

**SPECIAL MEETING OF THE FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA  
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712  
3:30 P.M., TUESDAY, JANUARY 25, 2011**

**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. DEMANDS – NOVEMBER & DECEMBER 2010**  
*Staff Recommendation:* Receive and file the Demands for November 30, 2010 and December 31, 2010.
- 4. FINANCIAL STATEMENTS – NOVEMBER 30, 2010**  
*Staff Recommendation:* Approve the Financial Statements for submittal to the Board of Directors.
- 5. FINANCIAL STATEMENTS – DECEMBER 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 NOVEMBER 30, 2010**  
*Staff Recommendation:* Approve the Investment Report for submittal to the Board of Directors.
- 7. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2010**  
*Staff Recommendation:* Approve the Investment Report for submittal to the Board of Directors.
- 8. CONSIDERATION OF RESOLUTION NO. 11- 896 –  
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. 18 OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 18); 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 099-2007 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687**

Staff recommendation: Adopt resolution #11-896.

- 9. CONSIDERATION OF RESOLUTION NO. 11-XXX – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA DECLARING THE OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS**

Staff recommendation: Approve adoption of Resolution #11-XXX approving a reimbursement resolution for an amount not to exceed \$10 million.

- 10. FINANCIAL AUDIT FOR THE PERIOD ENDING JUNE 30, 2010**

Staff Recommendation: Recommend receive and file the June 30, 2010 Comprehensive Annual Financial Report to the Board of Directors

- 11. COMMUNITY BANKING PROGRAM – UNION BANK OF CALIFORNIA**

Staff Recommendation: For discussion.

- 12. EVENT SPONSORSHIPS AND COMMUNITY GRANTS**

Staff Recommendation: For discussion.

- 13. DEPARTMENT REPORT**

- 14. DIRECTORS EXPENSES**

Staff Recommendation: Approve Directors Expenses for submittal to the Board of Directors.

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

- 16. ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, January 24, 2011

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](http://www.wrd.org).



**MEMORANDUM**

**ITEM NO. 3**

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

**DATE: JANUARY 25, 2011**  
**TO: FINANCE COMMITTEE**  
**FROM: ROBB WHITAKER, GENERAL MANAGER**  
**SUBJECT: DEMANDS - NOVEMBER 2010 & DECEMBER 2010**

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**SUMMARY**

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

1. The demands list for the period November 1st – November 30th, 2010 and December 1st, 2010 – December 31st, 2010.
2. The demands sorted by vendor with an additional column showing fiscal year-to-date payments

**Demands Summary – November 2010**

Replenishment Fund	\$ 2,519,277.31
Clean Water Fund	<u>246,415.13</u>
Total	<u><u>2,765,692.44</u></u>

**Demands Summary – December 2010**

Replenishment Fund	\$ 2,931,229.86
Clean Water Fund	<u>215,946.03</u>
Total	<u><u>\$ 3,147,175.89</u></u>

**STAFF RECOMMENDATION**

Receive and file the Demands for November 30, 2010 and December 31, 2010.



**WATER REPLENISHMENT DISTRICT  
OF SOUTHERN CALIFORNIA**

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 November 30, 2010

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
P0051	ALBERT ROBLES	10/10 DIRECTORS COMPENSATION			
P0051	ALBERT ROBLES	10/10 EXPENSE REIMBURSEMENT	2,828.04	2,658.36	169.68
P0053	LILLIAN Y. KAWASAKI	10/10 DIRECTORS COMPENSATION	536.11	503.94	32.17
DD	SERGIO J. CALDERON	10/10 DIRECTORS COMPENSATION	2,401.34	2,257.25	144.09
DD	WILLARD H. MURRAY, JR	10/10 DIRECTORS COMPENSATION	1,017.42	956.38	61.04
DD	ROBERT E. KATHERMAN	10/10 DIRECTORS COMPENSATION	730.60	686.76	43.84
P0054	ROBERT E. KATHERMAN	10/10 EXPENSE REIMBURSEMENT	996.73	936.93	59.80
DD	AFSCME LOCAL 1902 UNION	UNION DUES	808.60	760.08	48.52
DD	AFSCME LOCAL 1902 UNION	UNION DUES	556.40	481.60	74.80
DD	AFSCME LOCAL 1902 UNION	UNION DUES	556.40	481.94	74.46
DD	EDD	DIR STATE TAX W/H	556.40	476.15	80.25
DD	EDD	STATE TAX DEPOSIT	76.88	72.27	4.61
DD	EDD	STATE TAX DEPOSIT	5,440.33	4,644.94	795.39
DD	EDD	STATE TAX DEPOSIT	5,420.43	4,567.50	852.93
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	5,757.42	4,867.43	889.99
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	72,592.92	62,790.72	9,802.20
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	72,265.03	61,981.91	10,283.12
DD	FLEX-PLAN SERVICES, INC	HRA & FSA REIMBURSEMENTS	73,726.63	63,097.53	10,629.10
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	2,613.36	2,456.55	156.81
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	2,643.50	2,484.89	158.61
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	3,992.55	3,752.99	239.56
DD	FLEX-PLAN SERVICES, INC	FSA REIMBURSEMENT	3,252.12	3,056.99	195.13
DD	FLEX-PLAN SERVICES, INC	08/10 MONTHLY SVC CHR	193.00	181.42	11.58
DD	INTERNAL REVENUE SERVICE	DIR FEDERAL TAX DEPOSIT	969.30	911.14	58.16
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	2,456.96	2,309.54	147.42
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	28,105.15	24,204.71	3,900.44
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	27,158.65	23,163.64	3,995.01
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	27,852.45	23,643.69	4,208.76
DD	PARS	DIR PARS PAYMENT	2,374.73	2,232.25	142.48
DD	PRUDENTIAL	DEFERRED COMP	3,385.77	3,182.63	203.14
DD	PRUDENTIAL	DEFERRED COMP	16,684.04	14,642.37	2,041.67
DD	PRUDENTIAL	DEFERRED COMP	16,684.04	14,658.51	2,025.53
DD	PERS	DIR PERS PAYMENT	15,283.04	13,362.10	1,920.94
DD	PERS	PERS PAYMENT	579.61	544.83	34.78
DD	PERS	PERS PAYMENT	25,513.15	22,043.40	3,469.75
DD	PERS	PERS PAYMENT	25,513.15	21,932.19	3,580.96
2005	UPPER SAN GABRIEL VALLEY MWD	2010 WATER FEST SPONSORSHIP	26,100.70	22,317.10	3,783.60
2065	ACWA	2011 MEMBERSHIP DUES	(5,000.00)	(4,700.00)	(300.00)
2066	AQUAVEO	9/15/10-9/15/11 MAINT SERVICE	18,067.50	16,983.45	1,084.05
2067	AT&T MOBILITY	MONTHLY CELL PHONE SVC	840.00	420.00	420.00
2068	CALIFORNIA WATER SERVICE	WATER USAGE THRU 10/20/10	150.57	141.54	9.03
2069	CDW GOVERNMENT	COMPUTER SUPPLIES	53.89	50.66	3.23
2070	COUNTY SANITATION DISTRICT 2	08/10 WATER PURCHASE - SJC	635.09	596.98	38.11
2071	DAL RAE RESTAURANTS	2010 OFF-SITE MEETING	170,813.42	170,813.42	-
2072	DMJ CONSULTING GROUP	011: PROF SERVICE THRU 10/23/10	500.00	470.00	30.00
2073	DRAGONFLY DESIGN GROUP	2010-11 WRD ANNUAL BUDGET	1,892.80	946.40	946.40
2074	FEDERAL EXPRESS CORP	FEDEX SERVICE	6,611.34	6,214.66	396.68
2075	GEOTRANS	025: PROF SERVICE THRU 10/01/10	350.38	315.82	34.56
2076	HELPMATES STAFFING	TEMP SERVICE THRU 10/17/10 - MC	22,070.62	11,035.31	11,035.31
2077	LAKEWOOD, CITY OF	WATER USAGE THRU 10/20/10	3,508.12	3,297.64	210.48
2078	LONG BEACH, CITY OF	09/10 WATER PURCHASE	226.67	213.07	13.60
2079	LONG BEACH, CITY OF	001: 10/10 O & M SERVICE	9,460.40	9,460.40	-
2080	MARCIA FORKOS	MEDICAL REIMBURSEMENT	68,461.92	68,461.92	-
2081	M ARTHUR GENSLE	032: PROF SERVICE THRU 09/25/10	1,217.98	1,144.90	73.08
			165.00	155.10	9.90



Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
2082	MEYERS & NAVE	09/10 LEGAL SERVICE			
2083	MILLENNIUM ADVOCATES	10/10 LEGISLATIVE SERVICE	20,289.02	16,130.63	4,158.39
2084	SAGE SOFTWARE	1099 & W2 FORMS	15,000.00	14,100.00	900.00
2085	NELLOR ENVIRONMENTAL	004: 09/10 PROF SERVICE	272.42	256.07	16.35
2086	OFFICE TEAM	TEMP SERVICE THRU 10/15/10	1,080.00	1,080.00	-
2087	SIEMENS WATER TECHNOLOGIES	011: FIELD SUPPLIES	2,988.08	2,808.80	179.28
2088	SOUTHERN CAL WATER COMMITTEE	BOARD OF TRUSTEE MEETING	630.38	315.19	315.19
2089	STANDARD INSURANCE COMPANY	11/10 STD/LTD PREMIUM	400.00	376.00	24.00
2090	STAPLES CREDIT PLAN	OFFICE SUPPLIES	1,307.00	1,228.58	78.42
2091	VOID	VOID	435.93	409.77	26.16
2092	THE SIGNAL TRIBUNE	NEWSPAPER AD	-	-	-
2093	TIME WARNER CABLE	MONTHLY INTER-NET CHARGES	875.00	822.50	52.50
2094	TORRANCE, CITY OF	002: 08/10 O & M SERVICE	1,000.00	940.00	60.00
2095	XEROX CORPORATION	10/10 COPIER SERVICE - TECH ROOM	42,060.68	-	42,060.68
2096	XO CORPORATION	PHONE CHARGES THRU 11/14/10	1,307.06	1,228.63	78.43
2097	COUNTY SANITATION DISTRICT 2	FY 09/10 WWTS PAYMENT	105.07	98.77	6.30
2098	COUNTY SANITATION DISTRICT 2	002: 1ST QTR WWTS ADJ PAYMENT	716.59	-	716.59
2099	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	179.00	-	179.00
2100	PW WOMEN'S LEADERSHIP CONF	INAUG WOMEN'S LEADERSHIP CONFERENCE	261.90	246.18	15.72
2101	WEST BASIN MUNICIPAL WATER DISTRICT	09/10 WATER PURCHASE	500.00	470.00	30.00
2102	ASSOC OF CALIFORNIA WATER AGENCIES	ACWA 2010 CONF REGIS FEE	1,454,695.00	1,454,695.00	-
2103	AIR CHEM ENGINEERED SYSTEMS	001: MAINTENANCE SERVICE	270.00	253.80	16.20
2104	AMERICAN RED CROSS	DISASTER RELIEF TRAINING	6,019.50	6,019.50	-
2105	ARAMARK	PROJ FIELD CLOTHING	250.00	235.00	15.00
2106	CDW GOVERNMENT	COMPUTER SUPPLIES	404.25	303.19	101.06
2107	CENTRO SHALOM	HONORING OF SEN ALAN LOWENTHAL	1,230.38	1,156.56	73.82
2108	CH2M HILL	001: PROF SERVICE THRU 09/24/10	1,000.00	940.00	60.00
2109	COMM FOR A BETTER ENVIRONMENT	CALIFORNIA COLLEGE TOUR	65,375.20	65,375.20	-
2110	CSMFO	2011 MEMBERSHIP DUES - SO	5,000.00	4,700.00	300.00
2111	FEDERAL EXPRESS	FEDEX SERVICE	110.00	103.40	6.60
2112	FM THOMAS AIR CONDITIONING	10/13/10 MAINT SERVICE	220.32	175.07	45.25
2113	IN-SITU INC.	011: MAINTENANCE SERVICE	480.00	451.20	28.80
2114	REMY HERNANDEZ FOR WRD	PETTY CASH REIMBURSEMENT	1,384.40	692.21	692.19
2115	LA COUNTY FLOOD CONTROL DISTRICT	023: PROF SERVICE THRU 09/30/10	447.22	425.00	22.22
2116	LAKEWOOD COMMUNITY NEWS	11/01/10 NEWSPAPER AD	42,651.33	42,651.33	-
2117	LAW OFFICE PERSONNEL SERVICE	05/11/10 BOARD MEETING TRANSCRIPT	450.00	423.00	27.00
2118	LBACC	STATE OF THE COUNTY	490.00	460.60	29.40
2119	LONG BEACH, CITY OF	001: PROF SERVICE THRU 08/27/10	1,295.00	1,217.30	77.70
2120	LOS ANGELES, CITY OF DWP	09/20/10-10/20/10 WATER PURCHASE	3,224.25	3,224.25	-
2121	McMASTER-CARR SUPPLY	011: FIELD SUPPLIES	31,931.46	31,931.46	-
2122	NALEO EDUCATIONAL FUND	11/01/10-11/01/11 MEMB DUES - AR	170.96	85.48	85.48
2123	OCB REPROGRAPHICS	033: COST PROPOSAL BINDERS	100.00	94.00	6.00
2124	OFFICE TEAM	TEMP SERVICE THRU 10/22/10	1,484.03	1,484.03	-
2125	U.S. POSTAL SERVICE	POSTAGE USAGE	2,646.59	2,487.79	158.80
2126	PR NEWSWIRE ASSOCIATION	10/07/10 PRESS RELEASE	500.00	470.00	30.00
2127	SIEMENS WATER TECHNOLOGIES	011: FIELD SUPPLIES	220.00	206.80	13.20
2128	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	200.00	100.00	100.00
2129	TORRANCE, CITY OF	002: 12/10 PLANT SITE RENT	469.92	441.72	28.20
2130	TORRANCE, CITY OF	002: 09/10 O & M SERVICE	3,373.48	-	3,373.48
2131	US FIRE PROTECTION	FIRE EXTINGUISHER MAINT SERVICE	44,645.02	-	44,645.02
2132	VERIZON WIRELESS	MONTHLY CELL PHONE SVC	127.90	120.23	7.67
2133	WORLEY PARSONS KOMEX	006: 03/27/10-08/27/10 PROF SERVICE	919.05	863.92	55.13
2134	XEROX CORPORATION	11/10 COPIER SERVICE	43,377.31	-	43,377.31
2135	COSTCO BUSINESS DELIVERY	2011 MEMBERSHIP DUES	3,858.82	3,627.28	231.54
2136	AT&T	002: MONTHLY PHONE SERVICE	500.00	470.00	30.00
2137	BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 10/30/10	266.47	-	266.47
2138	BROWNSTEIN HYATT	09/10 LEGISLATIVE SERVICE	337.50	337.50	-
2139	EAST WEST BANK	10/10 DIR MURRAY CC CHARGES	15,000.00	14,100.00	900.00
2140	F&M BANK: CC PAYMENT	10/10 CC CHARGES	15.00	14.10	0.90
2141	FM THOMAS AIR CONDITIONING	QRTLY MAINT SERVICE	1,312.50	1,233.75	78.75
2142	HELPMATES STAFFING SERVICES	TEMP SERVICE THRU 10/31/10	608.25	571.75	36.50
2143	INFINITE CONFERENCING	10/10 PHONE CONFERENCING SVC	2,423.52	2,278.11	145.41
2144	JAN-PRO CLEANING	11/10 JANITORIAL SERVICE	41.35	38.87	2.48
2145	KINDEL GAGAN	005: 10/10 PROF SERVICE	2,743.00	2,578.42	164.58
2146	NELLOR ENVIRONMENTAL	004: 10/10 PROF SERVICE	10,000.00	10,000.00	-
2147	OFFICE TEAM	TEMP SERVICE THRU 11/05/10	90.00	90.00	-
2148	PARS	09/10 REP FEES	3,491.18	3,281.71	209.47
2149	PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	500.00	470.00	30.00
2150	SOUTHERN CALIFORNIA EDISON	10/10 ENERGY USAGE	200.00	100.00	100.00
2151	SOUTHERN CALIFORNIA EDISON	002: ENERGY USAGE THRU 10/05/10	2,789.71	2,622.33	167.38
2152	TESTAMERICA	006: 11/23/09 PROF SERVICE	4,887.50	-	4,887.50
2153	THE GAS COMPANY	MONTHLY UTILITY CHARGES	6,224.00	-	6,224.00
			233.94	219.90	14.04

