

**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., WEDNESDAY, FEBRUARY 16, 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. MINUTES OF THE MEETINGS OF DECEMBER 9, 2010,  
JANUARY 3, 2011, AND JANUARY 25, 2011**  
*Staff Recommendation: Approve as submitted.*
- 4. FIVE-YEAR CAPITAL IMPROVEMENT PLAN**  
*Staff Recommendation: For information.*
- 5. COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE PERIOD  
ENDING JUNE 30, 2010.**  
*Staff Recommendation: For information.*
- 6. DEPARTMENT REPORT**
- 7. DIRECTORS EXPENSES**  
*Staff Recommendation: Approve Directors Expenses for submittal to the Board of Directors.*
- 8. DIRECTORS REPORTS, INQUIRIES, AND FOLLOW-UP OF  
DIRECTIONS TO STAFF**
- 9. ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, February 10, 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).

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MINUTES

UNAPPROVED  
MINUTES

**MINUTES OF DECEMBER 9, 2010  
MEETING OF THE FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A special meeting of the Finance Committee of the Board of Directors of the Water Replenishment District of Southern California was held on December 9, 2010 at 12:17 p.m. at the District office, 4040 Paramount Boulevard, Lakewood, California. Director Albert Robles called the meeting to order and presided thereafter. Deputy Secretary Abigail C. Andom recorded the minutes.

**1. DETERMINATION OF A QUORUM**

Directors: Albert Robles, Sergio Calderon  
Staff: Scott Ota

**2. PUBLIC COMMENT**

Director Calderon welcomed Bill Hernandez, former trustee of the Rio Hondo College.

**3. MINUTES OF THE MEETING OF NOVEMBER 10, 2010**

The minutes were received and filed.

**4. DEMANDS – OCTOBER 2010**

The Committee reviewed the list of Demands for October 31, 2010. The Demands were approved for submittal to the Board of Directors to receive and file.

**5. FINANCIAL STATEMENTS – OCTOBER 31, 2010**

The Committee reviewed the Financial Statements for October 31, 2010 and recommended they be submitted to the Board for approval.

**6. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING OCTOBER 31, 2010**

The Committee reviewed the Investment Report for the period ending October 31, 2010 and recommended they be submitted to the Board for approval.

**7. DEPARTMENT REPORT**

Chief Financial Officer Scott Ota provided an update of the Department's activities. He stated that staff has been busy preparing the calendar year-end closing process, including payroll, W2 and 1099 preparations. He also stated that work continues on the 5-year projections for use during next year's fiscal year's budgeting process.

**8. DIRECTORS EXPENSES**

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

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

Mr. Ota stated that the meeting with the external auditor will be scheduled at next month's Committee meeting.

Director Robles stated that he would like to have a debt issuance discussion at next month's meeting.

The Committee scheduled the Finance Committee meetings every third Wednesday of the month at noon, beginning January 19, 2011.

**10. ADJOURNMENT**

With no further business for the Committee, the meeting was adjourned at 12:40 p.m.

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Chair

ATTEST:

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Director

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MINUTES

**MINUTES OF JANUARY 3, 2011  
SPECIAL MEETING OF THE FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A special meeting of the Finance Committee of the Board of Directors of the Water Replenishment District of Southern California was held on January 3, 2011 at 12:37 p.m. at the District office, 4040 Paramount Boulevard, Lakewood, California. Director Albert Robles called the meeting to order and presided thereafter. Manager of Finance and Administration Jenna Shaunessy recorded the minutes.

**1. DETERMINATION OF A QUORUM**

Directors: Albert Robles, Sergio Calderon  
Staff: Scott Ota, Jenna Shaunessy

**2. PUBLIC COMMENT**

None.

**3. DIRECTORS EXPENSES**

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

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

None at this time.

**5. ADJOURNMENT**

With no further business for the Committee, the meeting was adjourned at 1:15 p.m.

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Chair

ATTEST:

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Director

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MINUTES

UNAPPROVED  
MINUTES

**MINUTES OF JANUARY 25, 2011  
SPECIAL MEETING OF THE FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A special meeting of the Finance Committee of the Board of Directors of the Water Replenishment District of Southern California was held on January 25, 2011 at 3:50 p.m. at the District office, 4040 Paramount Boulevard, Lakewood, California. Director Albert Robles called the meeting to order and presided thereafter. Administrative Specialist Sheryll Moffat recorded the minutes.

