

**SPECIAL MEETING OF THE FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712
12:00 P.M., THURSDAY, DECEMBER 9, 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. PUBLIC COMMENT**
- 3. MINUTES OF THE MEETING OF NOVEMBER 10, 2010**
Staff Recommendation: Approve as submitted.
- 4. DEMANDS – OCTOBER 2010**
Staff Recommendation: Receive and file the Demands for October 31, 2010.
- 5. FINANCIAL STATEMENTS – OCTOBER 31, 2010**
Staff Recommendation: Approve the Financial Statements for submittal to the Board of Directors.
- 6. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING OCTOBER 31, 2010**
Staff Recommendation: Approve the Investment Report for submittal to the Board of Directors.
- 7. DEPARTMENT REPORT**
- 8. DIRECTORS EXPENSES**
Staff Recommendation: Approve Directors Expenses for submittal to the Board of Directors.
- 9. DIRECTORS REPORTS, INQUIRIES, AND FOLLOW-UP OF DIRECTIONS TO STAFF**
- 10. ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, December 8, 2010.

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

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MINUTES

**MINUTES OF NOVEMBER 10, 2010
MEETING OF THE FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Finance Committee of the Board of Directors of the Water Replenishment District of Southern California was held on November 10, 2010 at 12:25 p.m. at the District office, 4040 Paramount Boulevard, Lakewood, California. Director Rob Katherman called the meeting to order and presided thereafter. Deputy Secretary Abigail C. Andom recorded the minutes.

1. DETERMINATION OF A QUORUM

Directors: Rob Katherman, Willard H. Murray, Jr.
Staff: Scott Ota, Jenna Shaunessy

The agenda items were taken out of order.

10. DIRECTORS EXPENSES

Directors' expenses were reviewed and the Committee recommended the item be submitted to the Board for approval.

2. PUBLIC COMMENT

None.

3. MINUTES OF THE MEETING OF OCTOBER 13, 2010

The minutes were approved as submitted.

4. DEMANDS – SEPTEMBER 2010

The Committee reviewed the list of Demands for September 30, 2010. The Demands were approved for submittal to the Board of Directors to receive and file.

5. FINANCIAL STATEMENTS – SEPTEMBER 30, 2010

The Committee reviewed the Financial Statements for September 30, 2010 and recommended they be submitted to the Board for approval.

6. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2010

The Committee reviewed the Investment Report for the period ending September 30, 2010 and recommended they be submitted to the Board for approval.

Director Katherman requested staff to get the list of banks participating in Promerica's Certificate Deposit Account Registry Service (CDARS) Program and provide an update at next month's meeting.

7. GASB 45 OPEB IRREVOCABLE TRUST

Chief Financial Officer Scott Ota stated that Governmental Accounting Standards Board (GASB) Statement 45 requires public employers to account differently for other post-employment benefits (OPEB) than they have in the past. Mr. Ota explained that OPEB include various non-pension benefits, such as health care and life insurance, which are often provided to retirees. He stated that GASB Statement 45 requires more complete and reliable financial reporting regarding the costs and financial obligations that governments incur when they provide OPEB benefits. He stated that Statement 45 requires that public employers annually expense OPEB benefits that are earned today by active employees but that will be paid only when the employee retires.

Mr. Ota stated that currently, the WRD is accruing for OPEB costs on an annual basis based on the result of a report from a Certified Actuary approved to perform GASB 45 OPEB Irrevocable Trust actuarial reports. He noted that for fiscal year 2010-11, the WRD budgeted funds which are restricted for GASB 45 purposes only and not available for any other use. He explained that establishing an OPEB Irrevocable Trust is certainly not required by government employers under GASB 45 rules; however, it is recommended if the employer has the financial means to make regular contributions to a Irrevocable Trust. This leads to an accumulation of assets in order to gain the advantage of using a higher discount rate allowed by GASB 45 for those who fund their liabilities as they accrue and results in significantly lower future liabilities.

Mr. Ota stated staff is seeking approval to issue a request for proposals (RFP) for GASB 45 OPEB Irrevocable Trust services. He stated that if the Board of Directors chooses to establish an OPEB Irrevocable Trust, there will be costs related to establishing and servicing the Irrevocable Trust. If approved, he noted that staff will compile the costs during the RFP process and the cost of OPEB Irrevocable Trust services will be one of the factors in recommending a firm to the Board of Directors.

Discussion followed. The Committee recommended the Board approve the issuance of request for proposals for establishing and managing WRD's GASB 45 OPEB Irrevocable Trust.

**8. CONSIDERATION OF RESOLUTION NO. 10-891 –
A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES; THE BOARD OF TRUSTEES OF THE
GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT; THE
BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 8 OF
LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 8); AND
THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE**

NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF L 008-2010 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687

The Committee recommended the Board adopt Resolution No. 10-891.

9. DEPARTMENT REPORT

Mr. Ota provided an update of the Department's activities. He stated that staff submitted the fiscal year 2010-11 budget to the Society of Municipal Finance Officers (CSMFO) for their annual budget award. He noted that the District has previously received this award six years in a row.

Mr. Ota stated that the District's financial audit with the external auditors has been completed and WRD received an unqualified opinion. He noted that the auditors have recommended that the District's Finance Committee function as the Audit Committee. Discussion followed and the Committee recommended the item be referred to the Administrative Committee.

11. DIRECTORS REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF

The next Finance Committee is scheduled Thursday, December 9, 2010 at 12:00 p.m.

12. ADJOURNMENT

With no further business for the Committee, the meeting was adjourned at 1:33 p.m.

Chairperson

ATTEST:

Director



MEMORANDUM

ITEM NO. 4

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

DATE: DECEMBER 9, 2010
TO: FINANCE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: DEMANDS - OCTOBER 2010

SUMMARY

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

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

Demands Summary – October 2010

Replenishment Fund	\$ 761,651.77
Clean Water Fund	<u>200,536.13</u>
Total	<u>\$ 962,187.90</u>

STAFF RECOMMENDATION

Receive and file the Demands for October 31, 2010.