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
2154	TIME WARNER CABLE	MONTHLY INTERNET SERVICE	1,000.00	940.00	60.00
2155	VASQUEZ & COMPANY	2009/10 FINANCIAL AUDIT SERVICE	3,000.00	2,820.00	180.00
2156	VERIZON CALIFORNIA	MONTHLY PHONE CHARGES	340.09	319.68	20.41
2157	WESTERN EXTERMINATOR CO	10/10 PESTICIDE SERVICE	65.00	61.10	3.90
2158	WORLEY PARSONS KOMEX	006: PRO SERVICE THRU 09/24/10	3,089.63	-	3,089.63
2159	AQUARIUM OF THE PACIFIC	EDUCATION PARTNERSHIP PROG	50,000.00	47,000.00	3,000.00
2160	INTERIOR PLANT DESIGN	11/10 PLANT MAINT SERVICE	2,000.00	1,816.00	184.00
2161	RIGHT OF WAY	011: TRAFFIC CONTROL PLANS	3,826.37	1,913.19	1,913.18
2162	ACWA - HBA	11/10 & 12/10 EAP PREMIUM	254.88	239.62	15.26
2163	ACWA - HBA	12/10 MED/DEN/LIFE PREMIUM	50,354.74	47,333.47	3,021.27
2164	EXXON MOBIL FLEET	MONTHLY FUEL PAYMENT	500.00	470.00	30.00
2165	HELPMATES STAFFING SERVICES	TEMP SERVICE THRU 11/07/10 - MC	1,286.56	1,209.37	77.19
2166	INTER-TEL NETSOLUTIONS	MONTHLY PHONE CHARGES	834.49	784.42	50.07
2167	MARTIN E WHELAN. JR.	12/10 MEDICAL PREMIUM	736.33	692.15	44.18
2168	VERIZON BUSINESS	MONTHLY INTERNET SERVICE	618.58	581.47	37.11
2169	OFFICE TEAM	TEMP SERVICE THRU 11/12/10	2,199.69	2,067.71	131.98
2170	VOID	VOID	-	-	-
2171	STANLEY CONVERGENT SECURITY	12/10 ALARM MAINT SERVICE	116.09	109.13	6.96
2172	XEROX CORPORATION	11/10 COPIER SERVICE - TR#561586	4,554.99	4,281.69	273.30
2173	XO CORPORATION	PHONE CHARGES THRU 12/14/10	104.81	98.52	6.29
2174	VOID	VOID	-	-	-
2175	STANDARD INSURANCE COMPANY	12/10 STD/LTD PREMIUM	1,312.00	1,233.28	78.72
I0143	PEPSI BOTTLING	SUPPLIES - INV #41189060	244.23	229.58	14.65
I0144	TGIS CATERING SERVICES	10/21/10 ADMIN COMM MEETING	309.43	290.86	18.57
I0145	SPARKLETTS	SUPPLIES	415.53	390.60	24.93
I0146	ENRIQUE'S MEXICAN RESTAURANT	11/15/10 EA COMM MEETING	239.64	225.26	14.38
I0147	ERHART'S CATERING	10/27/10 SPECIAL BOARD MEETING	364.49	342.62	21.87
I0148	ERHART'S CATERING	11/03/10 WTR RESOURCES COMM MEETING	182.78	171.81	10.97

Total Demands from November 1, 2010 to November 30, 2010

**2,765,692.44      2,519,277.31      246,415.13**

Robb Whitaker, P.E., General Manager



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

February 18, 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 December 31, 2010

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
DD	ALBERT ROBLES	11/10 DIRECTORS COMPENSATION	2,778.04	2,611.35	166.69
DD	SERGIO J. CALDERON	10/10 DIRECTORS COMPENSATION	1,319.78	1,240.59	79.19
DD	SERGIO J. CALDERON	10/10 EXPENSES COMPENSATION	55.01	51.72	3.29
DD	SERGIO J. CALDERON	11/10 DIRECTORS COMPENSATION	1,176.14	1,105.57	70.57
DD	WILLARD H. MURRAY, JR	11/10 EXPENSE REIMBURSEMENT	551.28	518.20	33.08
DD	ROBERT E. KATHERMAN	11/10 DIRECTORS COMPENSATION	788.80	741.47	47.33
P0058	ROBERT E. KATHERMAN	11/10 DIRECTORS COMPENSATION	996.73	936.93	59.80
DD	AFSCME LOCAL 1902 UNION	11/10 EXPENSE REIMBURSEMENT	525.32	493.81	31.51
DD	AFSCME LOCAL 1902 UNION	UNION DUES	556.40	454.34	102.06
DD	EDD	UNION DUES	556.40	468.64	87.76
DD	EDD	DIR STATE TAX W/H	71.35	67.06	4.29
DD	EDD	STATE TAX DEPOSIT	11,172.99	9,416.08	1,756.91
DD	EMPLOYEE PAYROLL	STATE TAX DEPOSIT	7,185.20	5,870.61	1,314.59
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	123,763.46	103,687.21	20,076.25
DD	FLEX-PLAN SERVICES, INC	SALARY EXPENSE	90,714.92	75,369.95	15,344.97
DD	FLEX-PLAN SERVICES, INC	HRA & FSA REIMBURSEMENT	2,162.79	2,033.02	129.77
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	12,506.90	11,756.49	750.41
DD	FLEX-PLAN SERVICES, INC	HRA & FSA REIMBURSEMENT	2,466.28	2,318.31	147.97
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	4,942.49	4,645.94	296.55
DD	FLEX-PLAN SERVICES, INC	HRA & FSA REIMBURSEMENT	5,899.97	5,545.97	354.00
DD	INTERNAL REVENUE SERVICE	DIR FEDERAL TAX DEPOSIT	2,388.89	2,245.52	143.37
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	43,907.33	36,415.16	7,492.17
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	29,443.61	24,241.09	5,202.52
DD	PARS	DIR PARS PAYMENT	2,220.95	2,087.69	133.26
DD	PRUDENTIAL	DIR DEFERRED COMP	4,989.62	4,690.29	299.33
DD	PRUDENTIAL	DEFERRED COMP	14,374.86	12,287.76	2,087.10
DD	PERS	DEFERRED COMP	14,027.76	12,050.97	1,976.79
DD	PERS	DIR PERS PAYMENT	579.61	544.83	34.78
DD	PERS	PERS PAYMENT	25,625.51	21,018.51	4,607.00
DD	PERS	PERS PAYMENT	25,625.51	21,442.63	4,182.88
DD	FLEX-PLAN SERVICES	10/10 MONTHLY SVC CHRG	967.10	909.07	58.03
2176	EAST WEST BANK	CC CHARGES THRU 11/03/10	2,684.82	2,523.73	161.09
2177	AMS,INC	018: FIELD TRUCK PARTS	4,205.00	4,205.00	-
2178	ASBURY ENVIRONMENTAL	011: WATER DISPOSAL SERVICE	1,967.70	983.85	983.85
2179	ASCE	2011 MEMBERSHIP DUES - RW	255.00	239.70	15.30
2180	ASCE	2011 MEMBERSHIP DUES - CK	255.00	239.70	15.30
2181	AVISTA TECHNOLOGIES	001: PROFESSIONAL SERVICE	2,400.00	2,400.00	-
2182	BUREAU VERITAS N AMERICA	004: PROF SERVICE THRU 10/22/10	1,376.25	1,376.25	-
2183	CA ASSOC OF PUBLIC INFO OFFICIALS	SUBSCRIPTION FEE - OQ	225.00	211.50	13.50
2184	CA CONTRACT CITIES ASSOCIATION	REGISTRATION FEE - AR	350.00	329.00	21.00
2185	CA POLITICAL WEEK (CALPEEK)	2011 SUBSCRIPTION FEE	80.00	75.20	4.80
2186	CDW GOVERNMENT	COMPUTER SUPPLIES	1,138.93	1,070.60	68.33
2187	CH2M HILL	001: PROF SERVICE THRU 10/29/10	172,697.19	172,697.19	-
2188	CLEAN SOURCE	GENERAL SUPPLIES	502.38	472.24	30.14
2189	COUNTY SANITATION DISTRICT 2	09/10 WATER PURCHASE - WN	3,270.40	3,270.40	-
2190	COUNTY SANITATION DISTRICT 2	09/10 WATER PURCHASE - SJC	175,124.87	175,124.87	-
2191	DAILY BREEZE	10/03/10 NEWSPAPER AD	493.30	463.70	29.60
2192	EMPLOYMENT DEV DEPT	UNEMPLOYMENT INSURANCE	4,950.00	4,653.00	297.00
2193	ERHART'S CATERING	11/10/20 FINANCE COMM MEETING	248.04	233.16	14.88
2194	FEDERAL EXPRESS	FEDEX SERVICE	280.09	242.71	37.38
2195	GEIGER WEST MONROVIA	PROMOTIONAL ITEMS	956.72	899.32	57.40
2196	HELPMATES STAFFING	TEMP SERVICE THRU 11/14/10 - MC	1,107.04	1,040.62	66.42
2197	IN-SITU INC.	011: MAINTENANCE SERVICE	2,350.73	1,175.38	1,175.35



Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
2198	INSTRUMENTATION NORTHWEST	011: FIELD EQUIPMENT	282.87	141.44	141.43
2199	KONE INC	ELEVATOR MAINT SERVICE	1,955.00	1,837.70	117.30
2200	LEGISLATIVE ADVOCACY	005: 09/10 & 10/10 LEGIS SERVICE	10,000.00	10,000.00	-
2201	LONG BEACH, CITY OF	001: 11/10 O & M SERVICE	68,461.92	68,461.92	-
2202	LONG BEACH DAY NURSERY	CHILDCARE SPONSORSHIP	125.00	117.50	7.50
2203	LOS ANGELES TIMES	11/09/10-04/23/11 SUBSCRIPTION FEE	287.25	270.02	17.23
2204	METROPOLITAN NEWS	11/19/10 PUBLIC HEARING NOTICE	59.50	55.93	3.57
2205	MILLENNIUM ADVOCATES	11/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
2206	ORANGE COUNTY MWD	11/04/10 WATER POLICY DINNER - RK	65.00	61.10	3.90
2207	PACIFIC ATLANTIC	11/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
2208	PUBLIC RELATIONS SOCIETY	SUBSCRIPTION FEE - OQ	350.00	329.00	21.00
2209	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	617.74	580.67	37.07
2210	SWRCB	018: 07/01/10-06/30/11 WDR FEE - DG	1,452.00	1,452.00	-
2211	SWRCB	001: 07/01/10-06/30/11 WDR FEE - AB	1,452.00	1,452.00	-
2212	SWRCB	011: 07/01/10-06/30/11 WDR FEE - BALLONA	6,970.00	3,485.00	3,485.00
2213	SWRCB	011: 07/01/10-06/30/11 WDR FEE - DOMIN	6,970.00	3,485.00	3,485.00
2214	SWRCB	011: 07/01/10-06/30/11 WDR FEE - LA RIVER	6,970.00	3,485.00	3,485.00
2215	SWRCB	011: 07/01/10-06/30/11 WDR FEE - SGR	6,970.00	3,485.00	3,485.00
2216	TGIS CATERING SERVICES	11/08/10 ADMIN COMM MEETING	630.36	592.54	37.82
2217	THE SIGNAL TRIBUNE	11/05/10 NEWSPAPER AD	550.00	533.50	16.50
2218	VOID	VOID	-	-	-
2219	WORLEY PARSONS KOMEX	006: 08/28/10-09/27/10 PROF SERVICE	327.79	-	327.79
2220	TODD HEARD	WATER CONSERVATION ANIMATION	830.00	780.20	49.80
2221	ALBRIGHT, YEE & SCHMIT	10/10 LEGAL SERVICES	3,404.21	3,199.96	204.25
2222	HARRIS & ASSOCIATES	10/10 LEGAL SERVICE	23,260.24	21,864.63	1,395.61
2223	MEYERS & NAVE	10/10 LEGAL SERVICE	16,415.63	14,815.07	1,600.56
2224	ALSTON & BIRD LLP	005: 10/10 LEGAL SERVICES	13,150.27	13,150.27	-
2225	WEST BASIN MWD	10/10 WATER PURCHASE	1,346,218.12	1,346,218.12	-
2226	INTERIOR PLANT DESIGN	DISTRICT BUILDING PLANTS	550.28	517.26	33.02
2227	ALLIANCE RESOURCES	PROFESSIONAL SERVICE	10,000.00	9,400.00	600.00
2228	AT&T MOBILITY	MONTHLY CELL PHONE SERVICE	144.25	135.60	8.65
2229	CDW GOVERNMENT	COMPUTER SUPPLIES	139.99	131.59	8.40
2230	COSTCO BUSINESS	KITCHEN SUPPLIES	346.25	325.48	20.77
2231	DAILY BREEZE	SUBSCRIPTION FEE THRU 10/03/11	261.00	245.34	15.66
2232	DELL MARKETING LP	COMPUTER SUPPLIES	38,803.86	36,475.63	2,328.23
2233	ENRIQUE'S MEXICAN	12/09/10 FINANCE COMMITTEE MEETING	192.87	181.30	11.57
2234	FEDERAL EXPRESS	FEDEX SERVICE	282.16	238.98	43.18
2235	HARRIS & ASSOCIATES	09/10 LEGAL SERVICE	25,940.00	24,383.60	1,556.40
2236	IN-SITU INC.	011: MAINT SERVICE	528.17	264.09	264.08
2237	INTERIOR PLANT DESIGN	001: 12/10 MAINT SERVICE	2,000.00	1,816.00	184.00
2238	LA EXPRESS ONE INC	COURIER SERVICE	133.76	125.74	8.02
2239	NORWALK PRINTING	WRD LETTERHEADS	332.54	312.59	19.95
2240	OFFICE TEAM	TEMP SERVICE THRU 11/19/10	2,192.75	2,061.19	131.56
2241	PEPSI BOTTLING	SUPPLIES	252.61	237.45	15.16
2242	RIVANNA NATURAL DESIGN	CASQA AWARD PLAQUE	232.81	218.84	13.97
2243	RMC WATER AND ENVIRONMENT	033: PROF SERVICE THRU 10/29/10	23,767.03	23,767.03	-
2244	SPARKLETTS	SUPPLIES	63.49	59.68	3.81
2245	STAPLES CREDIT PLAN	OFFICE SUPPLIES	199.07	187.12	11.95
2246	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	499.19	469.24	29.95
2247	STATE WTR RES CNTRL BOARD	002: 07/01/10-06/30/11 WDR FEE - SW#1&2	1,452.00	-	1,452.00
2248	STATE WTR RES CNTRL BOARD	002: 07/01/10-06/30/11 WDR FEE - MWH#2	1,452.00	-	1,452.00
2249	STATE WTR RES CNTRL BOARD	001: 07/01/10-06/30/11 WDR FEES - ASB	1,452.00	1,452.00	-
2250	VASQUEZ & COMPANY	2009/10 FINANCIAL AUDIT SERVICE	2,500.00	2,350.00	150.00
2251	VERIZON WIRELESS	MONTHLY CELL PHONE SERVICE	928.01	872.34	55.67
2252	WATER EDUCATION FOUNDATION	2011 MEMBERSHIP DUES	874.00	821.56	52.44
2253	WEST BASIN WATER ASSOCIATION	QRTLY LUNCHEON MEETING	75.00	70.50	4.50
2254	WESTERN EXTERMINATOR	11/10 PESTICIDE SERVICE	65.00	61.10	3.90
2255	XEROX CORPORATION	12/10 COPIER SERVICE	4,156.98	3,907.56	249.42
2256	1-800-CONFERENCE(R)	025: 11/10 CONFERENCE CALLS	341.65	170.83	170.82
2257	ARLENE BOATRIGHT	2010 MEDICAL REIMBURSEMENT	6,160.00	5,790.40	369.60
2258	AT&T	002: MONTHLY PHONE SERVICE	229.55	-	229.55
2259	BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 11/27/10	3,825.00	3,825.00	-
2260	BOSTON MARKET	12/22/10 GWQ COMM MEETING	153.51	144.30	9.21
2261	BROWNSTEIN HYATT	10/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
2262	CALIFORNIA WATER SERVICE	WATER USAGE THRU 11/18/10	53.90	50.67	3.23
2263	CERRITOS CHAMBER	2011 MEMBERSHIP DUES	385.00	361.90	23.10
2264	CH2M HILL	001: PROF SERVICE THRU 11/26/10	69,743.98	69,743.98	-
2265	CLIMATEC BUILDING	09/15/10-12/14/10 MAINT SERVICE	1,500.00	1,410.00	90.00
2266	DMJ CONSULTING GROUP	011: PROF SERVICE THRU 11/23/10	1,675.90	837.95	837.95
2267	F&M BANK: CC PAYMENT	11/10 CC CHARGES	3,043.20	2,860.61	182.59
2268	HELPMATES STAFFING	TEMP SERVICE THRU 11/21/10 - MC	927.52	871.87	55.65

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
2269	IN-SITU INC.	011: FIELD SUPPLIES	24,004.21	12,002.11	12,002.10
2270	JAN-PRO CLEANING	12/10 JANITORIAL SERVICE	2,743.00	2,578.42	164.58
2271	KINDEL GAGAN	11/10 PROFESSIONAL SERVICE	10,225.00	10,211.50	13.50
2272	LAKEWOOD CHAMBER	2011 MEMBERSHIP DUES	430.00	404.20	25.80
2273	LAW OFFICE PERSONNEL	11/19/10 BOARD MEETING TRANSCRIPT	332.50	312.55	19.95
2274	LOMITA CHAMBER	2011 MEMBERSHIP DUES	350.00	329.00	21.00
2275	LONG BEACH, CITY OF	10/10 WATER PURCHASE	115,289.80	115,289.80	-
2276	LOS ANGELES, CITY OF DWP	10/20/10-11/18/10 WATER PURCHASE	41,488.92	41,488.92	-
2277	MWH LABORATORIES	08/10 LAB SERVICE	102,853.00	96,644.00	6,209.00
2278	OFFICE TEAM	TEMP SERVICE THRU 11/19/10	907.68	853.22	54.46
2279	ORANGE COUNTY MWD	001: PROF SERVICE THRU 09/30/10	13,712.67	13,712.67	-
2280	PACIFIC ATLANTIC	12/10 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
2281	PEPSI BOTTLING	SUPPLIES	191.26	179.78	11.48
2282	RIGHT OF WAY	011: TRAFFIC CONTROL SERVICE	3,805.00	1,902.51	1,902.49
2283	ROBERT W. GOLDSWORTHY	2010 MEDICAL REIMBURSEMENT	1,255.13	1,179.82	75.31
2284	SANTA FE SPRINGS CHAMBER	2011 MEMBERSHIP DUES	220.00	206.80	13.20
2285	SOUTHERN CALIFORNIA EDISON	11/10 ENERGY USAGE	2,642.41	2,483.87	158.54
2286	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	371.92	349.60	22.32
2287	TESTAMERICA	006: 11/10 PROF SERVICE	4,352.60	-	4,352.60
2288	TGIS CATERING SERVICES	11/29/10 AD HOC COMM MEETING	316.31	297.33	18.98
2289	TIME WARNER CABLE	MONTHLY INTERNET SERVICE	1,000.00	940.00	60.00
2290	TORRANCE, CITY OF	002: 12/10 PLANT SITE RENT	3,373.48	-	3,373.48
2291	TORRANCE, CITY OF	002: 10/10 O & M SERVICE	36,673.68	-	36,673.68
2292	US FIRE PROTECTION	12/06/10 INSPECTION SERVICE	170.55	160.32	10.23
2293	VERIZON CALIFORNIA	MONTHLY PHONE SERVICE	339.94	319.54	20.40
2294	WATEREUSE ASSOCIATION	004: 2011 MEMBERSHIP DUES	7,191.47	7,191.47	-
2295	WATER WISE CONSULTING	ECO PRO TRAINING PROGRAM	13,175.00	12,384.50	790.50
2296	ALSTON & BIRD LLP	11/10 LEGAL SERVICE	10,790.04	10,790.04	-
2297	ACWA 1	01/11 EAP PREMIUM	127.44	119.81	7.63
2298	ACWA - HBA	01/11 MED/DEN/LIFE PREMIUM	55,875.72	52,523.18	3,352.54
2299	COUNTY SANITATION DISTRICT 2	001: 2ND QTR WWTS PAYMENT	35,870.00	35,870.00	-
2300	GEOTRANS	025: PROF SERVICE THRU 11/26/10	2,889.14	1,444.57	1,444.57
2301	INFINITE CONFERENCING	11/10 PHONE CONFERENCING SVC	21.79	20.48	1.31
2302	INTER-TEL NETSOLUTIONS	MONTHLY PHONE CHARGES	876.89	824.28	52.61
2303	LA EXPRESS ONE INC	COURIER SERVICE	66.88	62.87	4.01
2304	MARTIN E WHELAN, JR.	01/11 MEDICAL PREMIUM	733.35	689.35	44.00
2305	VERIZON BUSINESS	MONTHLY INTERNET SERVICE	618.58	581.47	37.11
2306	NELLOR ENVIRONMENTAL	004: 11/10 PROF SERVICE	3,060.00	3,060.00	-
2307	OFFICE TEAM	TEMP SERVICE THRU 11/26/10 - KH	1,032.00	970.08	61.92
2308	PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	405.00	212.43	192.57
2309	SOUTHERN CALIFORNIA EDISON	002: ENERGY USAGE THRU 12/08/10	19,295.84	-	19,295.84
2310	STANDARD INSURANCE COMPANY	01/11 STD/LTD PREMIUM	1,312.00	1,233.28	78.72
2311	STAPLES CREDIT PLAN	OFFICE SUPPLIES	435.99	409.83	26.16
2312	THE GAS COMPANY	MONTHLY UTILITY CHARGES	393.16	369.57	23.59
2313	US BANK TRUST N.A.	11/01/10-10/31/11 ADMIN FEE	1,050.00	987.00	63.00
2214	WORLEY PARSONS KOMEX	006: PROF SERVICE THRU 10/29/10	4,416.56	-	4,416.56
2315	XO CORPORATION	PHONE CHARGES THRU 01/14/11	102.16	96.03	6.13
2316	COUNTY SANITATION DISTRICT 2	002: 2ND QTR WWTS PAYMENT	18,242.00	-	18,242.00
ACH101230	EAST WEST BANK	CC CHARGES THRU 12/06/10	5,255.18	4,939.87	315.31
<b>Total Demands from December 1, 2010 to December 31, 2010</b>			<b>3,147,175.89</b>	<b>2,931,229.86</b>	<b>215,946.03</b>

Robb Whitaker, P.E., General Manager



**MEMORANDUM**

**ITEM NO. 4**

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

**DATE: JANUARY 25, 2011**  
**TO: FINANCE COMMITTEE**  
**FROM: ROBB WHITAKER, GENERAL MANAGER**  
**SUBJECT: FINANCIAL STATEMENTS – NOVEMBER 30, 2010**

The attached financial statements include the Statement of Net Assets (Balance Sheet) as of November 30, 2010 and the Statement of Revenues, Expenditures and Changes in Net Assets (Income Statement) for the month ending November 30, 2010. Explanation of selected account balances are as follows:

**Statement of Net Assets**

**ASSETS**

Cash and Cash Equivalents – There were no significant payments in November 2010, which caused an increase in cash of approximately \$1.38 million. See accounts payable for a corresponding increase.

Construction-In-Progress – The increase of \$375,000 is mainly due to the capital expenditures related to the Groundwater Reliability Improvement Project (G.R.I.P) and the Leo J. Vander Lans Water Treatment Facility Expansion Project.

Accounts Payable – This account has an increase of about \$4.29 million primarily due to the purchase of approximately 6,062 acre feet untreated Tier 1 spreading water from Central Basin Municipal Water District. In addition, there were no significant payments in November. There is a corresponding increase in cash (see above).

