAMBER	2011 MEMBERSHIP DUES	395.00	395.00
MARCIA FORKOS	MEDICAL REIMBURSEMENT	744.27	744.27
MARTIN E WHELAN. JR.	09/10 MEDICAL PREMIUM	736.33	1,472.66
MAYWOOD MUTUAL NO. 2	012: PROGRESS PAYMENT #8	35,174.85	35,174.85
McMASTER-CARR SUPPLY	018: FIELD SUPPLIES	38.65	1,699.97
MEYERS & NAVE	06/10 LEGAL SERVICE	47,806.54	93,353.35
MILLENNIUM ADVOCATES	07/10 LEGISLATIVE SERVICE	15,000.00	15,000.00
MILLENNIUM ADVOCATES	08/10 LEGISLATIVE SERVICE	15,000.00	30,000.00
NELLOR ENVIRONMENTAL	004: 07/10 PROF SERVICE	540.00	1,440.00
NORWALK PRINTING COMPANY	BUSINESS CARDS - RK	60.36	60.36
NORWALK PRINTING COMPANY	BROWN CRAFT ENVELOPES	2,084.15	2,144.51
OFFICE TEAM	TEMP SERVICE THRU 07/09/10 - JH	1,139.93	9,752.40
OFFICE TEAM	TEMP SERVICE THRU 07/30/10 - JH	1,560.90	11,313.30
OFFICE TEAM	TEMP SERVICE THRU 07/30/10 - KH	4,472.00	15,785.30
ORANGE COUNTY WATER DISTRICT	001: PROF SERVICE THRU 05/31/10	6,901.98	27,665.37
ORION INDUSTRIES	LANDSCAPE SIGNS	3,209.03	3,209.03
PACIFIC ATLANTIC PARTNERS	08/10 LEGISLATIVE SERVICE	30,000.00	30,000.00
PALOS VERDES PENINSULA CHAMBER	LEGISLATIVE FORUM SPONSORSHIP	750.00	750.00
PARS	06/10 REP FEES	500.00	1,000.00
PEPSI BOTTLING	SUPPLIES	(245.41)	(3.81)
PEPSI BOTTLING	SUPPLIES	(241.60)	(245.41)
PEPSI BOTTLING	SUPPLIES	252.70	7.29
PEPSI BOTTLING	SUPPLIES - REPLACE CHK#0092	245.41	252.70
PEPSI BOTTLING	SUPPLIES - REPLACE CHK#0106	241.60	494.30
PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	371.58	1,193.79
REGALETTES, INCORPORATED	WHITE LINEN AFFAIR SPONSORSHIP	1,500.00	1,500.00
RMC WATER AND ENVIRONMENT	033: PROF SERVICE THRU 06/25/10	10,879.86	53,177.51

Water Replenishment District of Southern California
Demands List - Current and YTD By Vendor

Payee	Description	Current Demands	YTD Demands
ROBERT E. BUSH CORPORATION	005: 07/10 PROF SERVICE	3,000.00	6,000.00
SAN GABRIEL VALLEY TRIBUNE	06/07/10 WATER AWARENESS AD	4,488.30	4,488.30
SAN PEDRO PENINSULA CHAMBER	2011 MEMBERSHIP DUES	450.00	450.00
SCHLUMBERGER WATER SERVICES	011: 06/10 PROF SERVICE	25,266.15	25,266.15
SCHLUMBERGER WATER SERVICES	011: 07/10 PROF SERVICE	6,000.00	31,266.15
SCHOOL OUTFITTERS	OFFICE SUPPLIES	3,719.63	3,719.63
SEPARATION PROCESSES	002: 07/10 PROF SERVICE	2,160.00	4,190.00
SOUTH GATE CHAMBER	2010-2011 MEMBERSHIP DUES	500.00	500.00
SOUTH GATE CHAMBER	INSTALLATION LUNCHEON	250.00	750.00
SOUTHERN CALIFORNIA EDISON	07/10 ENERGY USAGE	4,643.38	35,762.02
SOUTHERN CALIFORNIA EDISON	002: ENERGY USAGE THRU 08/06/10	26,500.45	62,262.47
SPARKLETTS	SUPPLIES	63.49	126.98
STANDARD INSURANCE COMPANY	08/10 STD/LTD PREMIUM	1,629.00	1,629.00
STANDARD INSURANCE COMPANY	09/10 STD/LTD PREMIUM	1,098.81	2,727.81
STANLEY CONVERGENT SECURITY	09/10 ALARM MAINT SVC	105.64	105.64
STAPLES CREDIT PLAN	OFFICE SUPPLIES	80.60	80.60
STAR OFFICE PRODUCTS	OFFICE SUPPLIES	373.28	1,539.97
STAR OFFICE PRODUCTS	OFFICE SUPPLIES	1,401.16	2,941.13
TESTAMERICA	006: 06/10 PROF SERVICE	15,003.50	15,003.50
THE FRIENDS OF YOUTH FOUNDATION	HOLLYWOOD BOWL EVENT	1,000.00	1,000.00
THE GAS COMPANY	MONTHLY UTILITY CHARGES	84.27	199.93
TORRANCE, CITY OF	002: 05/10 O & M SVC	34,496.60	74,496.60
TORRANCE, CITY OF	002: 08/10 PLANT SITE RENT	3,373.48	77,870.08
TORRANCE, CITY OF	002: 09/10 PLANT SITE RENT	3,373.48	81,243.56
TRES ES, LLC	06/10 LEGISLATIVE SERVICE	7,500.00	7,500.00
U.S. GEOLOGICAL SURVEY	025: 04/01/10-06/30/10 PROF SERVICE	26,611.00	26,611.00
U.S. GEOLOGICAL SURVEY	011: WELL CONS SERVICE	3,036.00	29,647.00
UPS	POSTAGE SERVICE	5.28	5.28
URBAN WATER INSTITUTE INC.	REGISTRATION FEE - AR	350.00	350.00
VALVERDE CONSTRUCTION	SEWER CLEANOUT REPAIR SERVICE	1,952.00	1,952.00
VERIZON BUSINESS	MONTHLY INTERNET SERVICE	622.93	1,245.86
VERIZON CALIFORNIA	MONTHLY PHONE CHARGES	341.52	683.37
VERIZON WIRELESS	MONTHLY CELL PHONE SVC	1,162.93	1,857.34
WBMWD	06/10 WATER PURCHASE	1,473,561.17	3,073,680.43
WESTERN EXTERMINATOR	07/10 PESTICIDE SERVICE	65.00	130.00
WHITTIER AREA CHAMBER	FY 10/11 MEMBERSHIP DUES	465.00	465.00
WHITTIER BLVD MERCHANT'S ASSOC	EAST LA SUMMER FESTIVAL EVENT	1,450.00	1,450.00
WILMINGTON CHAMBER	2011 MEMBERSHIP DUES	340.00	340.00
XEROX CORPORATION	07/10 COPIER SERVICE - TR#561586	1,371.90	6,223.31
XEROX CORPORATION	08/10 COPIER SERVICE	3,160.91	9,384.22
XO CORPORATION	PHONE CHARGES THRU 09/14/10	108.45	208.57
		4,240,876.48	10,535,704.20



MEMORANDUM

ITEM NO. 5.E

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010
TO: BOARD OF DIRECTORS
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: FINANCIAL STATEMENTS – AUGUST 31, 2010

The attached financial statements include the Statement of Net Assets (Balance Sheet) as of August 31, 2010 and the Statement of Revenues, Expenditures and Changes in Net Assets (Income Statement) for the month ending August 31, 2010. Explanation of selected account balances are as follows:

Statement of Net Assets

ASSETS

Cash and Cash Equivalents – The increase in cash is primarily due to the semi-annual payment of the District's 2004 and 2008 Certificates of Participation made in the prior month. Additionally, the WRD paid approximately \$716,000 to CalPERS in August for its portion of the side fund liability.

Accounts Receivable – This account decreased approximately \$544,000 from the prior month. The change is due to the collection of outstanding replenishment assessment revenues.

Plant & Equipment - The constructions of four new monitoring wells; Whittier well # 2, Compton well # 2, Norwalk well # 2, and Bell Gardens well # 1 have been completed. The capital expenditures for these projects have been transferred from Construction-in-Progress (CIP) to Plant and Equipment. This caused an increase of about \$1.29 million in Plant and Equipment. There is a corresponding decrease in the Construction-in Progress account.

Construction-in-Progress – See increase in Plant and Equipment above.

LIABILITIES

Accrued Postemployment – This account decreased due to a yearend audit adjustment to reconcile the District's Other Postemployment Benefits (OPEB) obligation to the audited amount.