DIRECTORS

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

ROBB WHITAKER, P.E., GENERAL MANAGER

January 21, 2011

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 October 31, 2010

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
DD	ALBERT ROBLES	09/10 DIRECTORS COMPENSATION	1,813.24	1,704.45	108.79
DD	ALBERT ROBLES	09/10 EXPENSE REIMBURSEMENT	1,596.44	1,500.64	95.80
P0048	LILLIAN Y. KAWASAKI	09/10 DIRECTORS COMPENSATION	1,892.88	1,779.31	113.57
P0048	LILLIAN Y. KAWASAKI	09/10 EXPENSE REIMBURSEMENT	20.00	18.80	1.20
DD	SERGIO J. CALDERON	09/10 DIRECTORS COMPENSATION	1,384.99	1,303.04	81.95
DD	SERGIO J. CALDERON	09/10 EXPENSE REIMBURSEMENT	22.66	21.30	1.36
DD	SERGIO J. CALDERON	10/10 DIRECTORS COMPENSATION	1,094.21	1,028.55	65.66
P0049	WILLARD H. MURRAY, JR	09/10 DIRECTORS COMPENSATION	281.76	264.85	16.91
DD	WILLARD H. MURRAY, JR	09/10 DIRECTORS COMPENSATION	561.48	527.79	33.69
DD	ROBERT E. KATHERMAN	09/10 DIRECTORS COMPENSATION	996.73	936.93	59.80
P0050	ROBERT E. KATHERMAN	09/10 EXPENSE REIMBURSEMENT	814.03	765.19	48.84
DD	AFSCME LOCAL 1902 UNION	UNION DUES	577.80	487.75	90.05
DD	AFSCME LOCAL 1902 UNION	UNION DUES	556.40	464.84	91.56
DD	EDD	DIR STATE TAX W/H	85.63	80.50	5.13
DD	EDD	STATE TAX DEPOSIT	5,505.86	4,713.99	791.87
DD	EDD	STATE TAX DEPOSIT	5,370.52	4,491.66	878.86
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	96,636.82	83,222.07	13,414.75
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	71,134.07	60,453.66	10,680.41
DD	FLEX-PLAN SERVICES, INC	HRA & FSA REIMBURSEMENTS	9,919.72	9,311.69	608.03
DD	FLEX-PLAN SERVICES, INC	HRA & FSA REIMBURSEMENTS	5,446.36	4,938.16	508.20
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	4,061.11	3,817.45	243.66
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	3,351.30	3,150.22	201.08
DD	FLEX-PLAN SERVICES, INC	FSA REIMBURSEMENT	193.00	193.00	-
DD	FLEX-PLAN SERVICES, INC	08/10 MONTHLY SVC CHR	967.10	909.07	58.03
DD	INTERNAL REVENUE SERVICE	DIR FEDERAL TAX DEPOSIT	2,698.69	2,536.78	161.91
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	29,012.89	24,739.48	4,273.41
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	27,850.49	23,336.81	4,513.68
DD	PARS	DIR PARS PAYMENT	2,913.00	2,738.22	174.78
DD	PRUDENTIAL	DIR DEFERRED COMP	4,645.61	4,367.16	278.45
DD	PRUDENTIAL	DEFERRED COMP	19,248.04	16,900.16	2,347.88
DD	PRUDENTIAL	DEFERRED COMP	17,434.04	14,972.29	2,461.75
DD	PERS	DIR PERS PAYMENT	581.62	546.72	34.90
DD	PERS	PERS PAYMENT	26,624.49	22,848.27	3,776.22
DD	PERS	PERS PAYMENT	25,513.15	21,614.26	3,898.89
1972	MAYWOOD MUTUAL NO. 2	012: PROGRESSIVE PAYMENT #9	76,034.54	-	76,034.54
1973	VOID	VOID	-	-	-
1974	COUNTY OF ORANGE	001: PROPERTY PERMIT FEE	291.00	291.00	-
1975	ACCONTEMPS	TEMP SERVICE THRU 09/17/10 - SL	861.12	809.45	51.67
1976	AT&T MOBILITY	MONTHLY CELL PHONE SERVICE	144.40	135.74	8.66
1977	CALIFORNIA WATER SERVICE	WATER USAGE THRU 09/20/10	53.74	50.52	3.22
1978	CHEVRON AND TEXACO	09/10 FUEL CHARGES	332.85	225.20	107.65
1979	LA EXPRESS ONE INC	09/27/10 COURIER SERVICE	66.88	62.87	4.01
1980	NORWALK PRINTING	BUSINESS CARDS - AY&TM	60.36	56.74	3.62
1981	OFFICE TEAM	TEMP SERVICE THRU 09/10/10	3,081.63	2,896.73	184.90
1982	STAPLES CREDIT PLAN	OFFICE SUPPLIES	538.21	505.92	32.29
1983	XO CORPORATION	PHONE CHARGES THRU 10/14/10	106.62	100.22	6.40
1984	COSTCO	KITCHEN SUPPLIES	303.57	285.36	18.21
1985	PBCC	10/20/10-01/20/11 METER LEASE	1,300.54	1,222.51	78.03
1986	SOUTHERN CALIFORNIA EDISON	09/10 ENERGY USAGE	4,791.68	4,504.18	287.50
1987	VERIZON WIRELESS	MONTHLY CELL PHONE SERVICE	860.75	809.10	51.65
1988	FEDERAL EXPRESS	FEDEX SERVICE	139.45	128.81	10.64
1989	LAUSD - HENRY GAGE MIDDLE SCHOOL	2010 MUSIC & ART FEST SPONSORSHIP	1,500.00	1,410.00	90.00

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
1990	GEIGER WEST MONROVIA	PROMOTIONAL ITEMS - BLUE BAGS	7,204.82	6,772.53	432.29
1991	HELPMATES STAFFING	TEMP SERVICE THRU 09/26/10 - MC	1,899.92	1,785.92	114.00
1992	IN-N-OUT BURGER	2011 GRNDWTR FESTIVAL - DEPOSIT	9,100.00	8,554.00	546.00
1993	JAN-PRO CLEANING	10/10 JANITORIAL SERVICE	2,743.00	2,578.42	164.58
1994	KINDEL GAGAN	005: 09/10 PROFESSIONAL SERVICE	10,618.75	10,581.63	37.12
1995	KONE INC	ELEVATOR REPAIR SERVICE	490.82	461.37	29.45
1996	MILLENNIUM ADVOCATES	09/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
1997	NORWALK PRINTING	BUSINESS CARDS - RH	60.36	56.74	3.62
1998	PACIFIC ATLANTIC	10/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
1999	PARAMOUNT CHAMBER	11/10-10/11 MEMBERSHIP DUES	306.00	287.64	18.36
2000	SOUTH GATE CHAMBER	10/14/10 STATE OF THE DISTRICT	150.00	141.00	9.00
2001	SW VOTER REGIS EDU PROJECT	10/07/10 LA FUNDRAISING EVENT	1,000.00	940.00	60.00
2002	STANLEY CONVERGENT	10/10 ALARM MAINT SERVICE	116.09	109.13	6.96
2003	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	1,019.06	957.92	61.14
2004	TORRANCE AREA CHAMBER	STATE OF THE REGION	500.00	470.00	30.00
2005	UPPER SAN GABRIEL VALLEY MWD	2010 WATER FEST SPONSORSHIP	5,000.00	4,700.00	300.00
2006	VASQUEZ & COMPANY	2009/10 FINANCIAL AUDIT SERVICE	16,000.00	15,040.00	960.00
2007	WATER WISE CONSULTING	WATERWELL EDU WORKSHOPS	2,400.00	2,256.00	144.00
2008	ALSTON & BIRD LLP	005: 08/10 LEGAL SERVICE	11,362.63	11,362.63	-
2009	WHITTIER DAILY NEWS	SUBSCRIPTION FEE THRU 09/27/11	245.00	230.30	14.70
2010	XEROX CORPORATION	09/10 COPIER SERVICE	4,855.84	4,564.49	291.35
2011	CSMFO	2010-11 BUDGET AWARD	200.00	188.00	12.00
2012	ACWA - HBA	11/10 MED/DEN/LIFE PREMIUM	50,324.40	47,304.95	3,019.45
2013	ALBRIGHT, YEE & SCHMIT	09/10 LEGAL SERVICE	4,348.50	4,087.59	260.91
2014	AT&T	002: MONTHLY PHONE SERVICE	230.09	-	230.09
2015	BENNETT SAMPLE PUMPS	018: FIELD SUPPLIES	463.25	463.25	-
2016	BOART LONGYEAR	011: FIELD SUPPLIES	241.45	120.73	120.72
2017	BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 09/25/10	1,125.00	1,125.00	-
2018	BROWNSTEIN HYATT	08/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
2019	BUREAU VERITAS NA	004: PROF SERVICE THRU 09/24/10	3,001.25	3,001.25	-
2020	COMMERCE INDUSTRIAL COUNCIL	11/10-11/11 MEMBERSHIP DUES	350.00	329.00	21.00
2021	COUNTY SANITATION DISTRICT 2	08/10 WATER PURCHASE - WN	2,549.40	2,549.40	-
2022	DMJ CONSULTING GROUP	011: PROF SERVICE THRU 09/23/10	6,587.10	3,293.55	3,293.55
2023	EXXON MOBIL	MONTHLY FUEL USAGE	360.28	338.66	21.62
2024	FEDERAL EXPRESS	FEDEX SERVICE	370.98	199.46	171.52
2025	GEOTECH ENVIRONMENTAL	011: FIELD SUPPLIES	359.83	179.92	179.91
2026	HELPMATES STAFFING	TEMP SERVICE THRU 10/03/10 - MC	1,122.00	1,054.68	67.32
2027	INTERIOR PLANT DESIGN	10/10 PLANT MAINT SERVICE	2,000.00	1,816.00	184.00
2028	INTER-TEL NETSOLUTIONS	MONTHLY PHONE CHARGES	846.05	795.29	50.76
2029	LAKEWOOD COMMUNITY NEWS	10/01/10 NEWSPAPER AD	450.00	423.00	27.00
2030	LEGISLATIVE ADVOCACY GROUP	005: 03/10-07/10 LEGISLATIVE SERVICE	30,000.00	30,000.00	-
2031	LOS ANGELES, CITY OF DWP	08/19/10-09/20/10 WATER PURCHASE	133,147.08	133,147.08	-
2032	LOS ANGELES COUNTY DPW	004: 10/01/10-09/30/11 LEASE - 98-31	600.00	600.00	-
2033	MARTIN E WHELAN, JR.	MEDICAL PREMIUM	736.33	692.15	44.18
2034	VERIZON BUSINESS	MONTHLY INTERNET SERVICE	618.58	581.47	37.11
2035	OFFICE TEAM	TEMP SERVICE THRU 10/08/10	4,158.21	3,908.71	249.50
2036	PACIFIC FORD INC.	011: F-350 TRUCK MAINT SERVICE	1,099.70	549.85	549.85
2037	PARS	08/10 REP FEES	500.00	470.00	30.00
2038	PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	1,129.41	580.39	549.02
2039	POSTAGE BY PHONE	POSTAGE DEPOSIT	3,000.00	2,820.00	180.00
2040	RMC WATER & ENVIRONMENT	033: PROF SERVICE THRU 07/30/10	5,891.60	5,891.60	-
2041	RMC WATER & ENVIRONMENT	033: PROF SERVICE THRU 08/27/10	21,748.56	21,748.56	-
2042	RMC WATER & ENVIRONMENT	033: PROF SERVICE THRU 09/24/10	13,444.50	13,444.50	-
2043	SEPARATION PROCESSES	002: 09/10 PROF SERVICE	3,745.00	-	3,745.00
2044	SIMPLEXGRINNELL	002: 2011 FIRE ALARM SERVICES	534.50	-	534.50
2045	SOUTHERN CALIFORNIA EDISON	002: ENERGY USAGE THRU 10/06/10	908.61	-	908.61
2046	STANLEY CONVERGENT	11/10 ALARM MAINT SERVICE	116.09	109.13	6.96
2047	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	632.69	594.73	37.96
2048	TESTAMERICA	006: 08/10 PROF SERVICE	5,631.00	-	5,631.00
2048	TESTAMERICA	006: 09/10 PROF SERVICE	3,728.50	-	3,728.50
2049	THE GAS COMPANY	MONTHLY UTILITY CHARGES	121.41	114.13	7.28
2050	THE SIGNAL TRIBUNE	10/08/10 NEWSPAPER AD	600.00	564.00	36.00
2051	TORRANCE, CITY OF	002: 06/10 O & M SERVICE	33,244.22	-	33,244.22
2052	TORRANCE, CITY OF	002: 11/10 PLANT SITE RENT	3,373.48	-	3,373.48
2053	UCSB	004: PROF SERVICE	6,445.50	6,445.50	-
2054	VERIZON CALIFORNIA	MONTHLY PHONE CHARGES	340.06	319.66	20.40
2055	WESTERN EXTERMINATOR	09/10 PESTICIDE SERVICE	65.00	61.10	3.90
2056	ALSTON & BIRD LLP	005: 09/10 LEGAL SERVICE	8,034.48	8,034.48	-
2057	FARMERS & MERCHANT	09/10 CC CHARGES	1,239.70	1,165.32	74.38
2058	McMASTER-CARR	011: FIELD SUPPLIES	931.11	465.56	465.55
2059	WESTERN TRUCK EXCHANGE	011: NEW FIELD TRUCK DEPOSIT	10,000.00	5,000.00	5,000.00
2060	VOID	VOID	-	-	-