**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	\$ 0
Construction-In-Progress	374,769
Accumulated Depreciation	(191,720)
<b>Total</b>	<b><u>\$ 183,049</u></b>

Unrestricted – The Change/Variance of Total Assets, Total Liabilities and Invested in Capital Assets from October to November is \$(3,095,059)

### **Statement of Revenues, Expenditures and Changes in Net Assets**

#### **REVENUES**

Operating Revenues – This account has decreased since October due to a reduction of water pumped in October 2010.

#### **EXPENSES**

Cost of water – The increase of \$3.97 million is mainly due to the purchase of untreated Tier 1 spreading water from Central Basin Municipal Water District. See accounts payable for a corresponding increase.

Salaries & Benefits – Increased because there were three payrolls in November.

Professional Fees - This account increased about \$342,000 primarily due to the timing in receiving invoices.

Other General and Administrative – Decrease is due to an adjustment to the interest expense 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 Revenues, Expenditures and Changes in Net Assets**  
**For the Month of November 2010**

	Total	Prior Month Total	Variance
<b>Revenues</b>			
<b>Operating Revenues</b>			
Water Replenishment Assessments	4,028,479	4,324,233	(295,754)
Late Payment Penalties	-	-	-
MWD Subsidy	42,096	34,762	7,334
OCWD Recycled Water Product	54,029	-	54,029
Desalter Revenue	-	-	-
Title 22 Monitoring Program	-	-	-
<b>Total Operating Revenues</b>	<b>4,124,604</b>	<b>4,358,995</b>	<b>(234,391)</b>
<b>Operating Expenses</b>			
<b>Cost of Water</b>			
Spreading	3,739,346	3,270	3,736,076
Injected	1,588,829	1,360,077	228,752
In-Lieu	-	-	-
Connection Fees	49,123	50,019	(896)
<b>Total Cost of Water</b>	<b>5,377,298</b>	<b>1,413,366</b>	<b>3,963,932</b>
<b>General &amp; Administrative</b>			
Salaries, Taxes & Benefits	504,196	372,756	131,440
Postemployment Benefits	-	-	-
Conference & Travel	4,706	14,832	(10,126)
Office Expenses	90,089	156,658	(66,569)
Utilities	14,303	11,004	3,299
Rents & Leases	5,683	6,781	(1,098)
Repairs & Maintenance	28,241	55,299	(27,058)
Material & Equipment	50,354	13,448	36,906
General Liability Insurance	15,595	15,595	-
Professional Fees	673,566	331,907	341,659
Other General & Administrative	97,001	232,804	(135,803)
<b>Total General &amp; Administrative</b>	<b>1,483,733</b>	<b>1,211,083</b>	<b>272,650</b>
Depreciation	191,720	191,720	-
<b>Total Operating Expenses</b>	<b>7,052,750</b>	<b>2,816,168</b>	<b>4,236,582</b>
<b>Operating Income (Loss)</b>	<b>(2,928,146)</b>	<b>1,542,827</b>	<b>(4,470,973)</b>
<b>Non-Operating Revenues (Expenses)</b>			
<b>Revenues</b>			
Property Taxes	11,740	1,162	10,578
Investment Earnings	4,395	23,100	(18,705)
Miscellaneous	-	139	(139)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>16,135</b>	<b>24,401</b>	<b>(8,266)</b>
<b>Income (Loss) Before Contributions</b>	<b>(2,912,011)</b>	<b>1,567,228</b>	<b>(4,479,239)</b>
<b>Contributions</b>			
Capital Contributions- Grant	-	64,545	(64,545)
<b>Change in Net Assets</b>	<b>(2,912,011)</b>	<b>1,631,773</b>	<b>(4,543,784)</b>

**Water Replenishment District of Southern California**  
**Statement of Net Assets**  
**November 30, 2010**

Assets	Total	Prior Month Total	Variance
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 29,496,792	\$ 28,113,062	1,383,730
Restricted Cash	16,778,087	16,778,087	-
Accounts Receivable	7,003,834	7,036,519	(32,685)
Interest Receivable	37,712	37,712	-
Prepaid Expenses	137,594	153,188	(15,594)
<b>Total Current Assets</b>	<b>\$ 53,454,019</b>	<b>\$ 52,118,568</b>	<b>1,335,451</b>
<b>Noncurrent Assets</b>			
Notes Receivable, Noncurrent	\$ 4,221,002	\$ 4,221,002	-
Plant & Equipment	63,403,953	63,403,953	-
Land	2,644,753	2,644,753	-
Construction-In-Progress	6,945,914	6,571,145	374,769
Deferred Charges	782,332	782,332	-
Accumulated Depreciation	(16,632,570)	(16,440,850)	(191,720)
<b>Total Noncurrent Assets</b>	<b>\$ 61,365,386</b>	<b>\$ 61,182,336</b>	<b>183,049</b>
<b>Total Assets</b>	<b>\$ 114,819,405</b>	<b>\$ 113,300,904</b>	<b>1,518,501</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 8,322,741	\$ 4,030,221	4,292,520
Interest Payable - Bond	534,069	400,552	133,517
Accrued Payroll	-	-	-
Accrued Employee Benefits	11,179	6,704	4,475
Accrued Postemployment Benefits	1,205,822	1,205,822	-
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	-
<b>Total Current Liabilities</b>	<b>\$ 48,076,346</b>	<b>\$ 43,645,834</b>	<b>4,430,512</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences	\$ 344,522	\$ 344,522	-
<b>Total Noncurrent Liabilities</b>	<b>\$ 344,522</b>	<b>\$ 344,522</b>	<b>-</b>
<b>Total Liabilities</b>	<b>\$ 48,420,867</b>	<b>\$ 43,990,356</b>	<b>4,430,511</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	\$ 35,587,602	\$ 35,404,553	183,049
Unrestricted	30,810,936	33,905,995	(3,095,059)
<b>Total Net Assets</b>	<b>\$ 66,398,537</b>	<b>\$ 69,310,548</b>	<b>(2,912,011)</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 114,819,405</b>	<b>\$ 113,300,904</b>	<b>1,518,501</b>



**MEMORANDUM**

**ITEM NO. 5**

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

**DATE: JANUARY 25 , 2010**  
**TO: FINANCE COMMITTEE**  
**FROM: ROBB WHITAKER, GENERAL MANAGER**  
**SUBJECT: FINANCIAL STATEMENTS – DECEMBER 31, 2010**

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

**Statement of Net Assets**

**ASSETS**

Cash and Cash Equivalents – Increased in cash is primarily due to no significant payments made in December 2010, see the corresponding increase in accounts payable below.

Accounts Payable – Increased approximately \$1.94 million due to the purchase of 3,581 acre-feet of untreated Tier 1 spreading water from Central Basin Municipal Water District in December 2010 as indicated by the \$2,105,693 in spreading water costs on the income statement.

**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	\$ 0
Construction-In-Progress	49,423
Accumulated Depreciation	(191,719)
Total	<u>\$ 142,296</u>

Unrestricted – The Change/Variance of Total Assets, Total Liabilities and Invested in Capital Assets from November to December is \$(1,448,154)

## **Statement of Revenues, Expenditures and Changes in Net Assets**

### **EXPENSES**

Cost of water – The decrease in the cost of water of \$1.24 million is primarily due to a reduction in purchasing of untreated Tier 1 spreading water from Central Basin Municipal Water District in December.

Professional Fees - This account has a decrease of about \$308,000 due to the timing in receiving invoices from professionals in the month of December.

### **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**  
**December 31, 2010**

Assets	Total	Prior Month Total	Variance
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 30,354,548	\$ 29,496,792	857,756
Restricted Cash	16,734,671	16,778,087	(43,416)
Accounts Receivable	6,790,388	7,003,834	(213,446)
Interest Receivable	37,712	37,712	-
Prepaid Expenses	121,999	137,594	(15,595)
<b>Total Current Assets</b>	<b>\$ 54,039,318</b>	<b>\$ 53,454,019</b>	<b>585,299</b>
<b>Noncurrent Assets</b>			
Notes Receivable, Noncurrent	\$ 4,221,002	\$ 4,221,002	-
Plant & Equipment	63,403,953	63,403,953	-
Land	2,644,753	2,644,753	-
Construction-In-Progress	6,995,337	6,945,914	49,423
Deferred Charges	782,332	782,332	-
Accumulated Depreciation	(16,824,289)	(16,632,570)	(191,719)
<b>Total Noncurrent Assets</b>	<b>\$ 61,223,089</b>	<b>\$ 61,365,386</b>	<b>(142,296)</b>
<b>Total Assets</b>	<b>\$ 115,262,407</b>	<b>\$ 114,819,405</b>	<b>443,002</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 10,261,922	\$ 8,322,741	1,939,181
Interest Payable - Bond	667,576	534,069	133,507
Accrued Payroll	-	-	-
Accrued Employee Benefits	15,358	11,179	4,179
Accrued Postemployment Benefits	1,205,822	1,205,822	-
Deferred Compensation	-	-	-
Cal Trans 0690	5,973,828	6,017,235	(43,407)
Long term Debt - Bond Payable	31,535,300	31,535,300	-
Other Liabilities	450,000	450,000	-
<b>Total Current Liabilities</b>	<b>\$ 50,109,806</b>	<b>\$ 48,076,346</b>	<b>2,033,460</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences	\$ 344,522	\$ 344,522	-
<b>Total Noncurrent Liabilities</b>	<b>\$ 344,522</b>	<b>\$ 344,522</b>	<b>-</b>
<b>Total Liabilities</b>	<b>\$ 50,454,328</b>	<b>\$ 48,420,867</b>	<b>2,033,461</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related I	\$ 35,445,297	\$ 35,587,602	(142,305)
Unrestricted	29,362,782	30,810,936	(1,448,154)
<b>Total Net Assets</b>	<b>\$ 64,808,079</b>	<b>\$ 66,398,537</b>	<b>(1,590,458)</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 115,262,407</b>	<b>\$ 114,819,405</b>	<b>443,002</b>

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

	Total	Prior Month Total	Variance
<b>Revenues</b>			
<b>Operating Revenues</b>			
Water Replenishment Assessments	3,437,137	4,028,479	(591,342)
Late Payment Penalties	-	-	-
MWD Subsidy	58,756	42,096	16,660
OCWD Recycled Water Product	32,246	54,029	(21,783)
Desalter Revenue	72,204	-	72,204
Title 22 Monitoring Program	-	-	-
<b>Total Operating Revenues</b>	<b>3,600,343</b>	<b>4,124,604</b>	<b>(524,261)</b>
<b>Operating Expenses</b>			
<b>Cost of Water</b>			
Spreading	2,105,693	3,739,346	(1,633,653)
Injected	1,896,232	1,588,829	307,403
In-Lieu	-	-	-
Connection Fees	133,251	49,123	84,128
<b>Total Cost of Water</b>	<b>4,135,176</b>	<b>5,377,298</b>	<b>(1,242,122)</b>
<b>General &amp; Administrative</b>			
Salaries, Taxes & Benefits	468,450	504,196	(35,746)
Postemployment Benefits	-	-	-
Conference & Travel	9,214	4,706	4,508
Office Expenses	35,284	90,089	(54,805)
Utilities	28,055	14,303	13,752
Rents & Leases	9,056	5,683	3,373
Repairs & Maintenance	8,332	28,241	(19,909)
Material & Equipment	15,665	50,354	(34,689)
General Liability Insurance	15,595	15,595	-
Professional Fees	365,652	673,566	(307,914)
Other General & Administrative	95,951	97,001	(1,050)
<b>Total General &amp; Administrative</b>	<b>1,051,256</b>	<b>1,483,733</b>	<b>(432,477)</b>
Depreciation	191,720	191,720	-
<b>Total Operating Expenses</b>	<b>5,378,152</b>	<b>7,052,750</b>	<b>(1,674,598)</b>
<b>Operating Income (Loss)</b>	<b>(1,777,809)</b>	<b>(2,928,146)</b>	<b>1,150,337</b>
<b>Non-Operating Revenues (Expenses)</b>			
<b>Revenues</b>			
Property Taxes	183,174	11,740	171,434
Investment Earnings	4,176	4,395	(219)
Miscellaneous	1	-	1
<b>Total Non-Operating Revenues (Expenses)</b>	<b>187,351</b>	<b>16,135</b>	<b>171,216</b>
<b>Income (Loss) Before Contributions</b>	<b>(1,590,458)</b>	<b>(2,912,011)</b>	<b>1,321,553</b>
<b>Contributions</b>			
Capital Contributions- Grant	-	-	-
<b>Change in Net Assets</b>	<b>(1,590,458)</b>	<b>(2,912,011)</b>	<b>1,321,553</b>



## MEMORANDUM

### ITEM NO.6

*Prepared by:* Scott M. Ota

*Reviewed by:* Scott M. Ota

*Approved by:* Robb Whitaker

**DATE: JANUARY 25, 2011**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING NOVEMBER 30, 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.