Other Liabilities – Increased based on the annual accrual of the election expense budgeted in fiscal year 2009/10 for the November 2010 election.

NET ASSETS

Invested in Capital Assets – This is a formula and related to the changes in all capital asset accounts:

<u>Accounts</u>		<u>Change</u>
Plant & Equipment	\$	1,286,164
Construction-In-Progress		(1,495,376)
Accumulated Depreciation		<u>(262,653)</u>
Total		<u>\$ (471,864)</u>

Unrestricted – The Change/Variance of Total Assets, Total Liabilities and Invested in Capital Assets from July to August is \$58,801

Statement of Revenues, Expenditures and Changes in Net Assets

REVENUE

Replenishment Assessment – The increase of approximately \$4.72 million in operating revenues was primarily due to the timing of collecting July water production data that posted in August.

EXPENSES

Salary, Taxes & Benefits – In August, the District made a lump sum payment of \$716,000 to pay-off the side fund due to the California Public Employees' Retirement System (CalPERS), related to the CalPERS risk pool for all employers with less than 100 employees, hence, the increase in Salary and Benefits.

Professional Benefits – This account increased \$200,000 mainly due to the timing of receiving invoices that occurred in July but posted in August.

FISCAL IMPACT

None.

FINANCE COMMITTEE RECOMMENDATION

Approve the Financial Statements for August 31, 2010.

Water Replenishment District of Southern California
Statement of Net Assets
August 31, 2010

Assets	Total	Prior Month Total	Variance
Current Assets			
Cash and Cash Equivalents	\$ 26,142,632	\$ 25,112,126	1,030,505
Restricted Cash	16,778,078	16,778,078	-
Accounts Receivable	6,590,911	7,134,480	(543,568)
Interest Receivable	37,712	37,712	-
Prepaid Expenses	110,114	212,132	(102,018)
Total Current Assets	\$ 49,659,446	\$ 49,274,527	384,919
Noncurrent Assets			
Notes Receivable, Noncurrent	\$ 4,144,968	\$ 4,109,793	35,175
Plant & Equipment	63,393,953	62,107,789	1,286,164
Land	2,644,753	2,644,753	-
Construction-In-Progress	6,423,152	7,918,528	(1,495,376)
Deferred Charges	782,332	782,332	-
Accumulated Depreciation	(16,057,410)	(15,794,758)	(262,653)
Total Noncurrent Assets	\$ 61,331,749	\$ 61,768,438	(436,689)
Total Assets	\$ 110,991,195	\$ 111,042,965	(51,770)
Liabilities			
Current Liabilities			
Accounts Payable	\$ 5,404,817	\$ 5,353,030	51,787
Interest Payable - Bond	133,517	-	133,517
Accrued Payroll	-	(1,443)	1,443
Accrued Employee Benefits	1,166	-	1,166
Accrued Postemployment	1,205,822	1,482,442	(276,620)
Deferred Compensation	-	-	-
Cal Trans 0690	6,017,235	6,017,235	-
Long term Debt - Bond Payable	31,535,300	31,535,300	-
Other Liabilities	450,000	-	450,000
Total Current Liabilities	\$ 44,747,858	\$ 44,386,565	361,293
Noncurrent Liabilities			
Compensated Absences	\$ 344,522	\$ 344,522	\$ -
Total Noncurrent Liabilities	\$ 344,522	\$ 344,522	\$ -
Total Liabilities	\$ 45,092,379	\$ 44,731,087	361,293
Net Assets			
Invested in Capital Assets	\$ 56,404,448	\$ 56,876,313	(471,864)
Unrestricted	9,494,367	9,435,566	58,801
Total Net Assets	\$ 65,898,815	\$ 66,311,879	(413,063)
Total Liabilities & Net Assets	\$ 110,991,195	\$ 111,042,965	(51,770)

Water Replenishment District of Southern California
Statement of Revenues, Expenditures and Changes in Net Assets
For the Month of August 2010

	Total	Prior Month Total	Variance
Revenues			
Operating Revenues			
Water Replenishment Assessments	4,563,386	-	4,563,386
Late Payment Penalties	-	-	-
MWD Subsidy	80,836	-	80,836
OCWD Recycled Water Product	31,319	23,007	8,312
Desalter Revenue	93,588	-	93,588
Title 22 Monitoring Program	-	29,645	(29,645)
Total Operating Revenues	4,769,130	52,652	4,716,477
Operating Expenses			
Cost of Water			
Spreading	160,146	-	160,146
Injected	1,884,147	1,726,662	157,484
In-Lieu	-	-	-
Connection Fees	49,123	49,123	-
Total Cost of Water	2,093,416	1,775,785	317,630
General & Administrative			
Salaries, Taxes & Benefits	1,098,785	330,629	768,156
Postemployment Benefits	-	-	-
Conference & Travel	10,937	2,930	8,007
Office Expenses	74,544	73,150	1,394
Utilities	36,420	36,374	47
Rents & Leases	9,656	13,389	(3,733)
Repairs & Maintenance	15,465	9,546	5,918
Material & Equipment	70,471	7,576	62,895
General Liability Insurance	15,098	15,098	-
Professional Fees	405,751	205,414	200,337
Other General & Administrative	50,505	51,921	(1,417)
Total General & Administrative	1,787,632	746,027	1,041,604
Depreciation	198,344	185,095	13,249
Total Operating Expenses	4,079,392	2,706,908	1,372,484
Operating Income (Loss)	689,738	(2,654,256)	3,343,993
Non-Operating Revenues (Expenses)			
Revenues			
Property Taxes	16,932	-	16,932
Investment Earnings	9,873	47,888	(38,015)
Miscellaneous	-	-	-
Total Non-Operating Revenues (Expenses)	26,805	47,888	(21,083)
Income (Loss) Before Contributions	716,543	(2,606,368)	3,322,911
Contributions			
Capital Contributions- Grant	-	-	-
Change in Net Assets	716,543	(2,606,368)	3,322,911



MEMORANDUM

ITEM NO. 5.F

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING
AUGUST 31, 2010**

Each month, the Finance Department reports the District's reserve balances as well as cash & investment activities to the Finance Committee for subsequent approval by the Board of Directors.

RESERVE BALANCE

Based on §60290 of the Water Code, the District may establish an annual reserve fund in an amount not to exceed ten million dollars (\$10,000,000). This ten million dollars may be adjusted for the percentage increase or decrease in the blended cost of water from district water supply sources on an annual basis.

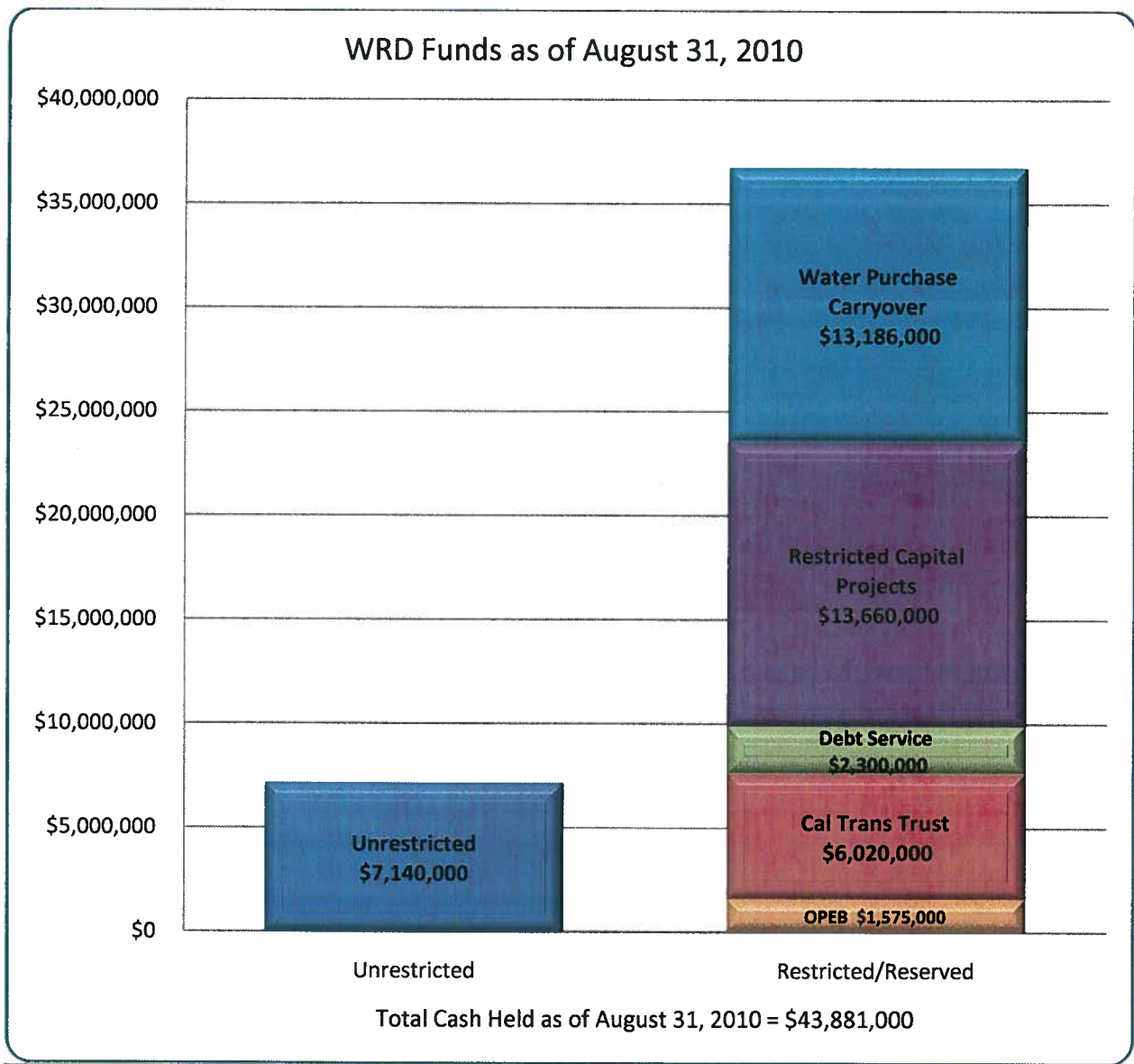
In addition, §60291 states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