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
2061	VOID	VOID	-	-	-
2062	VOID	VOID	-	-	-
2063	ASIANS AND PACIFIC ISLANDERS	SELF-DETERMINATION CONF	500.00	470.00	30.00
2064	ACWA	07/11/10-09/30/10 WORKERS' COMP	7,564.00	6,316.75	1,247.25
I0133	SPARKLETTS	SUPPLIES	63.49	59.68	3.81
I0134	ERHART'S CATERING	09/08/10 FINANCE COMM MEETING	248.04	233.16	14.88
I0135	ERHART'S CATERING	09/23/10 ADMIN COMM MEETING	248.04	233.16	14.88
I0136	PEPSI BOTTLING	SUPPLIES	231.11	217.24	13.87
I0137	TGIS CATERING SERVICES	EA COMM MEETING	309.43	290.86	18.57
I0138	VOID	VOID	-	-	-
I0139	ENRIQUE'S RESTAURANT	EA COMM MEETING	239.63	225.25	14.38
I0140	ERHART'S CATERING	ADHOC COMM MEETING	355.60	334.26	21.34
I0141	ERHART'S CATERING	FINANCE COMM MEETING	248.04	233.16	14.88
I0142	PANERA	GRNDWTR QUALITY COMM MEETING	139.86	131.47	8.39
Total Demands from October 1, 2010 to October 31, 2010			962,187.90	761,651.77	200,536.13