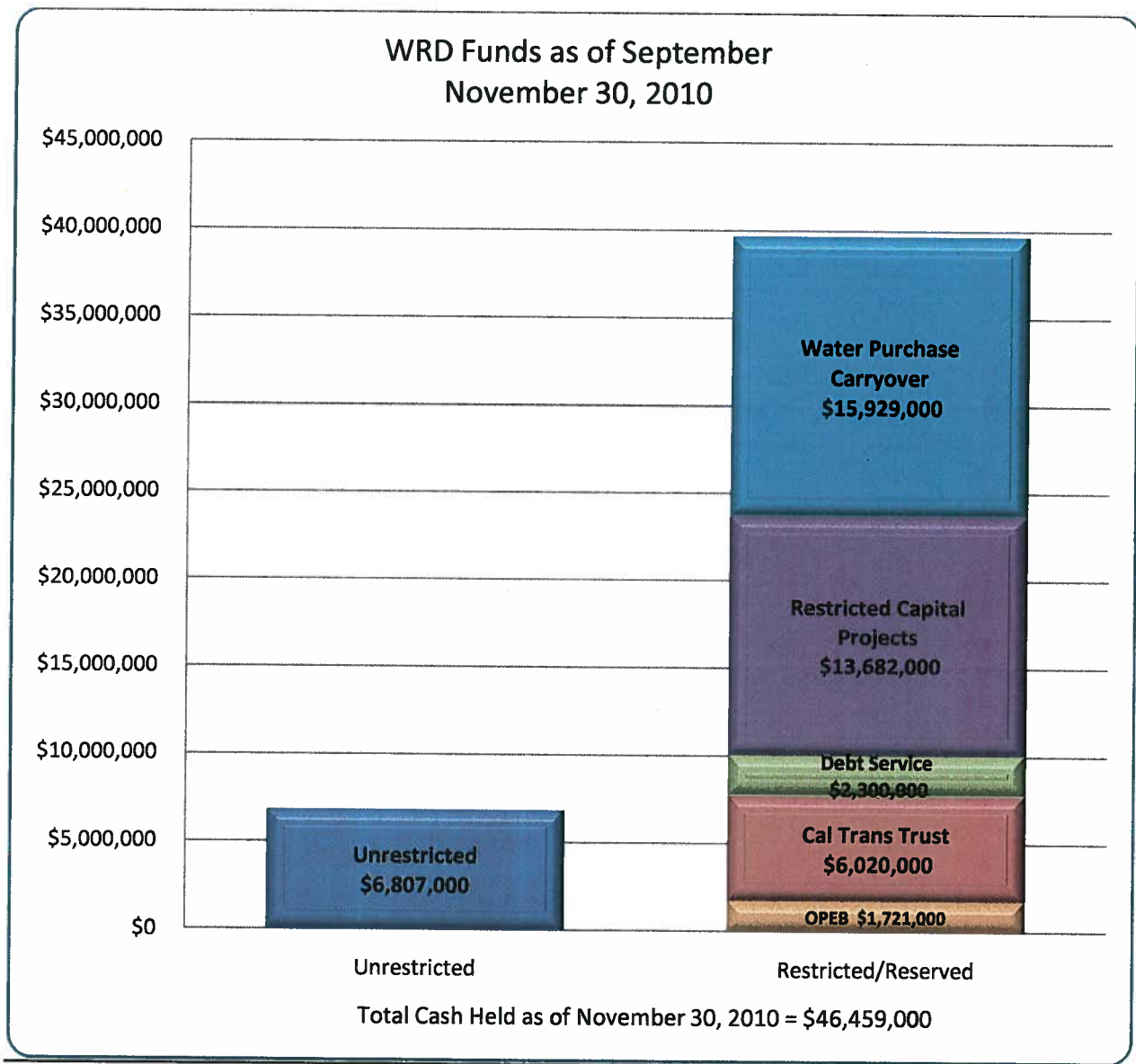
In addition, §60291 states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

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 \$6,807,000 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:

<b>Operating Reserve Fund</b>	<b>\$ 6,807,000</b>
Reserved or Encumbered:	
Water Purchase Carryover Fund	15,929,000
Restricted for Capital Projects	13,682,000
Debt Service Reserve Fund	2,300,000
Cal Trans Trust Fund	6,020,000
Other Post Employment Benefit Obligation (OPEB)	<u>1,721,000</u>
Reserved or Encumbered Subtotal	<u>39,652,000</u>
 Total Cash and Investments	 <u>\$ 46,459,000</u>

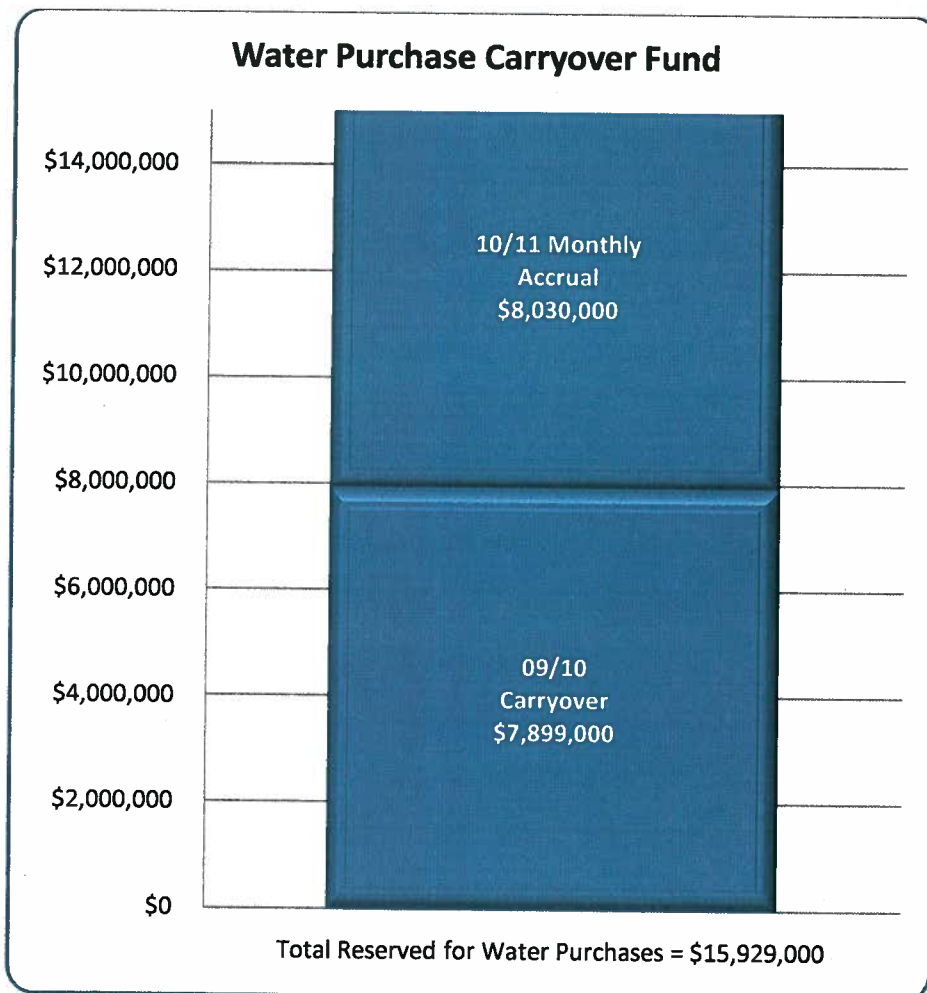


**Water Purchase Carryover Fund** – This category of represents:

**Source of Funds:**  
**Use of Funds:**

***Replenishment Assessment***  
***Restricted for Water Purchases Only***

<b>1. Monthly accrual of budgeted amount for fiscal year 10/11</b>	
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 <sup>th</sup> – rounded) x five months	<u>\$ 8,030,000</u>
<b>2. Budget 10/11 Rate Relief</b> – As a result of public budget workshops, \$8,270M was allocated from the Water Purchase Carryover Fund as rate relief (1/12 <sup>th</sup> 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)	\$ (3,445,000)
Total	<u>11,344,000</u> <u>\$ 7,899,000</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	\$ 995,000
Preliminary and Final Design for Expansion	380,000 <sup>1</sup>
Goldsworthy Desalter:	
Capital Replacement	229,000
Preliminary Design	100,000 <sup>1</sup>
Total	<u>\$ 1,704,000</u>

**3. Proceeds from the 2008 Certificates of Participation**

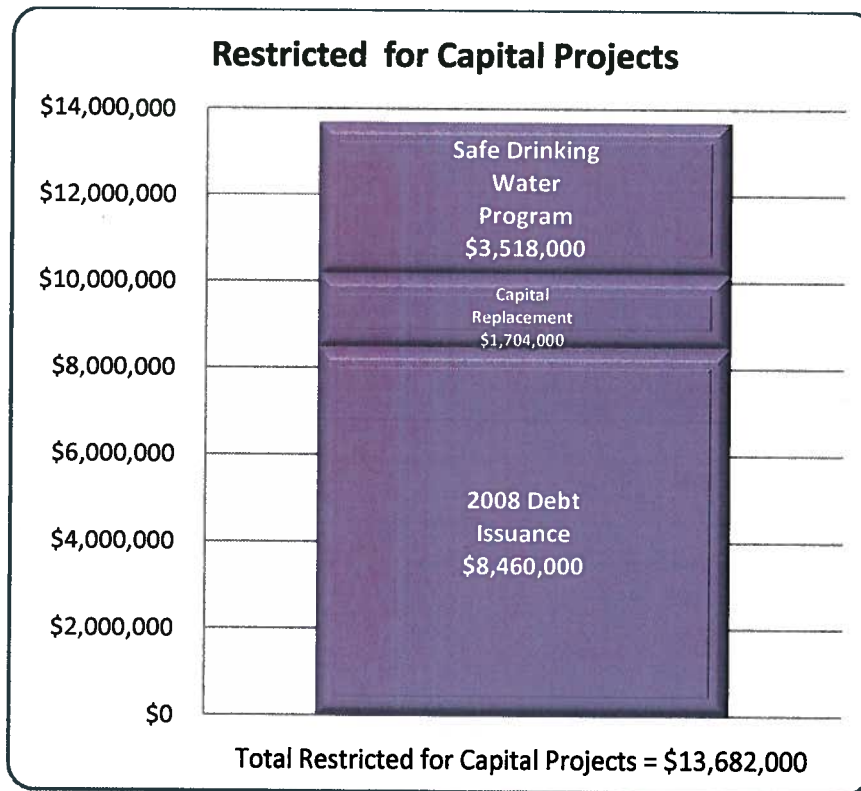
Source of Funds:

*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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<sup>1</sup> 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.

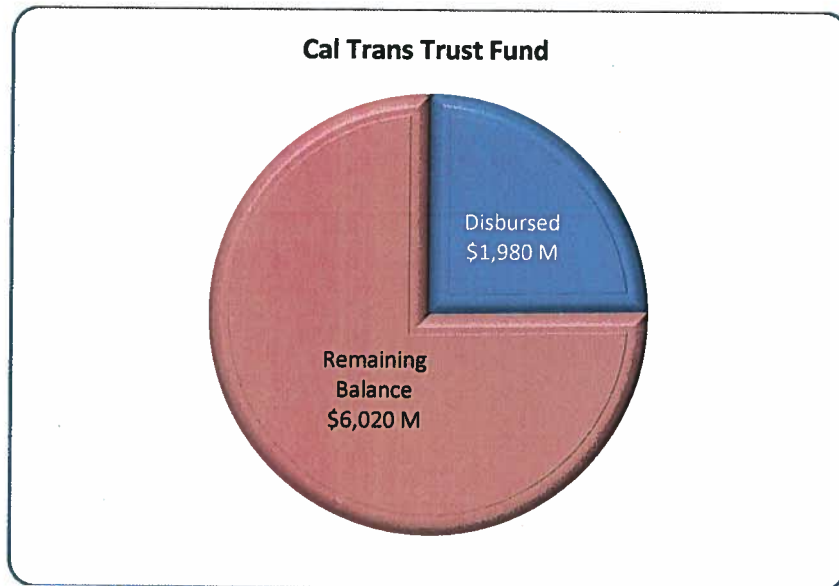
**Source of Funds:**

***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.



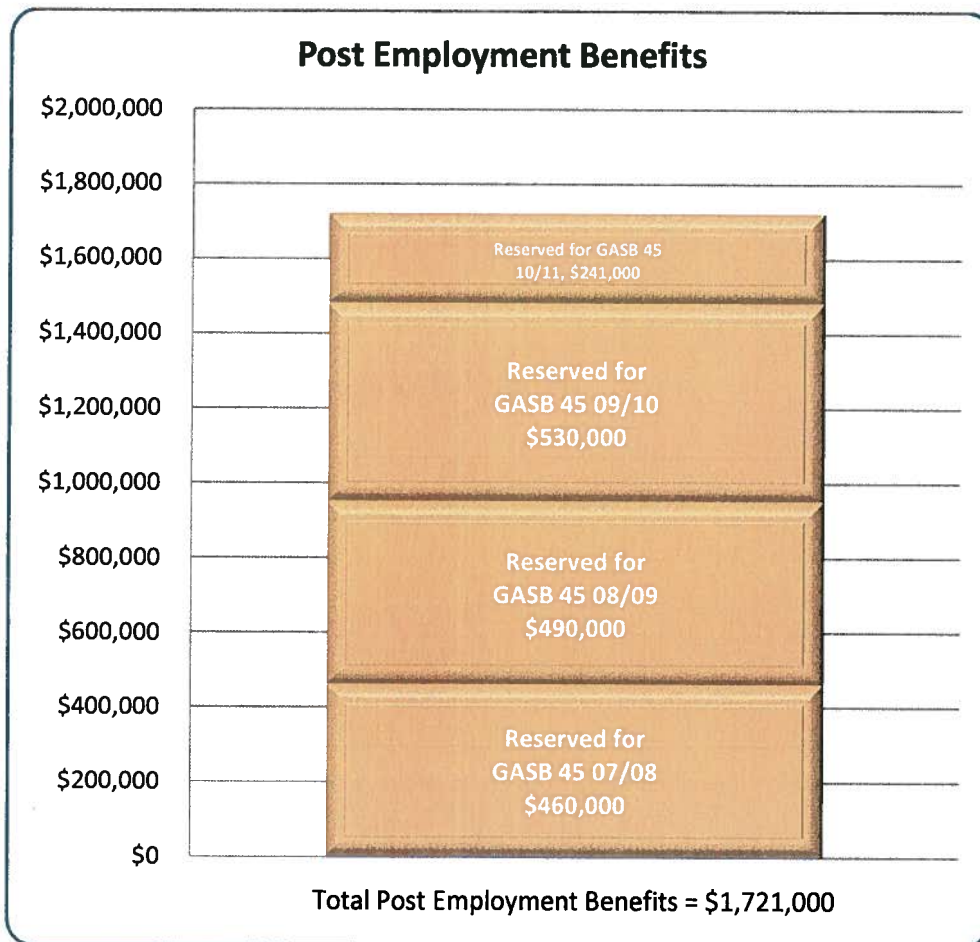
**Other Post Employment Benefit Obligations (OPEB)**