If for some reason, the District has more than \$10,000,000 (adjusted for the blended cost of water), §60328.1 states that the District shall apply the estimated fiscal year end balance in excess of the amount allowed in §60290 to a replenishment assessment rate reduction or to the purchase of water in the succeeding fiscal year.

Currently the District has \$7,140,000 in operating reserve. The following pages provide specific breakdowns of the District cash and investments.

The District's reserve balances are presented in Figure A below:

Operating Reserve Fund	\$ 7,140,000
Reserved or Encumbered:	
Water Purchase Carryover Fund	13,185,000
Restricted for Capital Projects	13,660,000
Debt Service Reserve Fund	2,300,000
Cal Trans Trust Fund	6,020,000
Other Post Employment Benefit Obligation (OPEB)	1,576,000
Reserved or Encumbered Subtotal	<u>\$ 36,741,000</u>
 Total Cash and Investments	 <u>\$ 43,881,000</u>

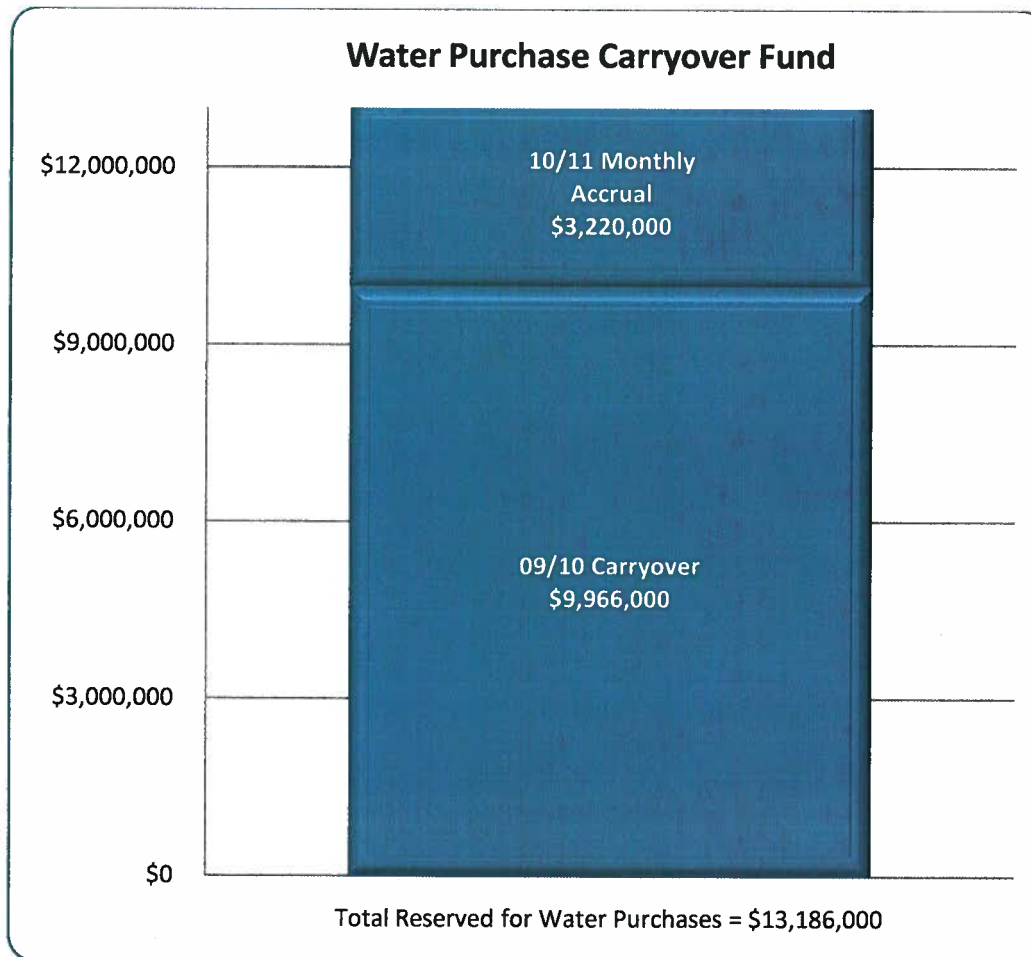


Water Purchase Carryover Fund – This category of represents:

Source of Funds:
Use of Funds:

Replenishment Assessment
Restricted for Water Purchases Only

1. Monthly accrual of budgeted amount for fiscal year 10/11	
Untreated Tier 1 Spreading Water Budgeted in 10/11	\$ 13,424,000
In Lieu Budgeted in 10/11	3,608,000
3,500 acre feet of Make Up Water Budgeted in 10/11	<u>2,237,000</u>
Total Budget for Spreading Water in 10/11	\$ 19,269,000
	+ 12 months
Accrual per month (1/12 th – rounded) x two months	<u>\$ 3,220,000</u>
2. Budget 10/11 Rate Relief – As a result of public budget workshops,	
\$8,270M was allocated from the Water Purchase Carryover Fund as rate relief (1/12 th accrual per month: \$8,270,000 ÷ 12 = \$689,000 rounded)	\$ (1,378,000)
09/10 Water Purchase Carryover (decreases by \$689,000 monthly for fiscal year 10/11)	
	<u>11,344,000</u>
Total	<u>\$ 9,966,000</u>



Restricted for Capital Projects – This category represents funds encumbered for the following:

1. Safe Drinking Water Program

Source of Funds:

Replenishment Assessment

Use of Funds:

Encumbered for Safe Drinking Water Projects

City of Lakewood – Central Basin	\$ 226,000
Maywood Mutual Water Company #2 – Central Basin	226,000
Park Water Company – Central Basin	2,000,000
Vernon Wells #9 and #10 – Central Basin	1,000,000
Huntington Park Well #17 – Central Basin	143,000
Total	<u>\$ 3,595,000</u>

2. Capital Replacement / Construction

Source of Funds:

Replenishment Assessment

Use of Funds:

Encumbered for Projects Below

Leo J. Vanderlans Water Treatment Facility:	
Capital Replacement	\$ 911,000
Preliminary and Final Design for Expansion	380,000 ¹
Goldsworthy Desalter:	
Capital Replacement	214,000
Preliminary Design	100,000 ¹
Total	<u>\$ 1,605,000</u>