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	121,065.64	1,234,012.15
PAYROLL	PAYROLL	167,770.89	611,137.72
PAYROLL	TAXES	70,524.08	298,088.05
ALBERT ROBLES	DIRECTORS' COMPENSATION	1,813.24	9,617.39
ALBERT ROBLES	EXPENSE REIMBURSEMENT	1,596.44	2,870.62
ROBERT E. KATHERMAN	DIRECTORS' COMPENSATION	996.73	3,753.58
ROBERT E. KATHERMAN	EXPENSE REIMBURSEMENT	814.03	3,397.20
LILLIAN Y. KAWASAKI	DIRECTORS' COMPENSATION	1,892.88	3,061.10
LILLIAN Y. KAWASAKI	EXPENSE REIMBURSEMENT	20.00	3,677.59
SERGIO J. CALDERON	DIRECTORS' COMPENSATION	2,479.20	9,938.49
SERGIO J. CALDERON	EXPENSE REIMBURSEMENT	22.66	773.41
WILLARD H. MURRAY, JR	DIRECTORS' COMPENSATION	843.24	3,035.47
ACCONTEMPS	TEMP SERVICE THRU 09/17/10 - SL	861.12	861.12
ACWA	07/11/10-09/30/10 WORKERS' COMP	7,564.00	165,854.00
ACWA - HBA	11/10 MED/DEN/LIFE PREMIUM	50,324.40	193,536.28
ALBRIGHT, YEE & SCHMIT	09/10 LEGAL SERVICE	4,348.50	53,950.90
ALSTON & BIRD LLP	005: 08/10 LEGAL SERVICE	11,362.63	25,191.11
ALSTON & BIRD LLP	005: 09/10 LEGAL SERVICE	8,034.48	33,225.59
ASIANS AND PACIFIC ISLANDERS	SELF-DETERMINATION CONF	500.00	500.00
AT&T	002: MONTHLY PHONE SERVICE	230.09	922.81
AT&T MOBILITY	MONTHLY CELL PHONE SERVICE	144.40	579.76
BENNETT SAMPLE PUMPS	018: FIELD SUPPLIES	463.25	8,604.50
BOART LONGYEAR	011: FIELD SUPPLIES	241.45	241.45
BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 09/25/10	1,125.00	10,954.00
BROWNSTEIN HYATT	08/10 LEGISLATIVE SERVICE	15,000.00	75,000.00
BUREAU VERITAS NA	004: PROF SERVICE THRU 09/24/10	3,001.25	11,032.50
CALIFORNIA WATER SERVICE	WATER USAGE THRU 09/20/10	53.74	219.81
CHEVRON AND TEXACO	09/10 FUEL CHARGES	332.85	523.71
COMMERCE INDUSTRIAL COUNCIL	11/10-11/11 MEMBERSHIP DUES	350.00	350.00
COSTCO	KITCHEN SUPPLIES	303.57	795.58
COUNTY OF ORANGE	001: PROPERTY PERMIT FEE	291.00	291.00
COUNTY SANITATION DISTRICT 2	08/10 WATER PURCHASE - WN	2,549.40	814,134.10
CSMFO	2010-11 BUDGET AWARD	200.00	200.00
DMJ CONSULTING GROUP	011: PROF SERVICE THRU 09/23/10	6,587.10	43,297.30
ENRIQUE'S RESTAURANT	EA COMM MEETING	239.63	744.12
ERHART'S CATERING	09/08/10 FINANCE COMM MEETING	248.04	2,864.84
ERHART'S CATERING	09/23/10 ADMIN COMM MEETING	248.04	3,112.88
ERHART'S CATERING	ADHOC COMM MEETING	355.60	3,468.48
ERHART'S CATERING	FINANCE COMM MEETING	248.04	3,716.52
EXXON MOBIL	MONTHLY FUEL USAGE	360.28	360.28
FARMERS & MERCHANT	09/10 CC CHARGES	1,239.70	8,574.33
FEDERAL EXPRESS	FEDEX SERVICE	139.45	2,257.86
FEDERAL EXPRESS	FEDEX SERVICE	370.98	2,628.84
FLEX-PLAN SERVICES	08/10 MONTHLY SVC CHR	967.10	3,868.40
GEIGER WEST MONROVIA	PROMOTIONAL ITEMS - BLUE BAGS	7,204.82	16,019.53
GEOTECH ENVIRONMENTAL	011: FIELD SUPPLIES	359.83	5,183.41
HELPMATES STAFFING	TEMP SERVICE THRU 09/26/10 - MC	1,899.92	15,139.52
HELPMATES STAFFING	TEMP SERVICE THRU 10/03/10 - MC	1,122.00	16,261.52
IN-N-OUT BURGER	2011 GRNDWTR FESTIVAL - DEPOSIT	9,100.00	9,100.00
INTERIOR PLANT DESIGN	10/10 PLANT MAINT SERVICE	2,000.00	8,000.00
INTER-TEL NETSOLUTIONS	MONTHLY PHONE CHARGES	846.05	3,510.54
JAN-PRO CLEANING	10/10 JANITORIAL SERVICE	2,743.00	10,972.00
KINDEL GAGAN	005: 09/10 PROFESSIONAL SERVICE	10,618.75	43,431.25
KONE INC	ELEVATOR REPAIR SERVICE	490.82	3,890.26
LA EXPRESS ONE INC	09/27/10 COURIER SERVICE	66.88	650.70
LAKESWOOD COMMUNITY NEWS	10/01/10 NEWSPAPER AD	450.00	450.00
LAUSD-HENRY GAGE MIDDLE SCHOOL	2010 MUSIC & ART FEST SPONSORSHIP	1,500.00	-
LEGISLATIVE ADVOCACY GROUP	005: 03/10-07/10 LEGISLATIVE SERVICE	30,000.00	30,000.00
LOS ANGELES COUNTY DPW	004: 10/01/10-09/30/11 LEASE - 98-31	600.00	1,250.00
LOS ANGELES, CITY OF DPW	08/19/10-09/20/10 WATER PURCHASE	133,147.08	413,551.71
MARTIN E WHELAN. JR.	11/10 MEDICAL PREMIUM	736.33	2,945.32

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

Payee	Description	Current Demands	YTD Demands
MAYWOOD MUTUAL NO. 2	012: PROGRESSIVE PAYMENT #9	76,034.54	111,209.39
McMASTER-CARR	011: FIELD SUPPLIES	931.11	3,140.58
MILLENNIUM ADVOCATES	09/10 LEGISLATIVE SERVICE	15,000.00	45,000.00
NORWALK PRINTING	BUSINESS CARDS - AY&TM	60.36	2,368.63
NORWALK PRINTING	BUSINESS CARDS - RH	60.36	2,428.99
OFFICE TEAM	TEMP SERVICE THRU 09/10/10	3,081.63	32,038.88
OFFICE TEAM	TEMP SERVICE THRU 10/08/10	4,158.21	36,197.09
PACIFIC ATLANTIC	10/10 LEGISLATIVE SERVICE	15,000.00	60,000.00
PACIFIC FORD	011: F-350 TRUCK MAINT SERVICE	1,099.70	2,342.97
PANERA	GRNDWTR QUALITY COMM MEETING	139.86	329.05
PARAMOUNT CHAMBER	11/10-10/11 MEMBERSHIP DUES	306.00	306.00
PARS	08/10 REP FEES	500.00	2,000.00
PBCC	10/20/10-01/20/11 METER LEASE	1,300.54	2,627.67
PEPSI BOTTLING	SUPPLIES	231.11	946.93
PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	1,129.41	2,990.37
POSTAGE BY PHONE	POSTAGE DEPOSIT	3,000.00	5,000.00
RMC WATER & ENVIRONMENT	033: PROF SERVICE THRU 07/30/10	5,891.60	59,069.11
RMC WATER & ENVIRONMENT	033: PROF SERVICE THRU 08/27/10	21,748.56	80,817.67
RMC WATER & ENVIRONMENT	033: PROF SERVICE THRU 09/24/10	13,444.50	94,262.17
SEPARATION PROCESSES	002: 09/10 PROF SERVICE	3,745.00	11,530.00
SIMPLEXGRINNELL	002: 2011 FIRE ALARM SERVICES	534.50	534.50
SOUTH GATE CHAMBER	10/14/10 STATE OF THE DISTRICT	150.00	900.00
SOUTHERN CALIFORNIA EDISON	09/10 ENERGY USAGE	4,791.68	91,565.02
SOUTHERN CALIFORNIA EDISON	002: ENERGY USAGE THRU 10/06/10	908.61	92,473.63
SPARKLETTTS	SUPPLIES	63.49	535.98
STANLEY CONVERGENT SECURITY	10/10 ALARM MAINT SERVICE	116.09	221.73
STANLEY CONVERGENT SECURITY	11/10 ALARM MAINT SERVICE	116.09	337.82
STAPLES CREDIT PLAN	OFFICE SUPPLIES	538.21	618.81
STAR OFFICE PRODUCTS	OFFICE SUPPLIES	1,019.06	5,493.51
STAR OFFICE PRODUCTS	OFFICE SUPPLIES	632.69	6,126.20
SW VOTER REGIS EDU PROJECT	10/07/10 LA FUNDRAISING EVENT	1,000.00	1,000.00
TESTAMERICA	006: 08/10 PROF SERVICE	5,631.00	20,634.50
TESTAMERICA	006: 09/10 PROF SERVICE	3,728.50	24,363.00
TGIS CATERING SERVICES	EA COMM MEETING	309.43	1,441.07
THE GAS COMPANY	MONTHLY UTILITY CHARGES	121.41	402.99
THE SIGNAL TRIBUNE	10/08/10 NEWSPAPER AD	600.00	600.00
TORRANCE AREA CHAMBER	STATE OF THE REGION	500.00	500.00
TORRANCE, CITY OF	002: 06/10 O & M SERVICE	33,244.22	155,215.82
TORRANCE, CITY OF	002: 11/10 PLANT SITE RENT	3,373.48	158,589.30
UCSB	004: PROF SERVICE	6,445.50	12,891.00
UPPER SAN GABRIEL VALLEY MWD	2010 WATER FEST SPONSORSHIP	5,000.00	5,000.00
VASQUEZ & COMPANY	2009/10 FINANCIAL AUDIT SERVICE	16,000.00	16,000.00
VERIZON BUSINESS	MONTHLY INTERNET SERVICE	618.58	2,487.37
VERIZON CALIFORNIA	MONTHLY PHONE CHARGES	340.06	1,365.42
VERIZON WIRELESS	MONTHLY CELL PHONE SERVICE	860.75	3,458.30
WATER WISE CONSULTING	WATERWELL EDU WORKSHOPS	2,400.00	11,900.00
WESTERN EXTERMINATOR	09/10 PESTICIDE SERVICE	65.00	260.00
WESTERN TRUCK EXCHANGE	011: NEW FIELD TRUCK DEPOSIT	10,000.00	10,000.00
WHITTIER DAILY NEWS	SUBSCRIPTION FEE THRU 09/27/11	245.00	245.00
XEROX CORPORATION	09/10 COPIER SERVICE	4,855.84	19,891.42
XO CORPORATION	PHONE CHARGES THRU 10/14/10	106.62	315.19
		962,187.90	5,435,553.68



MEMORANDUM

ITEM NO. 5

<i>Prepared by:</i> Scott M. Ota <i>Reviewed by:</i> Scott M. Ota <i>Approved by:</i> Robb Whitaker

DATE: DECEMBER 9 , 2010

TO: FINANCE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: FINANCIAL STATEMENTS – OCTOBER 31, 2010

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

Statement of Net Assets

ASSETS

Cash and Cash Equivalents – Increased approximately \$3.76 million over the prior month. In September, the District made two payments to West Basin Municipal Water District for the water purchases for the months of July and August 2010. In addition, there were no significant changes of cash in October. There is a corresponding increase in accounts payable (see below).