**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 <sup>th</sup> – rounded) x five months	\$ 241,000
09/10 Annual Required Contribution	530,000
08/09 Annual Required Contribution	490,000
07/08 Annual Required Contribution	460,000



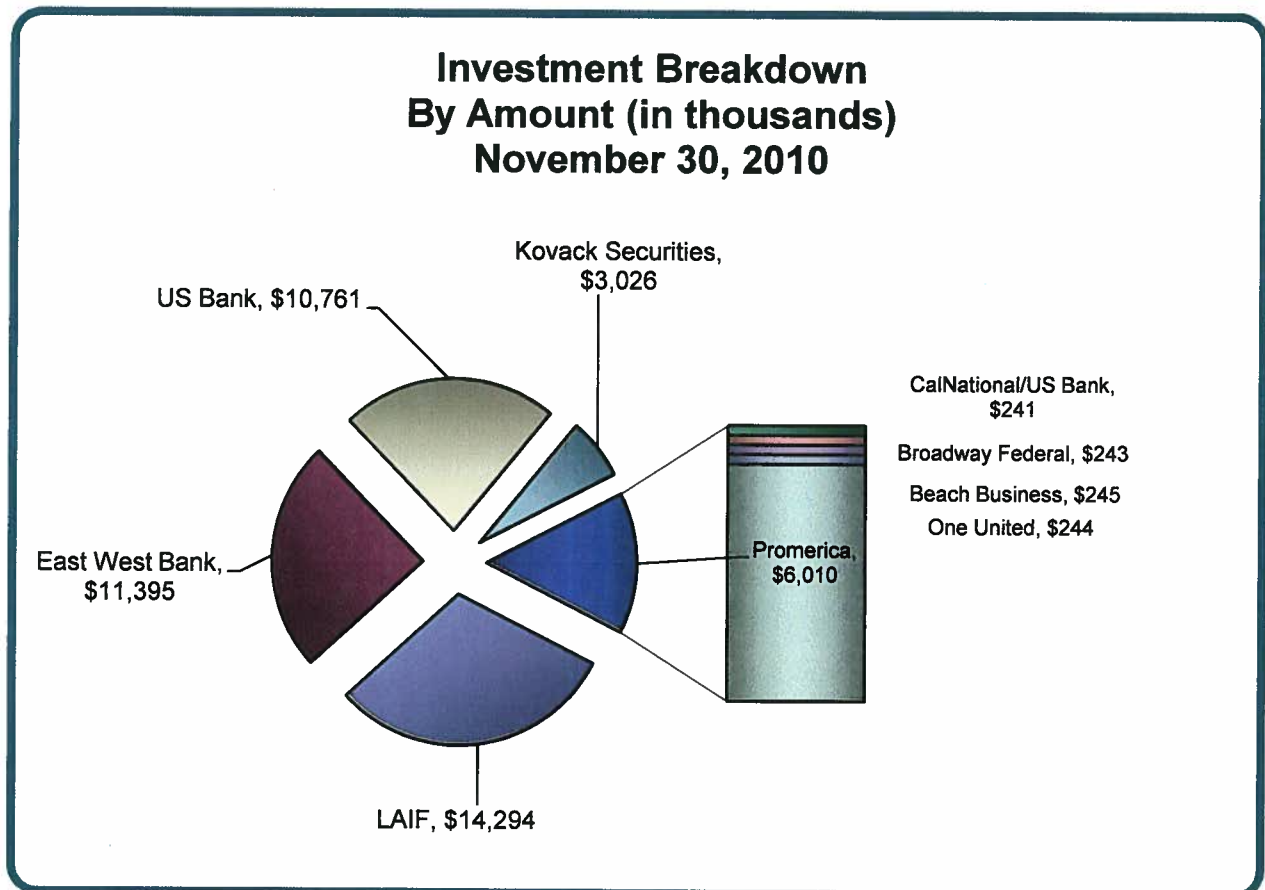
## CASH AND INVESTMENTS

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 Agency Investment Fund (LAIF).

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

#### Cash and Investments:

Local Agency Investment Fund (LAIF) <sup>1</sup>	\$ 14,294,000
East West Bank <sup>2</sup>	11,395,000
Beach Business Bank <sup>2</sup>	245,000
One United Bank <sup>2</sup>	244,000
Broadway Federal Bank <sup>2</sup>	243,000
US Bank (formerly CalNational Bank) <sup>2</sup>	241,000
Promerica Bank <sup>2</sup>	6,010,000
US Bank (Trustee) <sup>2</sup>	10,761,000
Kovak Securities <sup>2,3</sup>	<u>3,026,000</u>
<b>Total Cash and Investments</b>	<b><u>\$ 46,459,000</u></b>

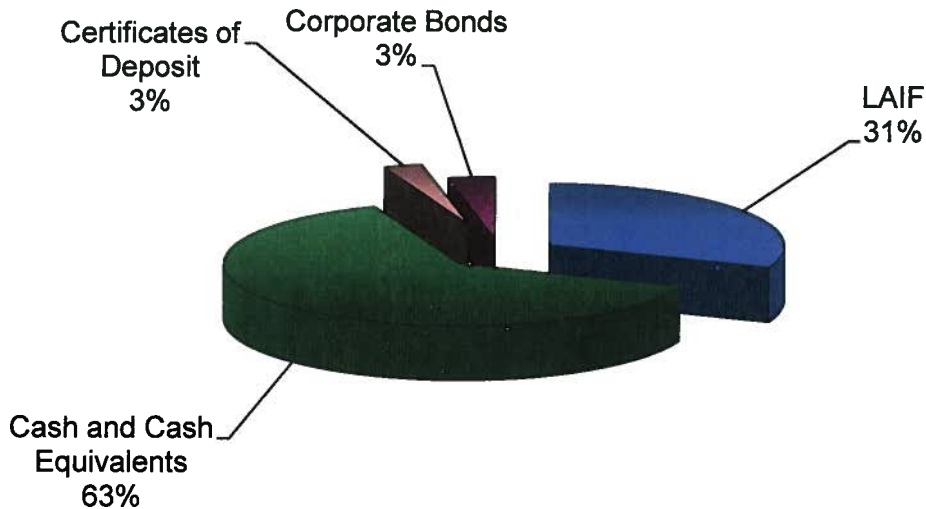


**Cash and Investments By Type**  
(Rounded to nearest ten thousand)

Cash and Investments:

Local Agency Investment Fund (LAIF) <sup>1</sup>	\$ 14,294,000
Cash and Cash Equivalents <sup>2</sup>	29,450,000
Certificates of Deposit <sup>2</sup>	1,226,000
Corporate Bonds <sup>3</sup>	1,489,000
<b>Total</b>	<u><u>\$ 46,459,000</u></u>

**Water Replenishment District  
Investment Type  
as of November 30, 2010**



Staff has attached a detailed investment report for November 30, 2010 for approval.

Footnotes:

<sup>1</sup> – The Local Agency 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.

<sup>2</sup> – 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.

<sup>3</sup> – 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**

Recommend approval of the Investment Report for November 30, 2010 to the Board of Directors.





## MEMORANDUM

### ITEM NO. 7

*Prepared by:* Scott M. Ota

*Reviewed by:* Scott M. Ota

*Approved by:* Robb Whitaker

**DATE: JANUARY 25, 2011**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

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

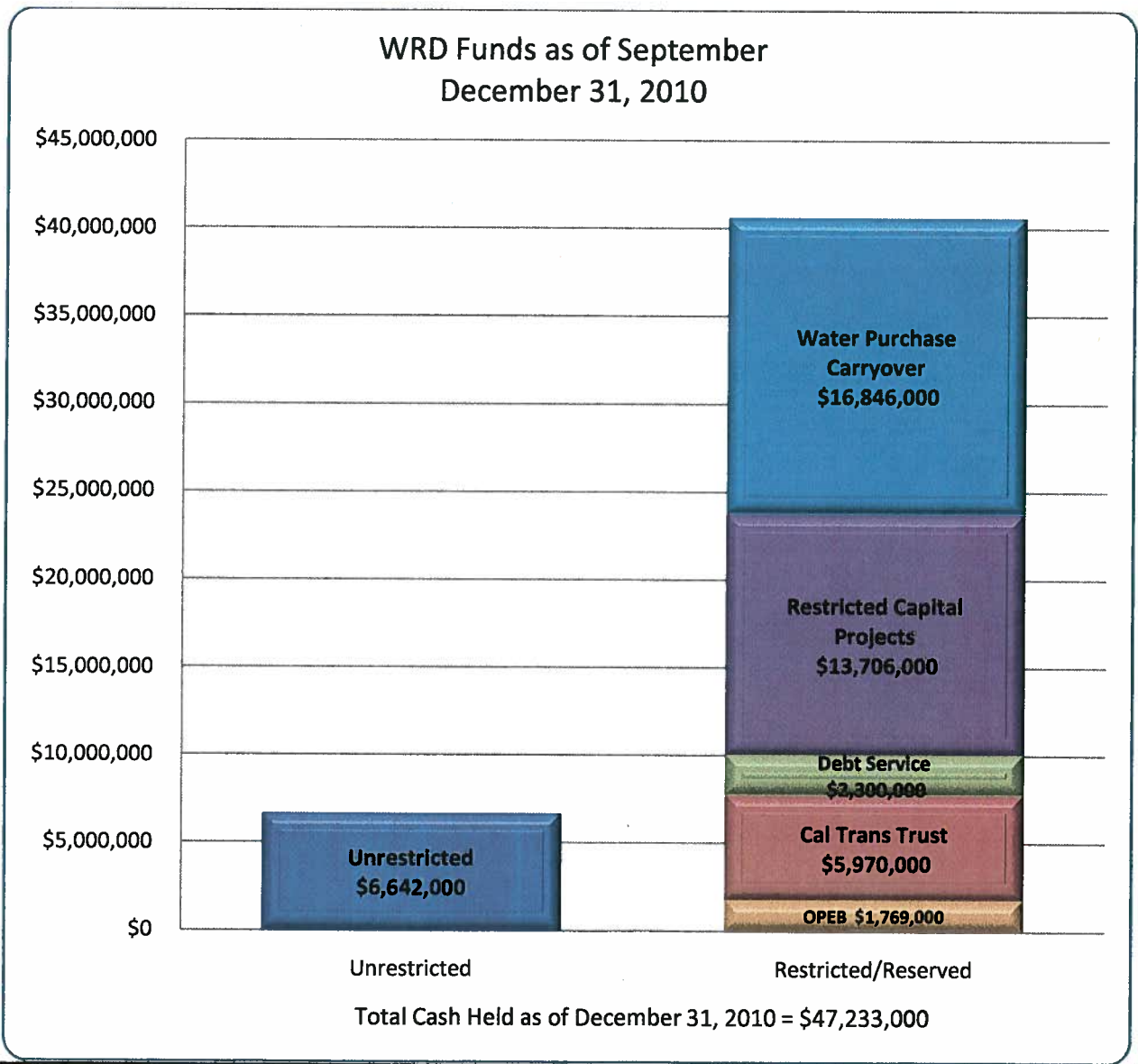
In addition, §60291 states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

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 \$6,642,000 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:

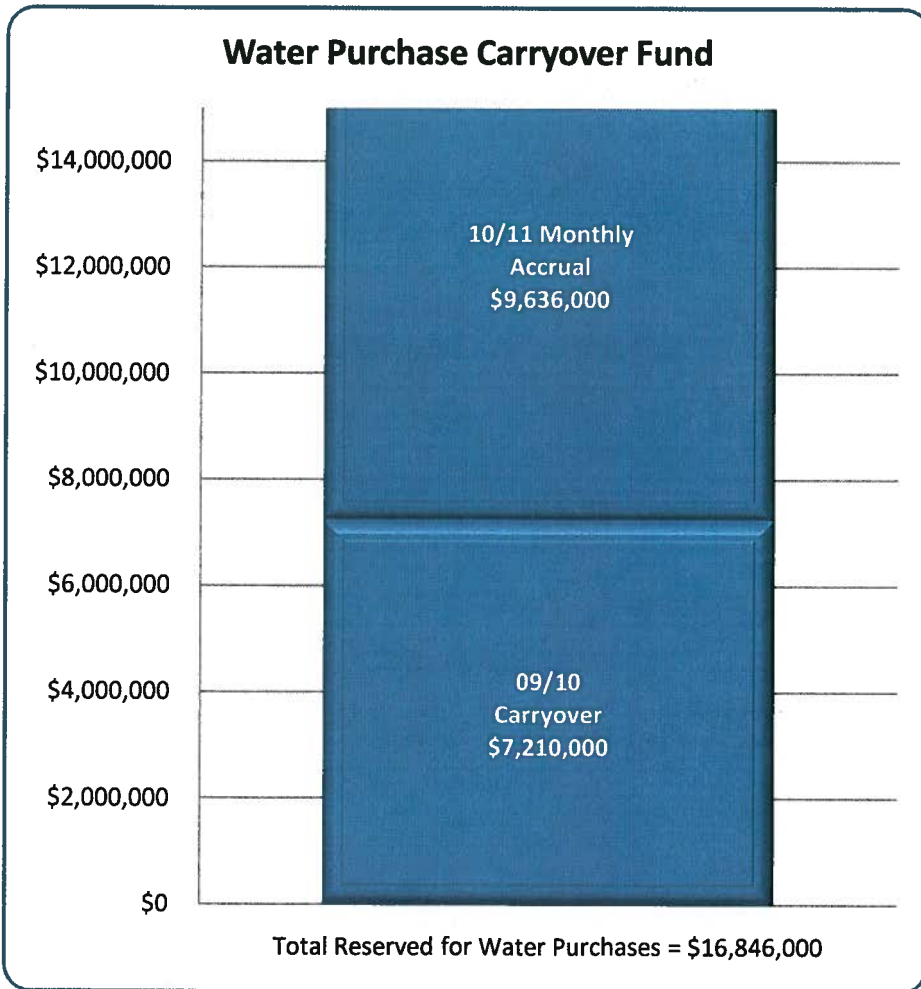
<b>Operating Reserve Fund</b>	<b>\$ 6,642,000</b>
Reserved or Encumbered:	
Water Purchase Carryover Fund	16,846,000
Restricted for Capital Projects	13,706,000
Debt Service Reserve Fund	2,300,000
Cal Trans Trust Fund	5,970,000
Other Post Employment Benefit Obligation (OPEB)	<u>1,769,000</u>
Reserved or Encumbered Subtotal	<u>40,591,000</u>
 Total Cash and Investments	 <u><b>\$ 47,233,000</b></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>