**1. DETERMINATION OF A QUORUM**

Directors: Albert Robles, Sergio Calderon  
Staff: Scott Ota, Jenna Shaunessy, Interim District Counsel  
Francisco Leal and David Alvarez of Leal and Trejo

**2. PUBLIC COMMENT**

None.

**3. DEMANDS – NOVEMBER & DECEMBER 2010**

The Committee reviewed the list of Demands for November 30, 2010 and December 31, 2010. The Demands were approved for submittal to the Board of Directors.

**4. FINANCIAL STATEMENTS – NOVEMBER 30, 2010**

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

**5. FINANCIAL STATEMENTS – DECEMBER 31, 2010**

The Committee reviewed the Financial Statements for December 31, 2010 and recommended they be submitted to the Board for approval.

Items 6 and 7 were considered together.

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

**7. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2010**

The Committee reviewed the Investment Reports for the periods ending November 30, 2010 and December 31, 2010 and recommended they be submitted to the Board for approval.

- 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**

The Committee recommended that the Board of Directors adopt Resolution No. 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**

The Committee recommended that the Board of Directors adopt Resolution No. 11-XXX.

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

The Committee recommended that the Board of Directors receive and file the June 30, 2010 Comprehensive Annual Financial Report.

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

The Committee recommended that the Board of Directors include Union Bank of California in the District's Community Banking Program.

- 12. EVENT SPONSORSHIPS AND COMMUNITY GRANTS**

Director Katherman had made a request that the Event Sponsorships and Community Grants be combined into one. After discussion, the Committee recommend that the two be combined into one consolidated fund. There will be no change in the actual application process.

- 13. DEPARTMENT REPORT**

Manager of Finance and Administration Jenna Shaunessy said that the District has been awarded by the Municipal Society of Finance Officers' award for the 7<sup>th</sup> year successively for the operating budget and the 13<sup>th</sup> award overall. She said that staff is hard at work on the mid-year budget and then they will begin on the budget for the new fiscal year. Mr. Ota said that in March, April and May the District will be having some special meetings and the budget workshops.

**14. DIRECTORS EXPENSES**

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

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

Director Robles asked staff to draft a letter to both the City of Vernon and Park Water regarding their Safe Drinking Water Program funds.

The Committee asked staff to prepare for a debt issuance.

**5. ADJOURNMENT**

With no further business for the Committee, the meeting was adjourned at 4:47 p.m.

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Chair

ATTEST:

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Director



**MEMORANDUM**

**ITEM NO. 4**

*Prepared by: Jim McDavid  
Reviewed by: Scott Ota  
Approved by: Robb Whitaker*

**DATE: FEBRUARY 16, 2011**  
**TO: FINANCE COMMITTEE**  
**FROM: ROBB WHITAKER, GENERAL MANAGER**  
**SUBJECT: FIVE-YEAR CAPITAL IMPROVEMENT PLAN UPDATE**

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**SUMMARY**

In preparation for the upcoming mid-year budget review, and in conjunction with an update of the WRD Strategic Plan, staff has been performing an update of the 5-year capital improvement plan. Staff will outline the basics of this plan and the anticipated capital expenditures during the upcoming 5-year period at the Committee meeting.

At the Water Resources Committee meeting on February 2, 2011, the Committee reviewed the 5-year Capital Improvement Plan and requested that the Plan be submitted to the Finance Committee for their review.

**FISCAL IMPACT**

None at this time.

**STAFF RECOMMENDATION**

For information.



## MEMORANDUM

ITEM NO. 5

*Prepared by: Scott Ota*

*Reviewed by: Scott Ota*

*Approved by: Robb Whitaker*

**DATE: FEBRUARY 16, 2011**

**TO: FINANCE COMMITTEE**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT 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.

Staff has prepared the annual Comprehensive Annual Financial Report for the period ending June 30, 2010 which includes the results of Vasquez and Company's independent annual audit of the financial books and records of the Water Replenishment District. Vasquez and Company has given an unqualified opinion or "clean opinion". An independent auditor's opinion of financial statements is given without reservations. Such an opinion basically states that the auditor feels the entity followed all accounting rules appropriately and that the financial reports are an accurate representation of the entity's financial condition.

Staff has submitted the June 30, 2010 annual Comprehensive Annual Financial Report to the Government Finance Officers Association (GFOA) for their annual Certificate of Achievement for Excellence in Financial Reporting. The WRD has been awarded this prestigious certificate for six consecutive years.

### FISCAL IMPACT

None

### STAFF RECOMMENDATION

For Discussion