Accounts Receivable – The decrease of about \$313,000 is primarily due to a reduction of water usage in October. There is a corresponding decrease in Water Replenishment Assessments Revenue below.

Accounts Payable –This account has an increase of about \$1.64 million mainly due to no significant payments in October. See cash above for the correspondence increase.

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	\$	10,000
Construction-In-Progress		(1,887)
Accumulated Depreciation		(191,720)
Total		<u>\$ (183,607)</u>

Unrestricted – The Change/Variance of Total Assets, Total Liabilities and Invested in Capital Assets from September to October is \$1,815,380

Statement of Revenues, Expenditures and Changes in Net Assets

REVENUES

Operating Revenues – Decreased from the prior month is primarily due to a reduction of water usage. See Accounts Receivable for a corresponding decrease.

EXPENSES

Spreading Water – Decreased approximately \$170,000 due to the timing in receiving invoices from the Los Angeles County Sanitation District. WRD have not received the invoices from the County since September 2010.

Injected Water - The decrease of about \$303,000 is mainly due to a reduction in purchasing of recycled and imported water that injected into the Dominguez Gap Barriers for the month of October 2010.

Office Expenses - This account increased about \$101,000 in October primarily due to payments to the Water Research Foundation and Aquarium of the Pacific for the annual membership and Education Partnership Program.

Other General and Administrative –decreased due to adjustment to the interest expenses for the 2008 Certificates of Participation from capitalized expense to non-capitalized expense.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Approve the Financial Statements for submittal to the Board of Directors.

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

Assets	Total	Prior Month Total	Variance
Current Assets			
Cash and Cash Equivalents	\$ 28,113,062	\$ 24,348,838	3,764,224
Restricted Cash	16,778,087	16,778,087	-
Accounts Receivable	7,036,519	7,349,456	(312,937)
Interest Receivable	37,712	37,712	-
Prepaid Expenses	153,188	18,352	134,836
Total Current Assets	\$ 52,118,568	\$ 48,532,445	3,586,123
Noncurrent Assets			
Notes Receivable, Noncurrent	\$ 4,221,002	\$ 4,221,002	-
Plant & Equipment	63,403,953	63,393,953	10,000
Land	2,644,753	2,644,753	-
Construction-In-Progress	6,571,145	6,573,032	(1,887)
Deferred Charges	782,332	782,332	-
Accumulated Depreciation	(16,440,850)	(16,249,130)	(191,720)
Total Noncurrent Assets	\$ 61,182,335	\$ 61,365,942	(183,607)
Total Assets	\$ 113,300,903	\$ 109,898,387	3,402,516
Liabilities			
Current Liabilities			
Accounts Payable	\$ 4,030,221	\$ 2,387,318	1,642,903
Interest Payable - Bond	400,552	267,034	133,518
Accrued Payroll	-	-	-
Accrued Employee Benefits	6,704	12,381	(5,677)
Accrued Postemployment	1,205,822	1,205,822	-
Deferred Compensation	-	-	-
Cal Trans 0690	6,017,235	6,017,235	(0)
Long term Debt - Bond Payable	31,535,300	31,535,300	(0)
Other Liabilities	450,000	450,000	-
Total Current Liabilities	\$ 43,645,834	\$ 41,875,090	1,770,744
Noncurrent Liabilities			
Compensated Absences	\$ 344,522	\$ 344,522	-
Total Noncurrent Liabilities	\$ 344,522	\$ 344,522	-
Total Liabilities	\$ 43,990,356	\$ 42,219,612	1,770,744
Net Assets			
Invested in Capital Assets	\$ 56,179,001	\$ 56,362,608	(183,607)
Unrestricted	13,131,546	11,316,167	1,815,379
Total Net Assets	\$ 69,310,547	\$ 67,678,775	1,631,772
Total Liabilities & Net Assets	\$ 113,300,903	\$ 109,898,387	3,402,516

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

	Total	Prior Month Total	Variance
Revenues			
Operating Revenues			
Water Replenishment Assessments	4,324,233	4,550,707	(226,474)
Late Payment Penalties	-	-	-
MWD Subsidy	34,762	75,761	(40,999)
OCWD Recycled Water Product	-	28,140	(28,140)
Desalter Revenue	-	64,978	(64,978)
Title 22 Monitoring Program	-	-	-
Total Operating Revenues	<u>4,358,995</u>	<u>4,719,586</u>	<u>(360,591)</u>
Operating Expenses			
Cost of Water			
Spreading	3,270	173,363	(170,093)
Injected	1,360,077	1,662,708	(302,631)
In-Lieu	-	-	-
Connection Fees	50,019	103,056	(53,037)
Total Cost of Water	<u>1,413,366</u>	<u>1,939,127</u>	<u>(525,761)</u>
General & Administrative			
Salaries, Taxes & Benefits	372,756	382,840	(10,084)
Postemployment Benefits	-	-	-
Conference & Travel	14,832	10,857	3,975
Office Expenses	156,658	55,629	101,029
Utilities	11,004	30,528	(19,524)
Rents & Leases	6,781	7,223	(442)
Repairs & Maintenance	55,299	13,700	41,599
Material & Equipment	13,448	9,931	3,517
General Liability Insurance	15,595	15,098	497
Professional Fees	331,907	248,287	83,620
Other General & Administrative	232,804	50,505	182,299
Total General & Administrative	<u>1,211,083</u>	<u>824,598</u>	<u>386,485</u>
Depreciation	191,720	191,720	-
Total Operating Expenses	<u>2,816,168</u>	<u>2,955,445</u>	<u>(139,277)</u>
Operating Income (Loss)	<u>1,542,827</u>	<u>1,764,141</u>	<u>(221,314)</u>
Non-Operating Revenues (Expenses)			
Revenues			
Property Taxes	1,162	-	1,162
Investment Earnings	23,100	14,297	8,803
Miscellaneous	139	1,668	(1,529)
Total Non-Operating Revenues (Expenses)	<u>24,401</u>	<u>15,965</u>	<u>8,436</u>
Income (Loss) Before Contributions	1,567,228	1,780,106	(212,878)
Contributions			
Capital Contributions- Grant	64,545	-	64,545
Change in Net Assets	<u>1,631,773</u>	<u>1,780,106</u>	<u>(148,333)</u>



MEMORANDUM

ITEM NO. 6

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: DECEMBER 9, 2010

TO: FINANCE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING OCTOBER 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.