<b>1. Monthly accrual of budgeted amount for fiscal year 10/11</b>	
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 <sup>th</sup> – rounded) x six months	<u>\$ 9,636,000</u>
<b>2. Budget 10/11 Rate Relief</b> – As a result of public budget workshops,	
\$8,270M was allocated from the Water Purchase Carryover Fund as rate relief (1/12 <sup>th</sup> accrual per month: \$8,270,000 ÷ 12 = \$689,000 rounded)	\$ (4,134,000)
09/10 Water Purchase Carryover (decreases by \$689,000 monthly for fiscal year 10/11)	<u>11,344,000</u>
Total	<u>\$ 7,210,000</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
<b>Total</b>	<b><u>\$ 3,518,000</u></b>

**2. Capital Replacement / Construction**

Source of Funds:

*Replenishment Assessment*

Use of Funds:

*Encumbered for Projects Below*

Leo J. Vanderlans Water Treatment Facility:	
Capital Replacement	\$ 1,015,000
Preliminary and Final Design for Expansion	380,000 <sup>1</sup>
Goldsworthy Desalter:	
Capital Replacement	233,000
Preliminary Design	100,000 <sup>1</sup>
<b>Total</b>	<b><u>\$ 1,728,000</u></b>

**3. Proceeds from the 2008 Certificates of Participation**

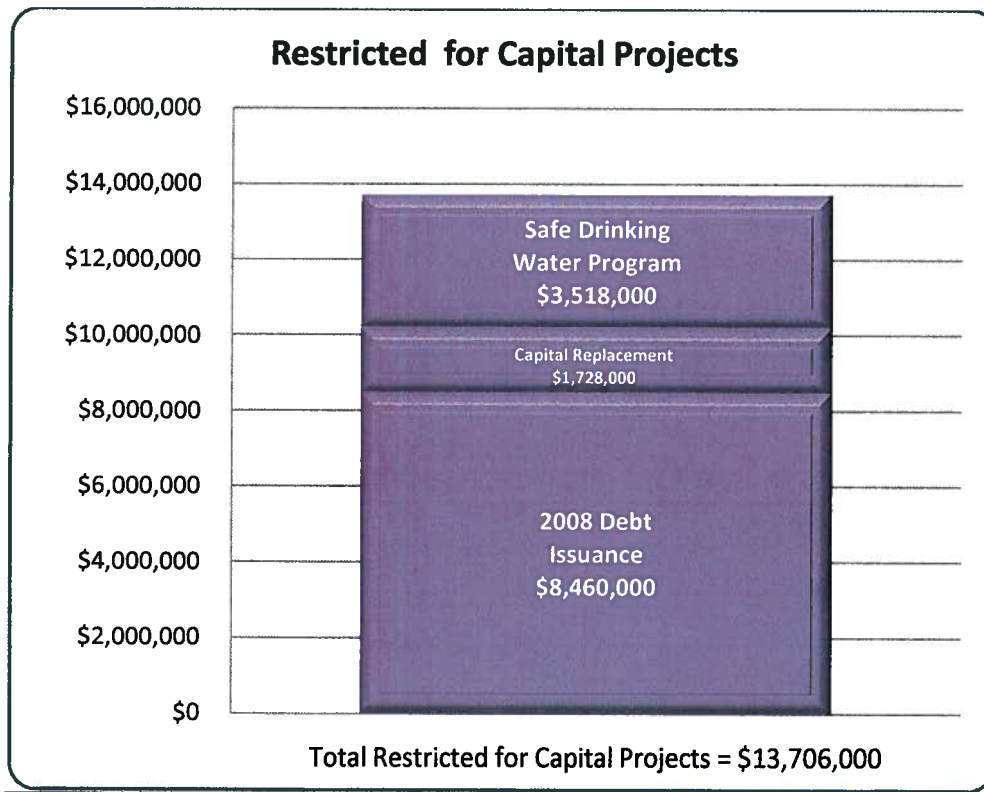
Source of Funds:

*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 **\$ 8,460,000**



<sup>1</sup> 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.

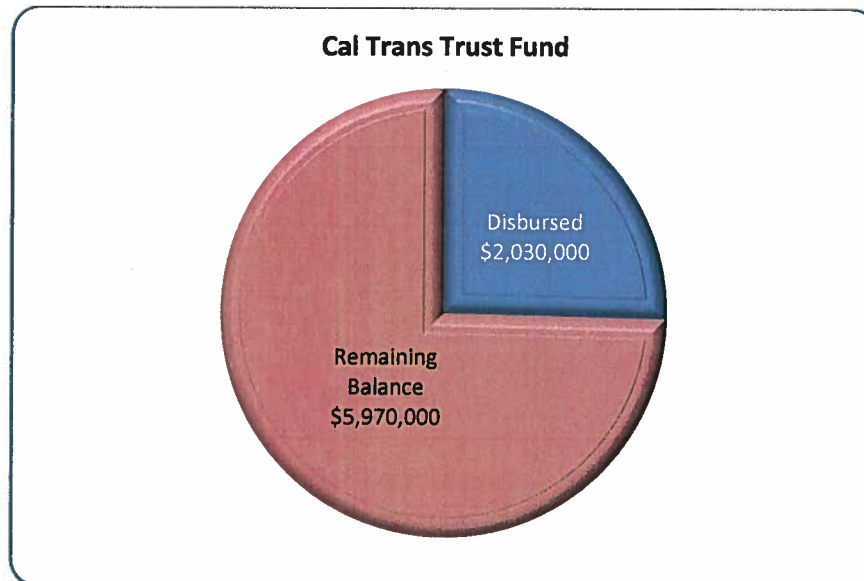
**Source of Funds:**

***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 \$2.03 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.



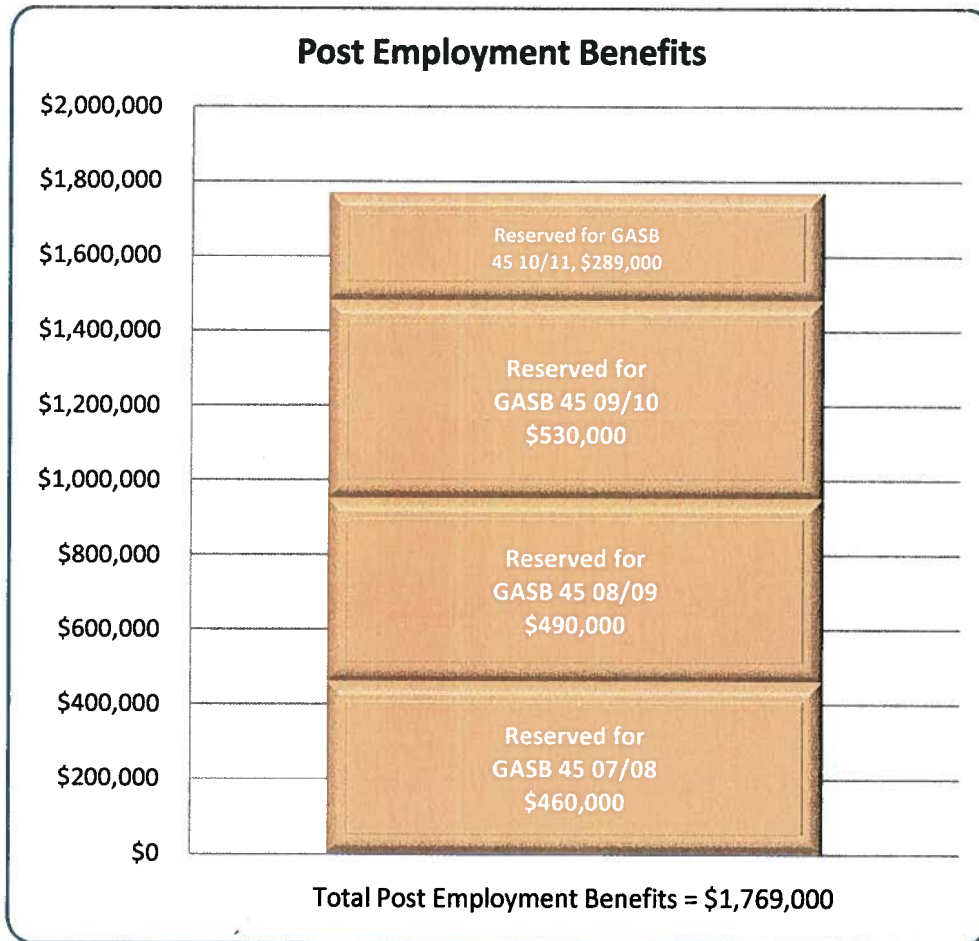
**Other Post Employment Benefit Obligations (OPEB)**

**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 <sup>th</sup> – rounded) x six months	\$ 289,000
09/10 Annual Required Contribution	530,000
08/09 Annual Required Contribution	490,000
07/08 Annual Required Contribution	460,000



## CASH AND INVESTMENTS

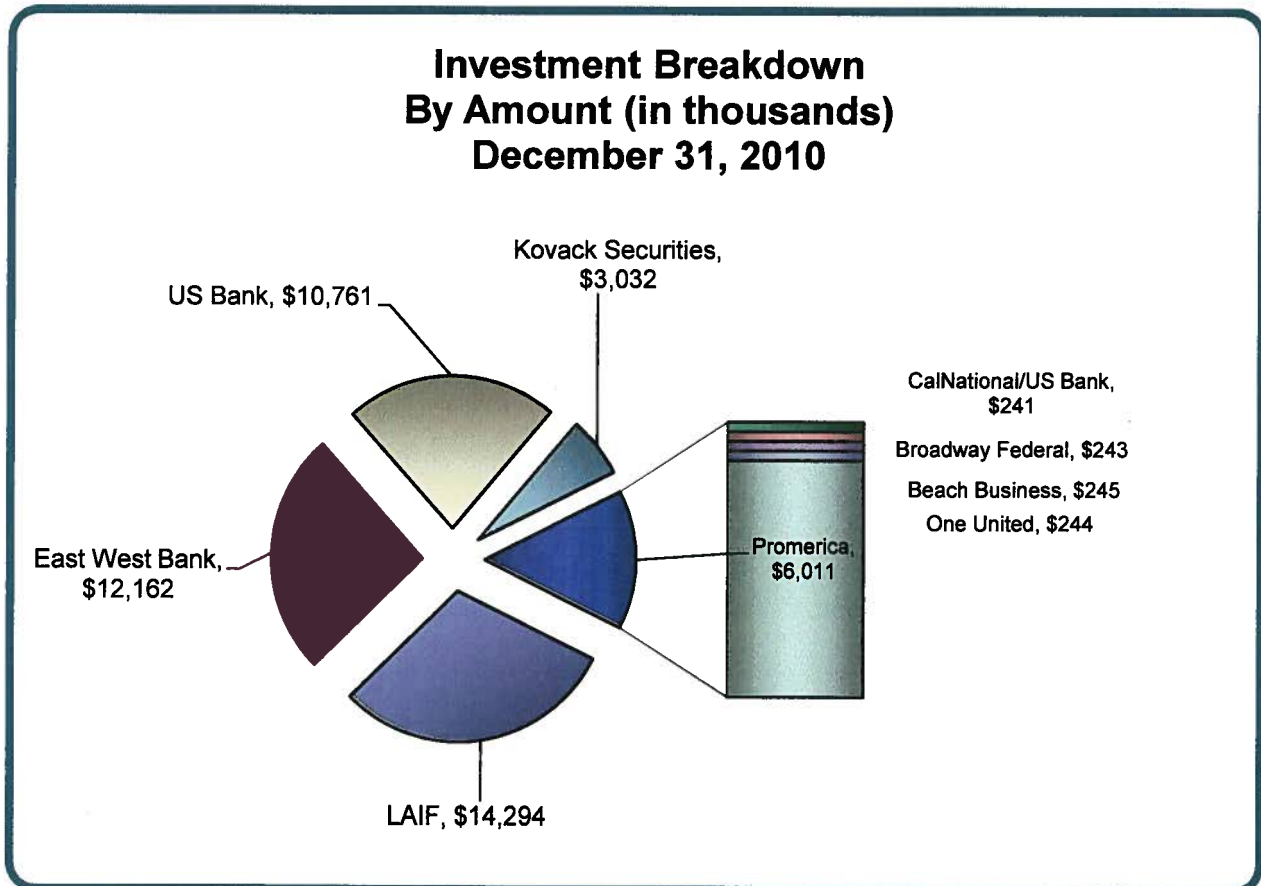
At the direction of the Board of Directors, on February 20, 2009 the District implemented its Community Banking Program and has invested in several community banks in addition to the Local Agency Investment Fund (LAIF).