3. Proceeds from the 2008 Certificates of Participation

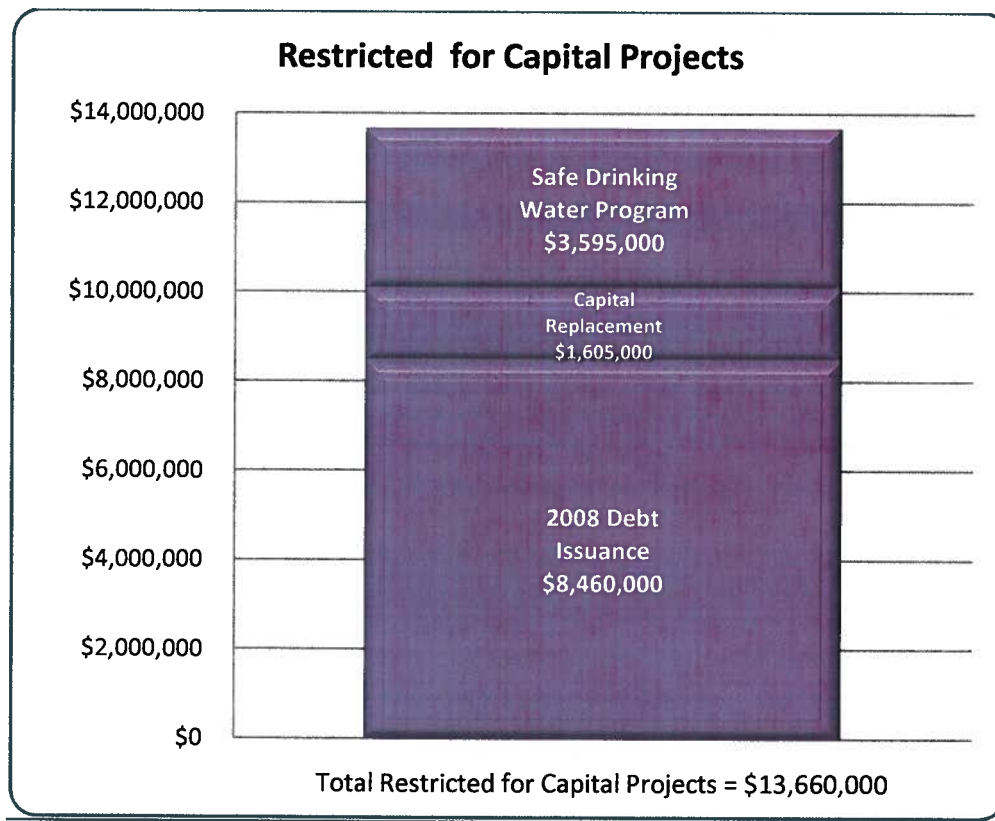
Source of Funds:

2008 Debt Issuance

Use of Funds:

Restricted for Capital Projects Only – Interconnection Pipeline and Regional Groundwater Monitoring Wells

Held by Independent Trustee – Restricted for Capital Projects Only	<u>\$ 8,460,000</u>
--	---------------------



¹ This amount was budgeted in fiscal year 2009/10 and encumbered for capital expenditure in fiscal year 2010/11

Debt Service Reserve Fund – Based on the District’s Master Trust Agreement related to the 2004 and 2008 Revenue Certificates of Participation (COP), the District must maintain a Reserve Fund, held by an independent Trustee to pay principal and interest in the event the WRD does not have the funds to properly pay its debt. These funds are unavailable to the District until the debt matures 30 years after issuance of the debt.

Source of Funds:

2004 and 2008 Debt Issuance

Use of Funds:

Restricted based on Master Trust Agreement

2004 Trustee Reserve Fund	\$ 968,000
2008 Trustee Reserve Fund	1,332,000
Total	<u>\$ 2,300,000</u>

Cal Trans Trust – These funds are held in trust by WRD as part of a settlement with the California Department of Transportation (CalTrans) for dewatering the 105 freeway.

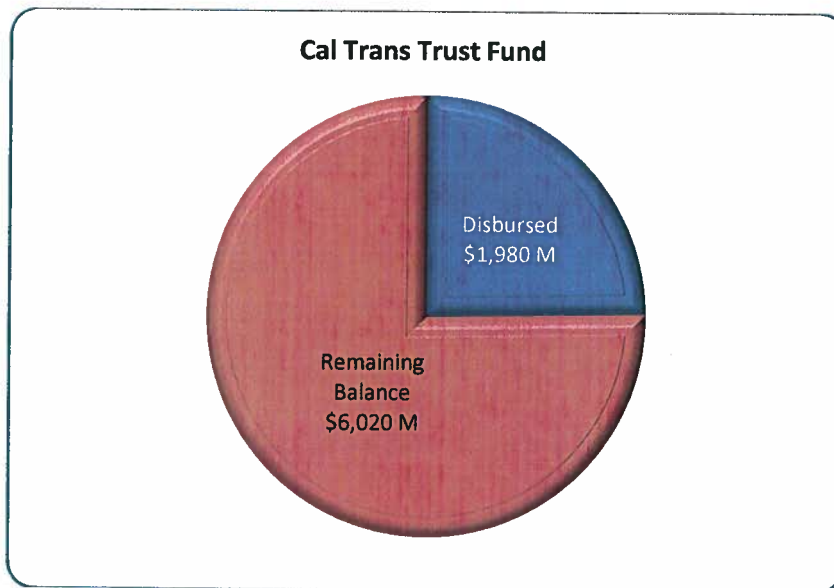
Source of Funds:

CalTrans Settlement

Use of Funds:

Restricted for CalTrans Project and RA

Originally, the CalTrans settlement of \$8 million was received in June 2004. Since that time, the District has been reimbursed \$1.98 million for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering of the freeway.



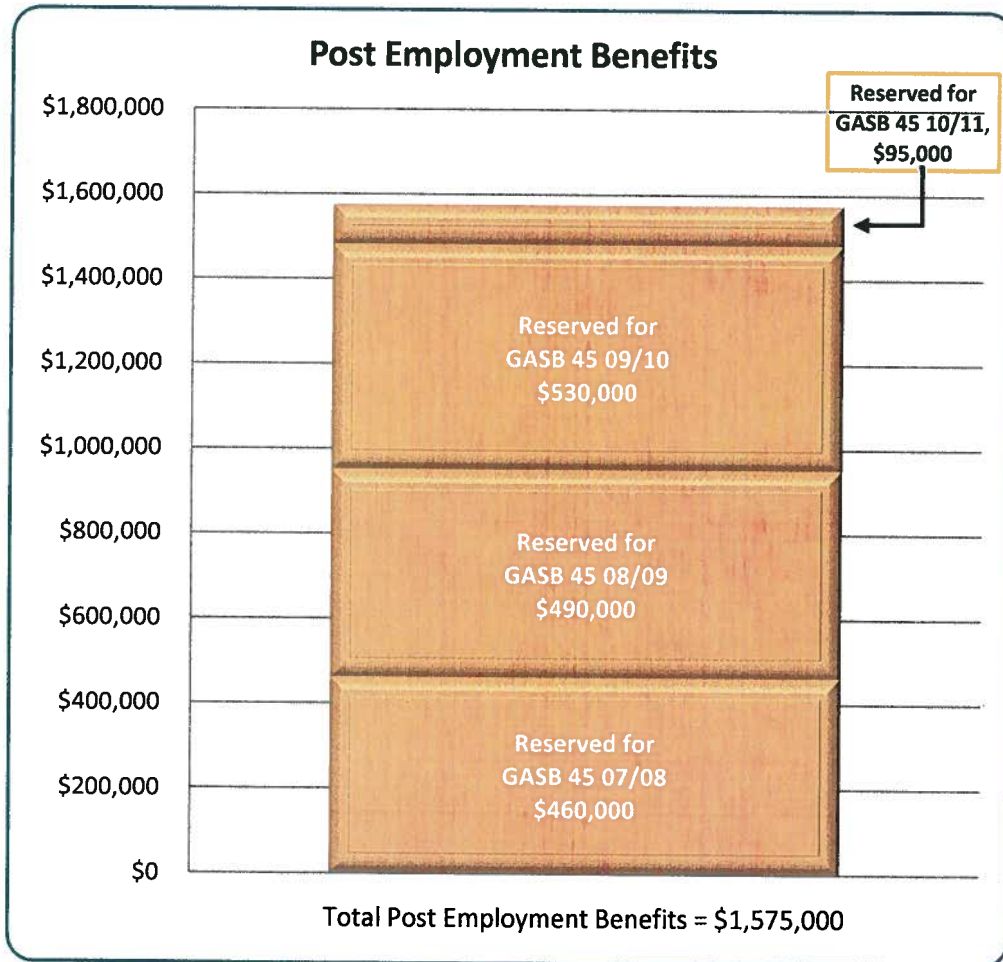
Other Post Employment Benefit Obligations (OPEB)

Source of Funds:
Use of Funds:

Replenishment Assessment
Post Employment Benefits

This category of funds accounts for the WRD's Annual Required Contribution (ARC) related to Other Post Employment Benefits (OPEB) in compliance with the Government Accounting Standards Board (GASB) statement number 45. The following costs have been accrued based on an independent actuarial study:

10/11 Annual Required Contribution	\$ 580,000
	<u>÷ 12 months</u>
10/11 Accrual per month (1/12 th – rounded) x two months	\$ 95,000
09/10 Annual Required Contribution	530,000
08/09 Annual Required Contribution	490,000
07/08 Annual Required Contribution	460,000



CASH AND INVESTMENTS

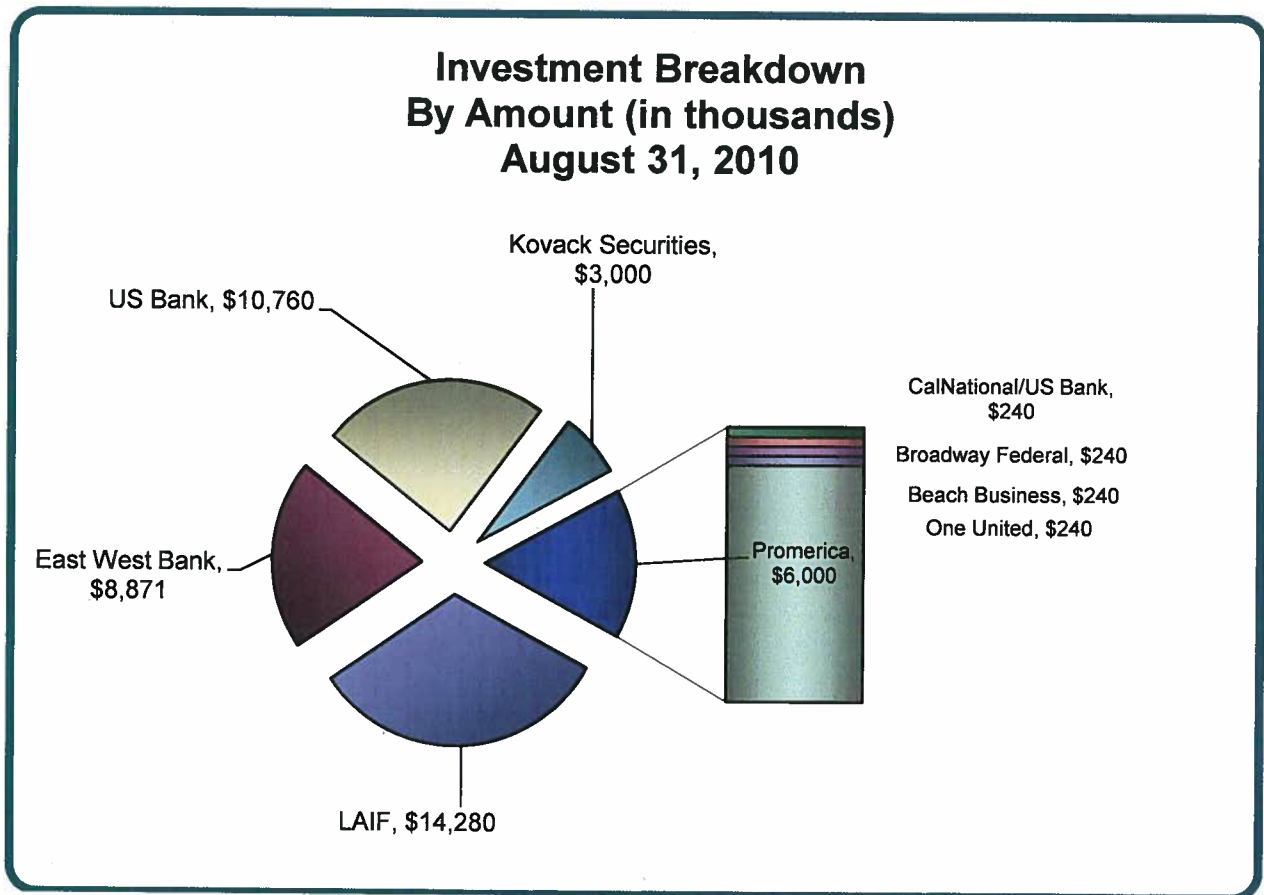
At the direction of the Board of Directors, on February 20, 2009 the District implemented its Community Banking Program and has invested in several community banks in addition to the Local Area Investment Fund (LAIF).

Cash and Investments By Institution (Rounded to nearest ten thousand)

Cash and Investments:

Local Area Investment Fund (LAIF) ¹	\$ 14,280,000
East West Bank ²	8,871,000
Beach Business Bank ²	240,000
One United Bank ²	240,000
Broadway Federal Bank ²	240,000
US Bank (formerly CalNational Bank) ²	240,000
Promerica Bank ²	6,010,000
US Bank (Trustee) ²	10,760,000
Kovack Securities ^{2,3}	<u>3,000,000</u>

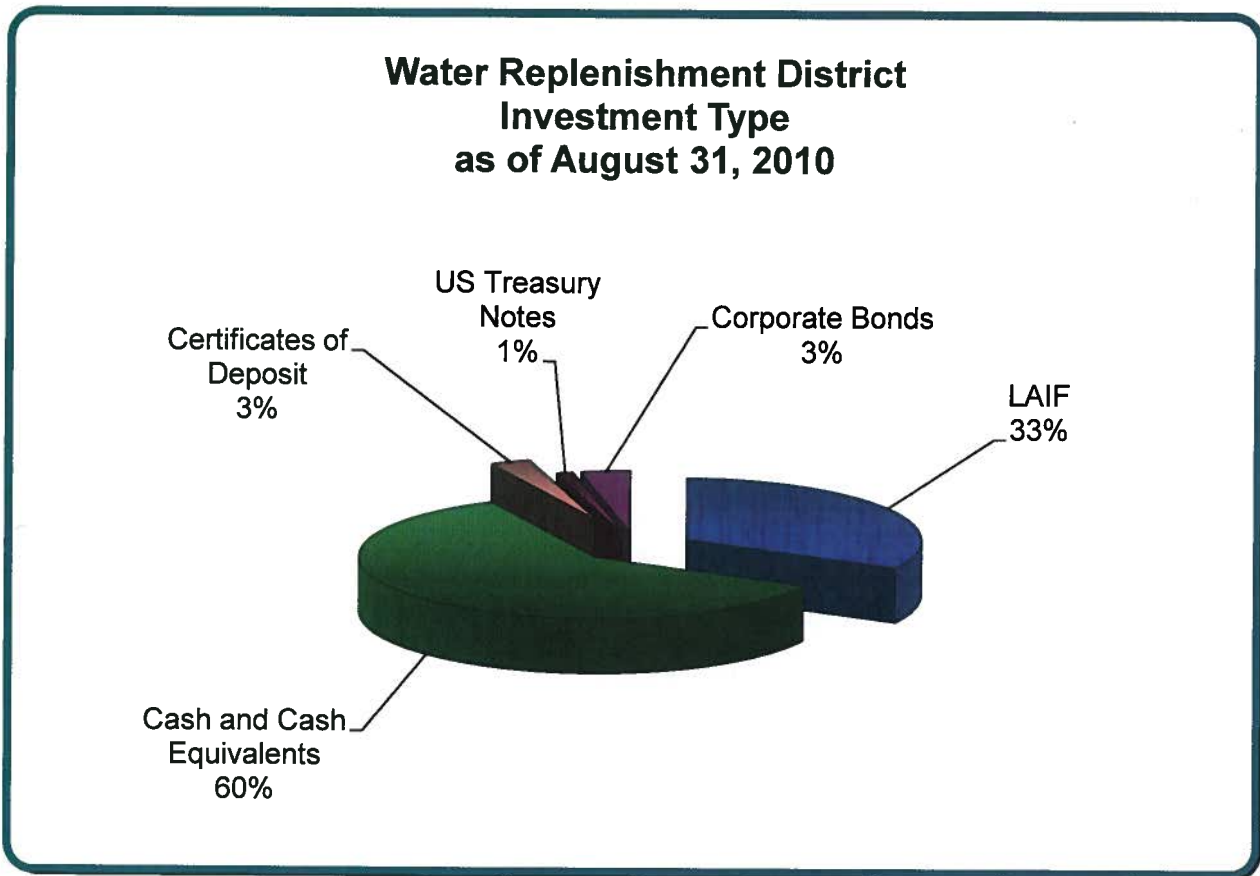
Total Cash and Investments \$ 43,881,000



Cash and Investments By Type
(Rounded to nearest ten thousand)

Cash and Investments:

Local Area Investment Fund (LAIF) ¹	\$ 14,280,000
Cash and Cash Equivalents ²	26,411,000
Certificates of Deposit ²	1,210,000
US Treasury Notes ³	490,000
Corporate Bonds ³	1,490,000
Total	<u>\$ 42,191,000</u>



Staff has attached a detailed investment report for August 31, 2010 for approval.