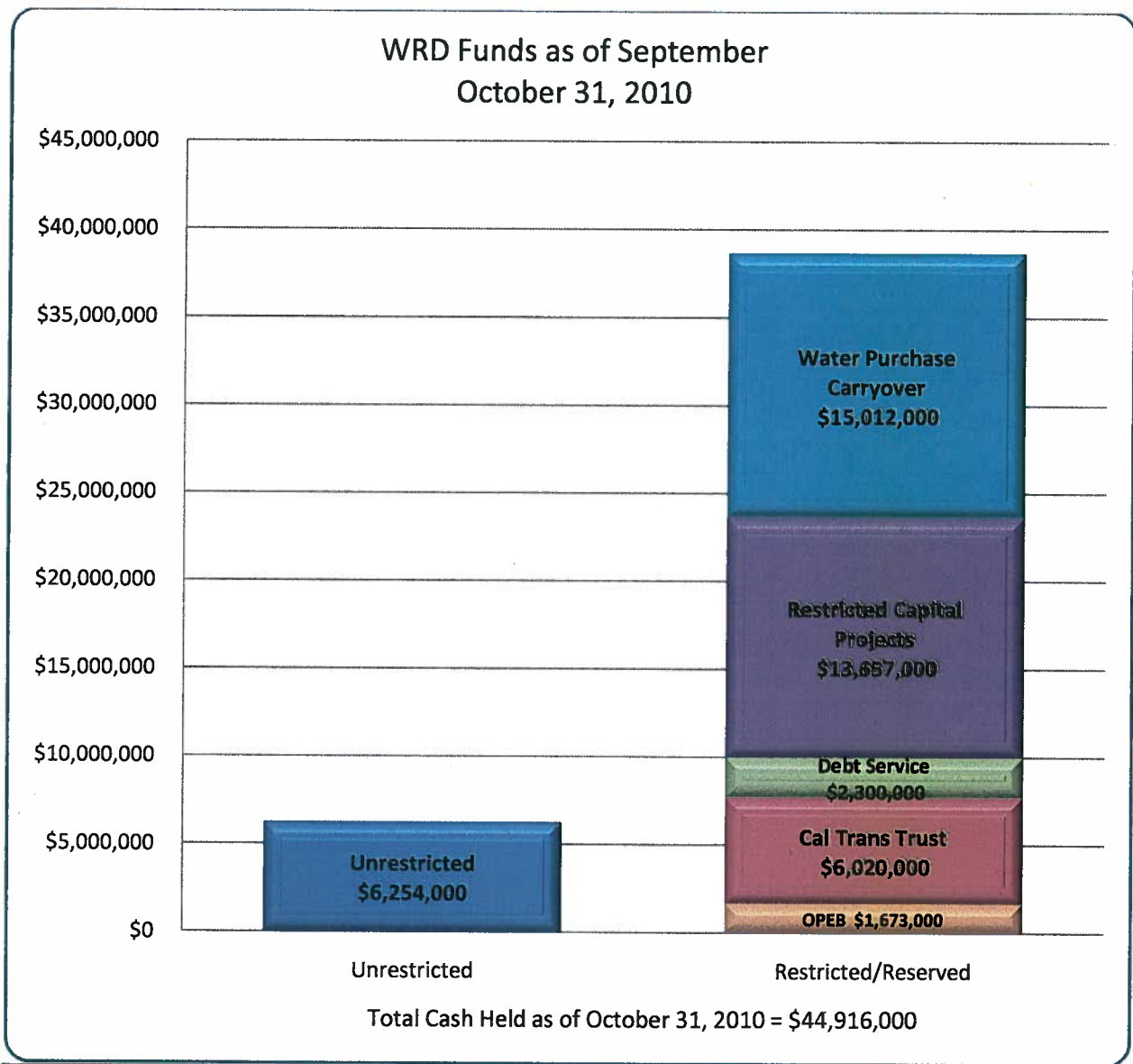
In addition, §60291 states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

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 \$6,254,000 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:

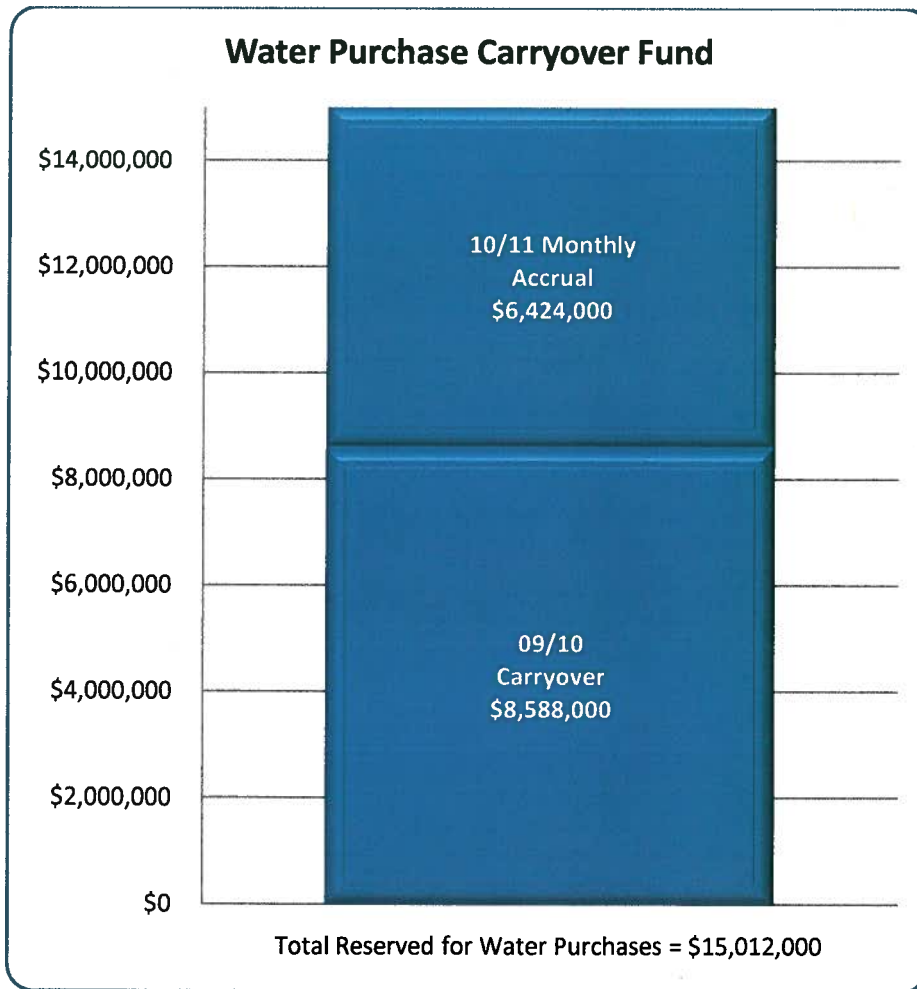
Operating Reserve Fund	\$ 6,254,000
Reserved or Encumbered:	
Water Purchase Carryover Fund	15,012,000
Restricted for Capital Projects	13,657,000
Debt Service Reserve Fund	2,300,000
Cal Trans Trust Fund	6,020,000
Other Post Employment Benefit Obligation (OPEB)	1,673,000
Reserved or Encumbered Subtotal	<u>\$ 38,662,000</u>
 Total Cash and Investments	 <u>\$ 44,916,000</u>



Water Purchase Carryover Fund – This category of represents:

<u>Source of Funds:</u>	<i>Replenishment Assessment</i>
<u>Use of Funds:</u>	<i>Restricted for Water Purchases Only</i>

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 four months	<u>\$ 6,424,000</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) 09/10 Water Purchase Carryover (decreases by \$689,000 monthly for fiscal year 10/11)	\$ (2,756,000)
Total	<u>11,344,000</u> <u>\$ 8,588,000</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	150,000
Park Water Company– Central Basin	2,000,000
Vernon Wells #9 and #10 – Central Basin	1,000,000
Huntington Park Well #17 – Central Basin	142,000
Total	<u>\$ 3,518,000</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	\$ 974,000
Preliminary and Final Design for Expansion	380,000 ¹
Goldsworthy Desalter:	
Capital Replacement	225,000
Preliminary Design	100,000 ¹
Total	<u>\$ 1,679,000</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.