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

#### Cash and Investments:

Local Agency Investment Fund (LAIF) <sup>1</sup>	\$ 14,294,000
East West Bank <sup>2</sup>	12,162,000
Beach Business Bank <sup>2</sup>	245,000
One United Bank <sup>2</sup>	244,000
Broadway Federal Bank <sup>2</sup>	243,000
US Bank (formerly CalNational Bank) <sup>2</sup>	241,000
Promerica Bank <sup>2</sup>	6,011,000
US Bank (Trustee) <sup>2</sup>	10,761,000
Kovak Securities <sup>2,3</sup>	<u>3,032,000</u>

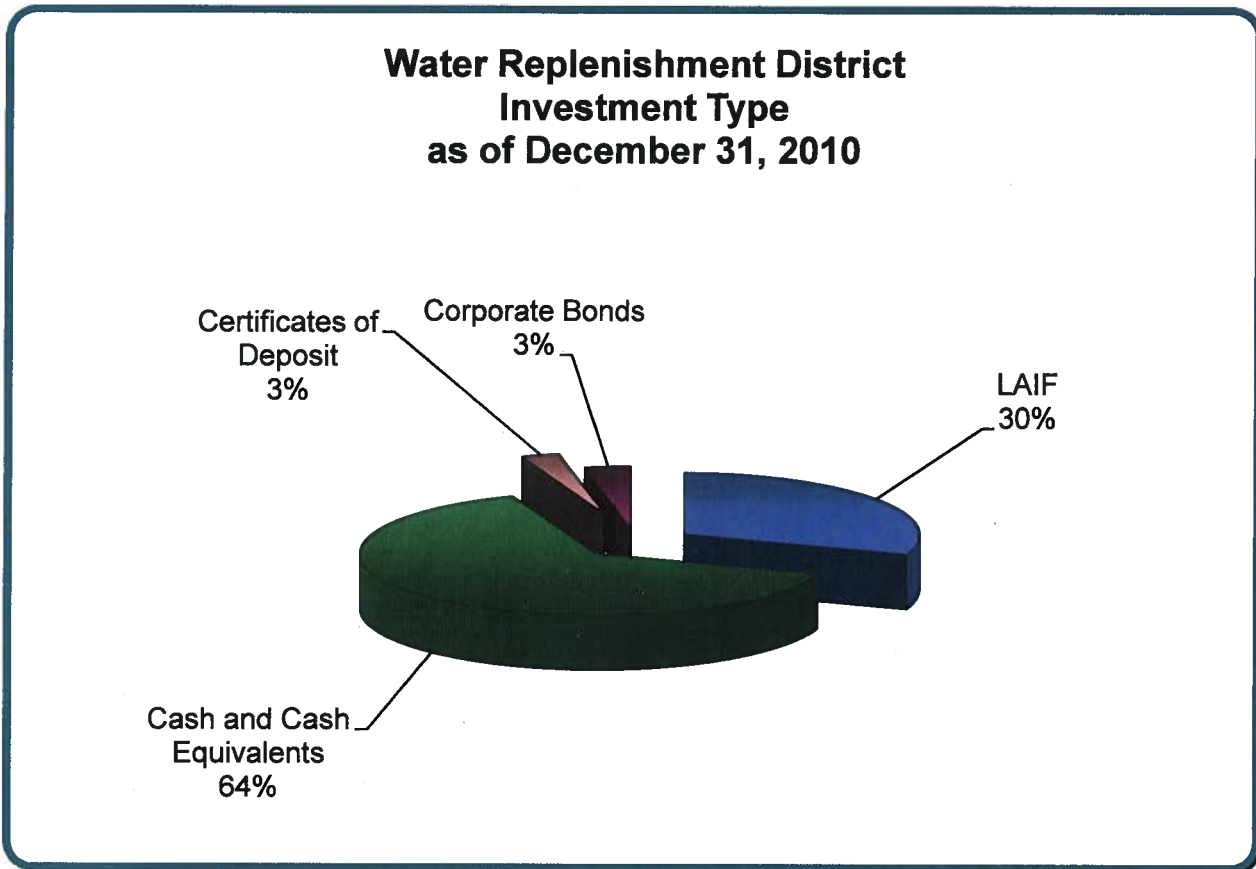
Total Cash and Investments \$ 47,233,000



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

Cash and Investments:

Local Agency Investment Fund (LAIF) <sup>1</sup>	\$ 14,294,000
Cash and Cash Equivalents <sup>2</sup>	30,223,000
Certificates of Deposit <sup>2</sup>	1,227,000
Corporate Bonds <sup>3</sup>	1,489,000
Total	<u>\$ 47,233,000</u>



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

Footnotes:

<sup>1</sup> – The Local Agency 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.

<sup>2</sup> – 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.

<sup>3</sup> – 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**

Recommend approval of the Investment Report for December 31, 2010 to the Board of Directors.





## MEMORANDUM

### ITEM NO. 8

*Prepared by:* Abbie Andom

*Reviewed by:* Scott M. Ota

*Approved by:* Robb Whitaker

**DATE: JANUARY 25, 2011**

**TO: FINANCE COMMITTEE**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 11- 896 –  
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. 18  
OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 18);  
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 099-2007 TO COUNTY LIGHTING  
MAINTENANCE DISTRICT 1687**

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### SUMMARY

A request has been received from the County of Los Angeles Department of Public Works regarding participation in the exchange of ad valorem property tax. If a taxing agency involved in the negotiation does not adopt a resolution providing for the exchange of property tax, the Board of Supervisors can determine the exchange of property tax revenue for that taxing agency.

### FISCAL IMPACT

None.

### STAFF RECOMMENDATION

Adopt Resolution No. 11-896.

**RESOLUTION NO. 11-896**

**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. 18 OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 18); 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 099-2007 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687**

WHEREAS, pursuant to Section 99.01 of the California Revenue and Taxation Code, prior to the effective date of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area must negotiate an exchange of property tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting on behalf of the County Lighting Maintenance District 1687, the Los Angeles County General Fund, the Los Angeles County Library, the Los Angeles County Road District No. 1, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement District, and the Los Angeles County Flood Control District; the Board of Trustees of the Greater Los Angeles County Vector Control District; the Board of Directors of the County Sanitation District No.18 of Los Angeles County (County Sanitation District No. 18); and the Board of Directors of the Water Replenishment District of Southern California have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as L 099-2007 to County Lighting Maintenance District 1687 is as shown on the enclosed Property Tax Transfer Resolution Worksheet.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues between the County Lighting Maintenance District 1687, and the Los Angeles County General Fund, the Los Angeles County Library, the Los Angeles County Road District No. 1, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement District, the Los Angeles County Flood Control District, the Greater Los Angeles County Vector Control District, the County Sanitation District No.18, and the Water Replenishment District of Southern California resulting from the annexation of L 099-2007 to County Lighting Maintenance District 1687 is approved and accepted.

2. For fiscal years commencing on or after July 1, 2010, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within L 099-2007 (Tax Rate Area 09081) shall be allocated to the affected agencies as indicated in the enclosed Property Tax Transfer Resolution Worksheet.
3. No transfer of property tax revenues other than those specified in Paragraph 2 shall be made as a result of annexation of L 099-2007.
4. If at any time after the effective date of this Resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year, and any amounts of property tax received in excess of that which is proper shall be refunded to the appropriate agency.

PASSED, APPROVED AND ADOPTED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2011 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

\_\_\_\_\_  
Sergio Calderon, President

ATTEST:

\_\_\_\_\_  
Robert Katherman, Secretary

\_\_\_\_\_  
Date



## MEMORANDUM

### ITEM NO. 9

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

**DATE: JANUARY 25, 2011**

**TO: FINANCE COMMITTEE**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 11-XXX – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA DECLARING THE OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS**

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### BACKGROUND

Section 1.150-2 of the Treasury Regulations requires the District to declare its reasonable official intent to reimburse prior capital expenditures with proceeds of a subsequent tax-exempt borrowing. On January 21, 2004, the Board of Directors adopted Resolution 04-694, *A Resolution of the Board of Directors of the Water Replenishment District of Southern California Declaring the Official Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness*. This declaration related to the 2004 Revenue Certificates of Participation (COP) issued by the District on October 27, 2004. Additionally, on December 20, 2006, the Board of Directors adopted Resolution 06-783 for the same purpose related to the Revenue COPs issued by the District on December 2, 2008.

Due to the potential capital expenses related to the Districts Regional Groundwater Monitoring Program and the Groundwater Reliability Improvement Plan (GRIP), in order for the District to reimburse itself for current capital expenditures with a debt issuance in the future, the Board of Directors of the Water Replenishment District of Southern California must adopt the attached Resolution No. 11-XXX.

Adoption of this resolution does not mean WRD will reimburse itself for the full amount. It merely gives the option to the WRD to incur expenses up to the \$10 million and subsequently reimburse itself from a future bond issuance; if such a bond issuance even occurs.

### STAFF RECOMMENDATION

Approve adoption of Resolution No. 11-XXX approving a reimbursement resolution for an amount not to exceed \$10 million.

**RESOLUTION NO. 11-XXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
WATER REPLENISHMENT DISTRICT OF SOUTHERN  
CALIFORNIA DECLARING THE OFFICIAL INTENT  
TO REIMBURSE CERTAIN EXPENDITURES FROM  
PROCEEDS OF INDEBTEDNESS**

**WHEREAS**, the Water Replenishment District of Southern California (the "District") intends to finance the design, acquisition and construction of water and water replenishment system facilities to be owned and operated by the District (the "Project");

**WHEREAS**, the District expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of tax-exempt indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

**WHEREAS**, the District reasonably expects that the tax-exempt debt obligations in an amount not to exceed **\$10,000,000** will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the District for the Reimbursement Expenditures incurred in connection with the Project; and

**WHEREAS**, Section 1.150-2 of the Treasury Regulations requires the District to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing;

**NOW, THEREFORE**, the District declares:

Section 1. The District finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the District to make any expenditures, to incur or cause to be incurred any indebtedness, or to proceed with the Project.

Section 3. The District hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

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Sergio Calderon, President

ATTEST:

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Robert Katherman, Secretary

The undersigned, Deputy Secretary of the District, hereby certifies that the foregoing is a full, true and correct copy of the declaration of the Board of Directors of said District, duly made at a meeting thereof held on the date specified below, and that said declaration has not been amended, modified or revoked by said Board of Directors.

Dated: \_\_\_\_\_, 2011.

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Abigail C. Andom, Deputy Secretary



## MEMORANDUM

ITEM NO. 10

*Prepared by:* Scott Ota

*Reviewed by:* Scott Ota

*Approved by:* Robb Whitaker

**DATE: JANUARY 25, 2011**

**TO: FINANCE COMMITTEE**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: FINANCIAL AUDIT FOR THE PERIOD ENDING JUNE 30, 2010**

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### SUMMARY

The Water Replenishment District is required by the California State Water Code and the District's debt covenants to have an annual audit of its financial statements by an independent Certified Public Accountant, licensed by the State Board of Accountancy. The District currently has a contract with Vasquez and Company to perform this annual audit. Representatives from Vasquez and Company will be present at the Finance Committee meeting to present the results of their audit and answer any questions that the Committee may have about the audit and internal controls of the District.

### FISCAL IMPACT

None

### STAFF RECOMMENDATION

Recommend receive and file the June 30, 2010 Comprehensive Annual Financial Report to the Board of Directors.



## MEMORANDUM

ITEM NO. 11

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

**DATE: JANUARY 25, 2010**

**TO: FINANCE COMMITTEE**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: COMMUNITY BANKING – UNION BANK OF CALIFORNIA**

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### BACKGROUND

The District has implemented its Community Banking Program, utilizing financial institutions that reinvest and finance projects in communities the District services. These banks include Broadway Federal Bank, One United Bank, East West Bank, Promerica Bank, Beach Business Bank, Cal National Bank (now US Bank) and Manufacturers Bank.

The Finance Committee recommended depositing \$250,000 into each of these financial institutions which is currently the maximum insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC is an independent agency of the United States government that protects against the loss of insured deposits if an FDIC-insured bank or savings association fails. FDIC deposit insurance is backed by the full faith and credit of the United States government. Since the FDIC was established, no depositor has ever lost FDIC-insured funds.

Director Kawasaki asked staff to contact Union Bank of California in order to include them as part of the District community banking program. Staff has contacted Union Bank of California and obtained the necessary information if the Committee decides to utilize their services within the District's community banking guidelines.

### FISCAL IMPACT

No fiscal impact.

### STAFF RECOMMENDATION

For discussion.



**MEMORANDUM**

**ITEM NO. 12**

*Prepared by: Scott M Ota*

*Reviewed by: Scott M Ota*

*Approved by: Robb Whitaker*

**DATE: JANUARY 25, 2011**

**TO: FINANCE COMMITTEE**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: EVENT SPONSORSHIPS AND COMMUNITY GRANTS**

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**BACKGROUND**

At the January 21, 2011 Board of Director's Meeting, the Board asked that the Finance Committee review the event sponsorship and community grant program.

**FISCAL IMPACT**

None

**STAFF RECOMMENDATION**

For discussion.