Footnotes:

¹ – The Local Area Investment Fund (LAIF): There is no insurance applied to individual securities, sectors of the portfolio, or the portfolio in general. However, due to the characteristics of the Pooled Money Investment Account for LAIF, credit risk is minimal. Additionally, LAIF monies are protected by statute. The State of California cannot borrow or withhold LAIF monies per California Government Code §16429.4.

² – Cash & Cash Equivalents and Certificates of Deposit: Amounts are either insured by the Federal Deposit Insurance Company (FDIC) or secured by the bank's assets. Most funds are held in Certificate of Deposit Account Registry Service or CDARS; a very safe way to invest funds up to \$50 million while continuing to be FDIC insured.

³ – US Treasury Notes and Corporate Bonds: These amounts are not insured by the FDIC however, they fall within the District's Investment Policy.

Any slight differences are due to rounding. For presentation purposes, staff has rounded dollar values to the nearest thousand.

FISCAL IMPACT

None.

FINANCE COMMITTEE RECOMMENDATION

Approve the Investment Report for August 31, 2010.

**Water Replenishment District of Southern California
Cash and Investment Report
August 31, 2010**

	LAIF	CalNational/ US Bank	East West Bank	Beach Business	One United Bank	Broadway Federal	Promerica Bank	US Bank	Kovak Securities	Total
BALANCE 8/1/2010	\$14,275,620	\$240,270	\$7,186,281	\$244,134	\$243,122	\$242,939	\$6,000,324	\$10,760,842	\$2,993,460	\$43,884,141
INTEREST RECEIVED/REINVESTED		102	2,922	319	128	31	6,363		9	
DISBURSEMENTS			(4,197,599)				(1,010,324)			
UNREALIZED GAIN/(LOSS)										
DEPOSITS/PURCHASES/FEEES			5,877,492				1,010,324			7,382
TRANSFER IN/(OUT)										
ACCRUED INTEREST										
BALANCE 8/30/2010	\$14,275,620	\$240,372	\$8,869,096	\$244,453	\$243,250	\$242,970	\$6,006,687	\$10,760,842	\$3,000,851	\$43,884,141

	LAIF	CalNational/ US Bank	East West Bank	Beach Business	One United Bank	Broadway Federal	Promerica Bank	US Bank	Kovak Securities	Total
CURRENT YIELD	51.300%	0.500%	1.01% / .5%	1.500%	0.600%	0.150%	varies	varies	varies	
INTEREST EARNED FISCAL YTD	\$19,764	\$204	\$6,346	\$618	\$248	\$75	\$7,362	\$0	\$34,508	\$69,124.50

I HEREBY CERTIFY THAT ALL INVESTMENT ACTIONS EXECUTED SINCE THE LAST REPORT HAVE BEEN MADE IN FULL COMPLIANCE WITH THE INVESTMENT POLICY AS TREASURER OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA. I HEREBY CERTIFY THAT SUFFICIENT INVESTMENT LIQUIDITY AND ANTICIPATED REVENUE ARE AVAILABLE TO MEET ESTIMATED EXPENDITURES FOR THE NEXT SIX MONTHS.

ROBERT KATHERMAN DATE

\$14,280,000 \$240,000 \$8,870,000 \$240,000 \$240,000 \$240,000 \$240,000 \$6,010,000 \$10,760,000 \$3,000,000 \$43,880,000



MEMORANDUM

ITEM NO. 5.G

Prepared by: Tony Kirk

Reviewed by: Ted Johnson

Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: FIELD VEHICLE

SUMMARY

On August 20th the Board authorized Staff to solicit bids from Mitsubishi Commercial Truck Dealerships in Los Angeles and Orange County for the purchase of a field vehicle. A specification and request for proposal for the WRD field vehicle was provided to all six area Mitsubishi dealerships. Four proposals from three dealerships were received for 2010 model year vehicles. They were, in order from lowest to highest:

1. Western Truck Exchange \$ 49,707.00
2. Carmenita Truck Center \$ 50,673.30
3. United Truck Centers, Inc. \$ 51,013.76
4. United Truck Centers, Inc. \$ 51,537.36

All proposals were based on model year 2010 vehicles currently available and in stock at time of proposal submission. New model year 2011 vehicles are not yet in production and pricing is not currently available. The vehicles proposed from the dealerships listed above may have already been sold. If the lowest priced vehicle has already been sold, Staff requests authorization to select the next lowest available price from responding dealerships listed.

FISCAL IMPACT

Not greater than \$52,000. This item has been included in the FY2010/2011 budget under Project 011000 (Regional Groundwater Monitoring Program).

WATER RESOURCES COMMITTEE RECOMMENDATION

Authorize staff to enter into a purchase contract for the specified field vehicle from Western Truck Exchange. In the event the specified vehicle from Western Truck Exchange has already been sold, then to authorize staff to proceed with a purchase contract with the next lowest priced dealership on the list that has the truck in stock for an amount not to exceed \$52,000.



MEMORANDUM

ITEM NO. 5.H

Prepared by: Ted Johnson

Reviewed by: Nancy Matsumoto

Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: REQUEST FOR PROPOSALS FOR MODELING RECYCLED WATER INJECTION FOR PERMIT COMPLIANCE, ALAMITOS AND DOMINGUEZ SEAWATER BARRIERS

SUMMARY

Advanced-treated recycled water has been injected into the Alamitos Seawater Barrier since October 2005 and the Dominguez Gap Barrier since February 2006. Separate permits for the projects were issued by the Los Angeles Regional Water Quality Control Board after receiving approval from the California Department of Public Health. A condition of the permits is to submit annual reports documenting certain activities related to recycled water production, quality, injection, and movement through the aquifers over the past calendar year. Using previously created computer models of the barriers and aquifers, annual updates to these models help meet the regulatory requirements for recycled water movement and concentration in the groundwater basins.

For the past few years, WRD has had separate annual contracts with consulting firms to perform the modeling. Recently, a major upgrade to the Alamitos Barrier model was completed in cooperation with the Los Angeles County Department of Public Works and the Orange County Water District to make the model more accessible to the public domain. Because of the new Alamitos Barrier model and because results are required from both Alamitos and Dominguez Gap Barrier models within a month from each other, for efficiency and cost reduction Staff is recommending contracting the annual modeling of the Alamitos and Dominguez Gap barriers to the same consulting firm. In addition, the term of the contract would be for three years instead of one year, to avoid the time and expense for annual procurement processes for identical annual work. Requests for Proposals will be sent to qualified groundwater modeling firms for consideration; it is anticipated that a contract will be awarded at the December Water Resources Committee meeting and December Board meeting.

FISCAL IMPACT

This work has been budgeted in the current fiscal year. Actual costs will be dependent on the selected consulting firm.

WATER RESOURCES COMMITTEE RECOMMENDATION

Authorize staff to issue Request for Proposals for groundwater modeling of the Alamitos and Dominguez Gap seawater barriers for permit compliance.



MEMORANDUM

ITEM NO. 6

Prepared by: Jason Weeks
Reviewed by: Ted Johnson
Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010
TO: BOARD OF DIRECTORS
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: GROUNDWATER BASINS MASTER PLAN UPDATE

SUMMARY

District staff and its consultants, CH2MHILL and RMC Water and Environment, are continuing work on the development of a Groundwater Basins Master Plan for the West Coast and Central Basins (Plan).

Phase 1 of the Plan consists of review and refinement of goals and objectives based on input from water rights holders and basin stakeholders, interviews with water rights holders and basin stakeholders to develop projected baseline conditions for future operations of the basins, and the development of conceptual alternative management scenarios for future basin operations to reduce reliance on imported water. District staff and consultants have completed interviews with all major water rights holders in the West Coast Basin that serve residential customers and all major industrial water rights holders, which consist of refineries.

A workshop to discuss conceptual scenarios for the West Coast Basin was scheduled on September 29, 2010 at the District office. At the workshop, participants were presented an overview of information collected during stakeholder interviews and conceptual scenarios showing how West Coast Basin resources may be utilized in the future.

Interviews with Central Basin water rights holders and stakeholders are currently being scheduled.

District staff will provide the Board with an overview of the workshop held on September 29 and provide an update on the status of the development of the Plan.