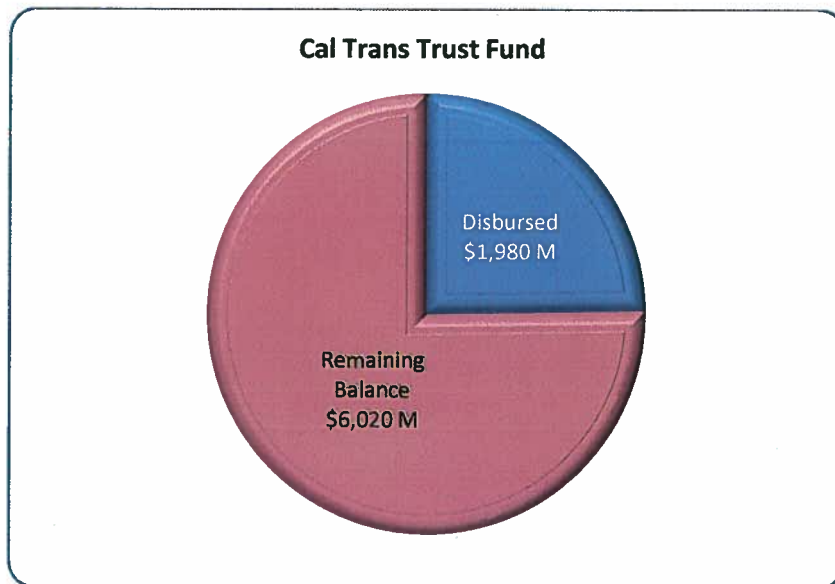
Source of Funds:

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.



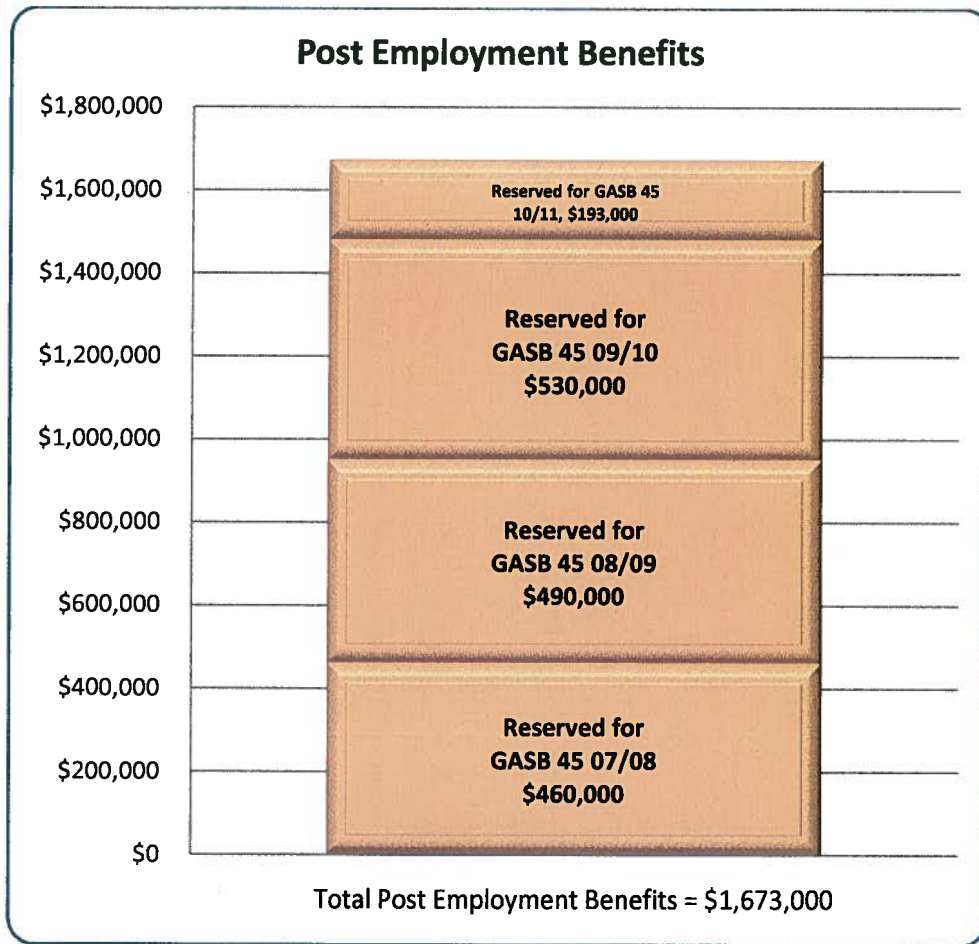
Other Post Employment Benefit Obligations (OPEB)

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
	<u>÷ 12 months</u>
10/11 Accrual per month (1/12 th – rounded) x four months	\$ 193,000
09/10 Annual Required Contribution	530,000
08/09 Annual Required Contribution	490,000
07/08 Annual Required Contribution	460,000



CASH AND INVESTMENTS

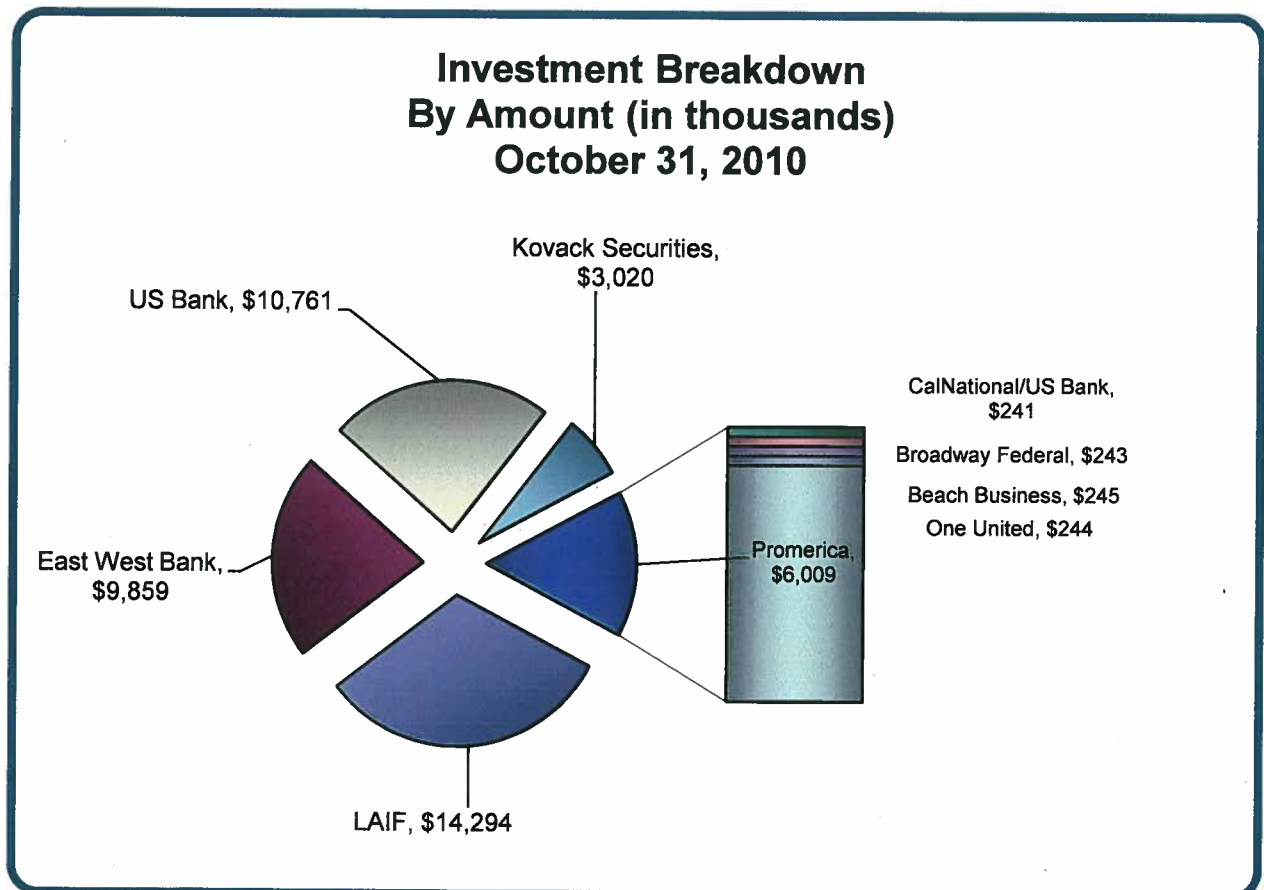
At the direction of the Board of Directors, on February 20, 2009 the District implemented its Community Banking Program and has invested in several community banks in addition to the Local Area Investment Fund (LAIF).