FISCAL IMPACT

None.

WATER RESOURCES COMMITTEE RECOMMENDATION

For information.



MEMORANDUM

ITEM NO. 7

Prepared by: Nancy Matsumoto

Reviewed by: Robb Whitaker

Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: MEMORANDUM OF UNDERSTANDING WITH LOS ANGELES COUNTY
FLOOD CONTROL DISTRICT FOR SALT / NUTRIENT MANAGEMENT
PLANNING**

SUMMARY

The State Water Resources Control Board (SWRCB) issued their Recycled Water Policy, effective May 14, 2009. As stated in the Policy, its purpose is to establish uniform requirements for recycled water use and to develop sustainable water supplies throughout the state. Under this Policy, the SWRCB requires development of a Salt / Nutrient Management Plan for each region by 2014.

Per the Policy, development of Salt / Nutrient Management Plans is intended to be a collaborative, stakeholder-driven process for every basin / sub-basin across the state, with the Regional Water Quality Controls Boards (RWQCBs) serving as stakeholders and providing key technical input. The final Salt / Nutrient Management Plans are to be submitted to the RWQCBs for approval and adoption as Basin Plan Amendments to the existing Basin Plans. Development of a Salt / Nutrient Management Plans for our region will be a significant and comprehensive effort.

If stakeholders do not develop Salt / Nutrient Management Plans for a specific region, then RWQCBs will require individual monitoring programs for each recycled water project, as well as individual water quality mitigation requirements. In general, stakeholders would lose the opportunity for regional salinity management and the ability to provide input on requirements for future recycled water projects.

Since the Recycled Water Policy was issued, the SWRCB and the RWQCBs have gradually provided more specific guidance related to implementing the stakeholder-driven process and the suggested elements for Salt / Nutrient Management Plans. Accordingly, the District has taken steps toward leading the development of a Salt / Nutrient Management Plan for the Central and West Coast Basins. Preliminary meetings between various water-supply stakeholders and the RWQCB-LA have been held, and an initial survey of relevant water quality data sources has been conducted.

Recently, the District has been in discussions with the Los Angeles County Flood Control District (LACFCD). The agencies have agreed that it would be beneficial to work together

towards developing a Salt / Nutrient Management Plan for the Central and West Coast Basins, particularly with respect to evaluating the stormwater quality objectives found in the existing Basin Plan for the region. (Stormwater use is encouraged by the Recycled Water Policy as a method of managing recycled water use in basins / sub-basins.)

The District and LACFCD are interested in utilizing the consulting services of Ms. Tracy Egoscue, the former Executive Officer of the Los Angeles RWQCB. Ms. Egoscue provides unique qualifications based on her previous experience, including *the Executive Director of Santa Monica Baykeeper, and a Deputy Attorney General for the Natural Resources Agencies of the State of California*. Ms. Egoscue's experience will provide significant benefits to WRD and LACFCD in her development of the strategy for the Salt / Nutrient Management Plan process, coordination of inter-agency participation, and identifying potential partners in this effort. Ms. Egoscue is of counsel for the law firm of Paul, Hastings, Janofsky & Walker (Paul Hastings), through which her services would be contracted.

Ms. Egoscue has proposed a cost of \$150,000 for an approximately 10-month strategic planning effort. LACFCD and WRD management have tentatively agreed to split these costs equally, pending agency approvals.

FISCAL IMPACT

This is not a budgeted item. The District will seek outside funding to assist with the costs for this effort.

WATER RESOURCES COMMITTEE RECOMMENDATION

Enter into a Memorandum of Understanding with LACFCD to co-fund the strategic planning and interagency coordination related to the development of the Salt / Nutrient Management Plan for the Central and West Coast Basins, for a cost to WRD not-to-exceed one-half of the proposed amount, or \$75,000, subject to approval to form by District Counsel.



MEMORANDUM

ITEM NO. 8

Prepared by: Nancy Matsumoto

Reviewed by: Robb Whitaker

Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: AGREEMENT WITH PAUL, HASTINGS, JANOFSKY & WALKER FOR SALT / NUTRIENT MANAGEMENT PLANNING

SUMMARY

The State Water Resources Control Board (SWRCB) issued their Recycled Water Policy, effective May 14, 2009. As stated in the Policy, its purpose is to establish uniform requirements for recycled water use and to develop sustainable water supplies throughout the state. The SWRCB therefore "support(s) and encourage(s) every region...to develop a Salt / Nutrient Management Plan by 2014".

Per the Policy, development of Salt / Nutrient Management Plans is intended to be a collaborative, stakeholder-driven process for every basin / sub-basin across the state, with the Regional Water Quality Controls Boards (RWQCBs) serving as stakeholders and providing key technical input. The final Salt / Nutrient Management Plans are to be submitted to the RWQCBs for approval and adoption as Basin Plan Amendments to the existing Basin Plans.

If stakeholders do not develop Salt / Nutrient Management Plans, then RWQCBs will require individual monitoring programs for each recycled water project, as well as individual water quality mitigation requirements. In general, stakeholders would lose the opportunity for regional salinity management and the ability to provide input on requirements for future recycled water projects.

Since the Recycled Water Policy was issued, the SWRCB and the RWQCBs have gradually provided more specific guidance related to implementing the stakeholder-driven process and the suggested elements for Salt / Nutrient Management Plans. Accordingly, the District has taken steps toward leading the development of a Salt / Nutrient Management Plan for the Central and West Coast Basins. Preliminary meetings between various water-supply stakeholders and the RWQCB-LA have been held, and an initial survey of relevant water quality data sources has been conducted.

Recently, the District has been in discussions with the Los Angeles County Flood Control District (LACFCD). The agencies have agreed that it would be beneficial to work together towards developing a Salt / Nutrient Management Plan for the Central and West Coast Basins, particularly with respect to evaluating the stormwater quality objectives found in the existing

Basin Plan for the region. (Stormwater use is encouraged by the Recycled Water Policy as a method of managing recycled water use in basins / sub-basins.)

The District and LACFCD are interested in retaining the firm of Paul, Hastings, Janofsky & Walker (Paul Hastings) to advise the agencies in strategic planning for the Salt / Nutrient Management Plan process. The firm includes personnel having specific, relevant experience that would be dedicated to this effort, such as Ms. Tracy Egoscue (former Executive Director of RWQCB – LA).

Paul Hastings has estimated a cost of \$150,000 for an approximately 10-month strategic planning effort. LACFCD and WRD management have tentatively agreed to split these costs equally, pending agency approvals.

FISCAL IMPACT

This is a budgeted item. The District will seek outside funding to assist with the costs for this effort.

WATER RESOURCES COMMITTEE RECOMMENDATION

Enter into an Agreement with Paul, Hastings, Janofsky & Walker to perform strategic planning related to the Salt / Nutrient Management Plan for the Central and West Coast Basins, for a total cost not-to-exceed \$150,000, subject to approval to form by District Counsel.



MEMORANDUM

ITEM NO. 9

Prepared by: Scott Ota

Reviewed by: Scott Ota

Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: PROPOSED ADMINISTRATIVE CODE AMENDMENTS TO CHAPTER 7.3.1 - EXPENSES OVER 90 DAYS

SUMMARY

The WRD Administrative Code Section 7.3.1 currently states:

"In order to properly close the accounting records for each fiscal year, standard accounting practices require that all reimbursement for non-excluded expenses be submitted and approved no later than 90 days after the end of the fiscal year (September 30)."

The Chairman of the Administrative Committee asked that this item be reviewed by the Committee. Discussion took place at the meeting of the Administrative Committee on September 23, 2010. Consensus was not reached by the members on whether to make any changes to the Administrative Code Section 7.3.1. However, the Chair of the Administrative Committee asked that the Board of Directors consider adding the following language:

"However, this does not preclude Directors and staff from submitting expenses subsequent to 90 days after the end of the fiscal year for further consideration."

FISCAL IMPACT

The financial statements of the District are closed and audited 90 days after the end of the fiscal year, therefore any expenses reimbursed relating to prior fiscal years will be paid from reserves.

ADMINISTRATIVE COMMITTEE RECOMMENDATION

Consensus was not reached by the Committee regarding changes to Section 7.3.1 of the Administrative Code. Director Murray recommended the Board of Directors adopt the proposed changes and Director Kawasaki recommended no change be made to the existing policy.



MEMORANDUM

ITEM NO. 10

*Prepared by: Jim McDavid
Reviewed by: Ted Johnson
Approved by: Robb Whitaker*

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP)
ALTERNATIVES ANALYSIS UPDATE**

SUMMARY

The Groundwater Reliability Improvement Program (GRIP) partnership, made up of the Upper San Gabriel Valley Municipal Water District (USGVMWD), the Los Angeles County Sanitation Districts (LACSD) and the WRD, continues to move forward with developing a program that would replace unreliable imported replenishment water with a locally sustainable supply (i.e. advanced treated recycled water). An initial part of this effort involves identifying and studying possible alternative sources of replenishment water. This analysis will consider environmental impacts, financial considerations, technical feasibility, social justice and other pertinent factors involved with each alternative.

The GRIP Partnership released a Request for Proposals in October 2009 to solicit consultants to perform the Alternatives Analysis. Four proposals were received and evaluated by the Partnership and selected staff from the associated agencies. A contract with RMC Water and Environment to perform this work was issued in March 2010. Since that time work has proceed on schedule. The study has reached a significant milestone and staff would like to brief the Board on the current status of the project. This final report is anticipated to be completed in December 2010.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For information.



MEMORANDUM

ITEM NO. 11

Prepared by: Jim McDavid

Reviewed by: Ted Johnson

Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP) JOINT POWERS AGREEMENT

SUMMARY

Meetings of the Joint Ad-Hoc Committee of the Upper San Gabriel Valley Municipal Water District (USGVMWD), the San Gabriel Valley Municipal Water District (SGVMWD), the Los Angeles County Sanitation Districts (LACSD), and WRD have been held periodically since September 2009. The Joint Ad-Hoc Committee has continued to make progress towards establishing the terms and structure of a Joint Powers Agreement (JPA).

The Board of Directors for WRD previously approved the JPA at its meeting on March 19, 2010. Subsequent to that action, the legal counsel for a partner agency expressed concern over the language in the document prior to approval by that board and presented changes to be incorporated into the document. A revised version of the JPA was approved by the WRD Boards of Directors at its August 20, 2010 meeting and this version was also approved by the Board of Directors for the USGVMWD and by LACSD. While considering approval of the revised JPA the SGVMWD Board of Directors took action to withdraw from the GRIP partnership. This decision was based on their re-evaluation of how water from the GRIP effort fits into their water supply portfolio as a State Water Project Contractor. This was not a reflection of the viability or importance of the GRIP effort for the replenishment of groundwater supplies in southern Los Angeles County. Based on the action by SGVMWD, the JPA language has been revised again to reflect this withdrawal and must be re-approved by the remaining agency Boards of Directors. This change will reduce the size of the governing board on the JPA from seven to six members which consists of two members from each of the remaining three GRIP partner agencies.

The GRIP partner agencies have determined that the formation of the Joint Powers Authority ("Authority") is not a project for purposes of the California Environmental Quality Act ("CEQA") and therefore, at this time, no environmental review has been conducted. Pursuant to Public Resources Code Section 21065, a project is defined as "an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and which is any of the following: (a) An activity directly undertaken by any public agency. (b) An activity undertaken by a person which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance

from one or more public agencies. (c) An activity that involves the issuance to a person of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies.”

Not every action by a public agency constitutes a “project” for purposes of CEQA. The simple approval of the JPA will not in and of itself cause any direct changes to the environment. The purpose of the Authority is to create a governmental entity and grant it certain powers in the future. The Authority has not and will not approve the construction of the GRIP Facility until all required environmental reviews under CEQA have been completed. No physical activity, not otherwise exempt from CEQA, shall commence with regard to the GRIP Facility without required CEQA compliance. At this point, CEQA review would not provide the requisite meaningful information necessary for environmental assessment, as the GRIP partner agencies have not created any project descriptions or taken any actions of which an environmental assessment may be made.

Because the formation of the Authority is not a project for purposes of CEQA, it is advisable that a Notice of Exemption be filed. Pursuant to Public Resources Code Section 15061(b)(3), a common sense exemption may be filed when the activity in question will not have a significant effect on the environment, and is therefore not subject to CEQA. Once the Notice of Exemption is filed and posted, parties have 35 days to bring a CEQA challenge. For purposes of filing the Notice of Exemption, WRD will serve as the lead agency. However, once the Authority has been formed, the Authority will serve as the lead agency for GRIP future projects.

FISCAL IMPACT

At this time there is no fiscal impact to the WRD. Once final approval is given to the JPA by the Board of Directors, the WRD will be responsible for its proportional share of the JPA budget.

GRIP JOINT AD HOC COMMITTEE RECOMMENDATION

Approve Resolution No. 10-890 authorizing the President, or his/her designee, to execute the Joint Powers Agreement, subject to approval of form by District Counsel.



MEMORANDUM

ITEM NO. 12

Prepared by: Jim McDavid
Reviewed by: Ted Johnson
Approved by: Robb Whitaker

DATE: OCTOBER 22, 2010

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: AWARD OF CONTRACT TO THE ROGERS GROUP TO PERFORM PUBLIC
OUTREACH SERVICES FOR THE GROUNDWATER RELIABILITY
IMPROVEMENT PROGRAM (GRIP)**

SUMMARY

The Groundwater Reliability Improvement Program (GRIP) partnership, made up of the WRD, the Upper San Gabriel Valley Municipal Water District (USGVMWD) and the Los Angeles County Sanitation Districts (LACSD), continues to move forward with developing a program that would replace unreliable imported replenishment water with a locally sustainable supply. An initial part of this effort involves informing and educating civic leaders, elected officials, environmental organizations, and members of the general public to the benefits of using recycled water to establish a reliable, local supply of water for groundwater replenishment.

The GRIP Partnership released a Request for Proposals in October 2009 to five pre-qualified public outreach consultants. Four proposals were received and evaluated by the Partnership and selected staff from the partner agencies. Each of the four firms was interviewed on November 17, 2009. Based on the results of the evaluation of the proposals, interviews, and subsequent negotiations with the top ranked firm, a recommendation was made to the Joint Ad-Hoc Committee on January 4, 2010 to award a contract to The Rogers Group for an amount not to exceed \$1,800,000. The Joint Ad-Hoc Committee asked that the evaluation process be modified to include the Committee members with subsequent interviews being held on January 12, 2010. The four firms were then asked to submit supplemental proposals for further evaluation by the Committee. On March 8, 2010, the Committee members and Partner agency staff submitted revised evaluation scores and the Committee voted to recommend selection of The Rogers Group to perform the public outreach effort for the GRIP project. The name of the selected consulting firm, The Rogers Group, along with the cost for this public outreach effort have been incorporated into the latest version of the Cost Sharing Agreement (CSA) which has been approved LACSD, WRD, and USGVMWD.

At the WRD Board meeting on September 17, 2010, it was reported that SGVMWD had notified the other GRIP partners that they are considering dropping from the GRIP effort as a partner. According to SGVMWD, this consideration was not a reflection of the viability or importance of the GRIP effort for the replenishment of groundwater supplies in southern Los Angeles County, but that it is based on their re-evaluation of how water from the GRIP effort fits into their water supply portfolio as a State Water Project Contractor.

The financial participation that would have been provided by SGVMWD was to be in the form of contributing to the funding obligation of the USGVMWD. The SGVMWD funding would have been 6.7 percent of the total cost of the outreach effort, totaling approximately \$121,000. The SGVMWD represents 4 of the 61 cities that would benefit from the GRIP program. The population of these 4 cities total just under 2 percent of the overall population of the 61 cities. The USGVMWD has provided WRD and LACSD a letter stating that they would continue to fund a third of the cost of the outreach effort in the event that SGVMWD dropped from the partnership.

Based on the possibility of the SGVMWD dropping from the GRIP effort, the WRD Board asked staff to work with the Rogers Group to develop a revised cost for the outreach effort that would be limited to the service areas of the remaining partners. The revised estimate provides a cost reduction of just over 4 percent of the previous cost, or approximately \$70,000.

A contract with The Rogers Group to perform this work has been drafted and reviewed by District Counsel for WRD Board consideration of approval.

FISCAL IMPACT

The budget for the public outreach is \$1,695,000 plus a contingency of \$189,000 over a two-year term. In accordance with the terms of the Cost Sharing Agreement, WRD is responsible for one-third of this amount, or \$628,000.

GRIP JOINT AD HOC COMMITTEE RECOMMENDATION

Enter into an Agreement with The Rogers Group, subject to approval of form by District Counsel, to perform a public outreach effort for the Groundwater Reliability Improvement Program (GRIP), for \$ 1,695,000 plus a contingency of \$189,000 for a total authorized amount not to exceed \$1,884,000 for a two-year term. This cost is to be shared among the GRIP Partnership agencies, with WRD's contribution not to exceed \$628,000.