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

Cash and Investments:

Local Area Investment Fund (LAIF) ¹	\$ 14,294,000
East West Bank ²	9,859,000
Beach Business Bank ²	245,000
One United Bank ²	244,000
Broadway Federal Bank ²	243,000
US Bank (formerly CalNational Bank) ²	241,000
Primerica Bank ²	6,009,000
US Bank (Trustee) ²	10,761,000
Kovack Securities ^{2,3}	<u>3,020,000</u>

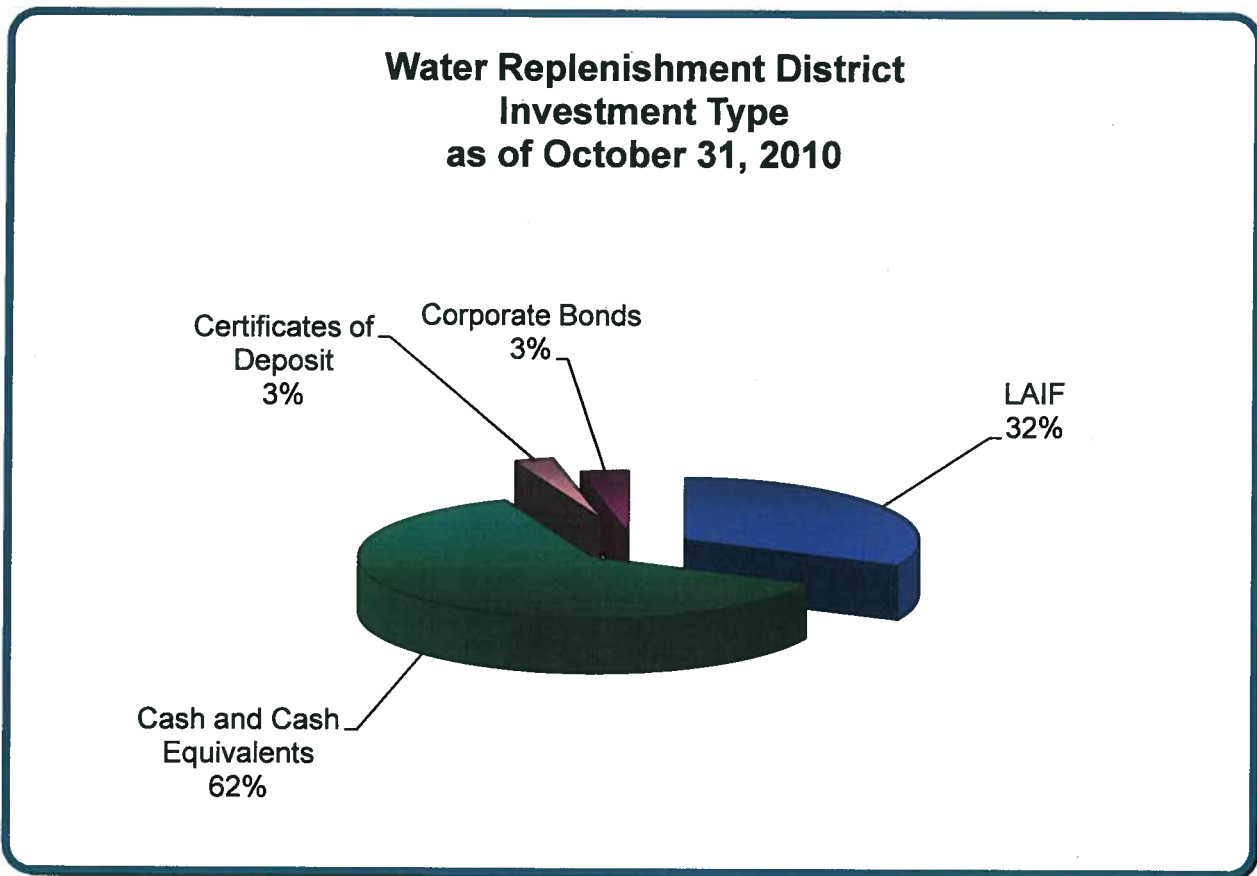
Total Cash and Investments \$ 44,916,000



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

Cash and Investments:

Local Area Investment Fund (LAIF) ¹	\$ 14,294,000
Cash and Cash Equivalents ²	27,907,000
Certificates of Deposit ²	1,226,000
Corporate Bonds ³	1,489,000
Total	<u>\$ 44,916,000</u>



Staff has attached a detailed investment report for October 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.

STAFF RECOMMENDATION

Approve the Investment Report for submittal to the Board of Directors.

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

	LAIF	CalNational/ US Bank	East West Bank	Beach Business	One United Bank	Broadway Federal	Promerica Bank	US Bank	Kovak Securities	Total
BALANCE 10/1/2010	\$14,275,620	\$240,471	\$9,144,310	\$244,732	\$243,370	\$243,000	\$6,008,078	\$10,760,852	\$3,014,493	
INTEREST RECEIVED/REINVESTED	18,437	102	2,920	241	116	30	1,241		13	
DISBURSEMENTS			(4,336,653)							
UNREALIZED GAIN/(LOSS)			5,048,515							
DEPOSITS/PURCHASES/FEEES										5,750
TRANSFER IN/(OUT)										
ACCRUED INTEREST										
BALANCE 10/31/2010	\$14,294,057	\$240,573	\$9,859,092	\$244,973	\$243,486	\$243,030	\$6,009,320	\$10,760,852	\$3,020,256	\$44,915,639
<hr/>										
	LAIF	CalNational/ US Bank	East West Bank	Beach Business	One United Bank	Broadway Federal	Promerica Bank	US Bank	Kovak Securities	Total
CURRENT YIELD	0.480%	0.500%	1.01% / .5%	1.250%	0.600%	0.150%	varies	varies	varies	
INTEREST EARNED FISCAL YTD	\$38,201	\$405	\$12,119	\$1,138	\$484	\$135	\$9,821	\$10	\$44,215	\$106,527.05

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

\$14,294,000 \$241,000 \$9,859,000 \$245,000 \$243,000 \$243,000 \$6,009,000 \$10,761,000 \$3,020,000 \$44,916,000



MEMORANDUM

ITEM NO. 7

Prepared by: Scott Ota
Reviewed by: Scott Ota
Approved by: Robb Whitaker

DATE: DECEMBER 9, 2010
TO: FINANCE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: DEPARTMENT REPORT

SUMMARY

In addition to working on general accounting issues such as accounts receivable, accounts payable, payroll, general ledger work, bank reconciliations and investment analysis, staff has been working on the following projects:

1. Discussed issues with Bond Counsel relating to the reimbursement resolution (see agenda item #8)
2. Prepare quarterly invoicing for the United States Bureau of Reclamation (USBR) Grant for the Leo J. Vander Lans Water Treatment Facility
3. Prepared accounting system for the semi-annual invoices for Title 22 billing
4. Prepare spreadsheet analysis of safe drinking water loan program and grant expenditures for use in the 5 year budget projections
5. Preparing for the calendar year end closing process including payroll issues; W2 and 1099 preparations
6. Contacting community banks for inclusion in the WRD's community bank program
7. Continued work on 5 year projection for use next during next fiscal year's budgeting process
8. Accounts Receivable Accountant accompanied Hydrogeologist to production well locations to update database, meet pumper accounts payable contact and cross train between departments.

FISCAL IMPACT

None

STAFF RECOMMENDATION

For information