

**SPECIAL MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712
2:00 P.M., MONDAY, MARCH 14, 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 QUORUM**
- 2. PUBLIC COMMENT**
- 3. MINUTES OF THE MEETING OF FEBRUARY 14, 2011**
Staff Recommendation: Approve as submitted.
- 4. COMMITTEE DELINEATION OF DUTIES**
Staff Recommendation: Approve changes to Section 3 - "Committees of the Board" of the Administrative Code.
- 5. PROPOSED AUDIT COMMITTEE CHARTER**
Staff Recommendation: For discussion.
- 6. ADMINISTRATIVE CODE REVISION – 7.2.6 (f)**
Staff Recommendation: Approve change to Section 7.2.6 (f) of the Administrative Code to reflect the action taken by the Board of Directors on February 18, 2011.
- 7. MASS MAILING RESTRICTIONS**
Staff Recommendation: For discussion.
- 8. DEPARTMENT REPORT**
- 9. DIRECTOR'S REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF**
- 10. ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, March 11, 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.

UNAPPROVED
MINUTES

UNAPPROVED
MINUTES

**MINUTES OF FEBRUARY 14, 2011
MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Administrative Committee of the Board of Directors of the Water Replenishment District of Southern California was held on February 14, 2011 at 12:20 p.m. at the District Office, 4040 Paramount Boulevard, Lakewood, California. Chairperson Willard H. Murray, Jr. called the meeting to order and presided thereover. Deputy Secretary Abigail C. Andom recorded the minutes.

1. DETERMINATION OF QUORUM

Attendees included:

Committee: Directors Willard H. Murray, Jr. and
Lillian Kawasaki

Staff: Scott Ota, Jenna Shaunessy, Interim District Counsel
Francisco Leal, Special Counsel Ed Casey

2. PUBLIC COMMENT

None.

3. MINUTES OF THE MEETING OF JANUARY 10, 2010

The minutes of January 10, 2010 were approved as submitted.

4. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) POLICY

Director Kawasaki stated that she would like to recommend that the Board adopt a procedure on determination of CEQA compliance for WRD projects and programs and would like the findings reflected for both standing committees and board staff reports.

Discussion followed and Special Counsel Ed Casey stated that he will provide a report to the Board at the March meeting. Mr. Casey also stated that he will arrange for a seminar for staff, and board members are invited, to attend regarding CEQA compliance.

The Committee requested an update be provided at a future meeting.

**5. PROPOSED ADMINISTRATIVE CODE AMENDMENTS TO
CHAPTER 12 - ELECTRONIC MEDIA/INTERNET POLICY**

Manager of Administration and Finance Jenna Shaunessy stated that two issues are before the Committee today for discussion: the length of time to keep back-up tapes and the length of time emails are retained in the District server. Ms. Shaunessy stated that staff is recommending, after consultation with District Counsel, to keep back-up tapes for six months and keep emails for three years.

Discussion followed. The Committee recommended the Board approve the proposed changes to Chapter 12 of the Administrative Code relating to Electronic Media/Internet Policy.

6. SALARY INFORMATION

Ms. Shaunessy stated that the Committee, at last month's meeting, directed staff to discuss discretionary posting of salary information at the District's web site at today's meeting.

Discussion followed. The Committee recommended no action be taken at this time and will revisit the item as necessary.

7. DEPARTMENT REPORT

Mr. Ota referred to his written report and provided an update on the Department's activities.

8. DIRECTOR'S REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF

Director Kawasaki requested an update be provided on mass mailing restrictions enforced by state legislation or the Fair Political Practices Commission (FPPC).

Ms. Shaunessy stated that the Committee will also discuss the Education Reimbursement Update at next month's meeting.

9. ADJOURNMENT

With no other business to come before the Committee, the meeting was adjourned at 1:40 p.m.

Chair

ATTEST:

Member



MEMORANDUM

ITEM NO. 4

Prepared by: J H Shaunessy

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: MARCH 14, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: COMMITTEE DELINEATION OF DUTIES

SUMMARY

Since July 12, 2010 the Administrative Committee has been periodically reviewing and updating the responsibilities of each Standing Committee of the Board of Directors as currently outlined in Section 3 of the Administrative Code. In line with this task and as part of the District's continuing commitment to transparency and accountability, staff would like to add an audit charter to the responsibilities of the Finance Committee thus creating an Audit/Finance Committee as a replacement to the Finance Committee.

The proposed addition of the auditing function to the Finance Committee is designed to further the implementation of corporate governance best practices. This will provide a direct line of independent and formal communication between WRD's independent financial auditors and the District's governing body.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Approve changes to Section 3 - "Committees of the Board" of the Administrative Code.

Administrative Committee
Updated as of 03/14/11
Committee Delineation of Duties

COMMITTEES OF THE BOARD

Identification of Standing Committees

The Standing Committees of the Board of Directors are:

- Finance Committee proposed to be changed to Audit/Finance Committee
- Administrative Committee
- Groundwater Quality Committee
- Water Resource Committee
- External Affairs Committee

Audit/Finance Committee (proposed)

The Finance Committee shall study, advise and make recommendations with regard to the following:

1. Financial activities of the District by reviewing the monthly demands, financial statements, reimbursements and other key financial issues of the District;
2. Be the oversight Committee responsible to the Board of Directors for coordinating the annual budget process and monitoring the budget as necessary to ensure that the operations of the District are conducted pursuant to it;
3. Be responsible to the Board for the District's investment policy and monitoring the District's investment portfolio. The committee is to monitor any short, intermediate, and long-term capital needs of the District;
4. Acts as the Audit Committee relating to the Comprehensive Annual Financial Audit (CAFA) conducted by the District's independent financial auditor; and,
5. Shall not make recommendations to the Board of Directors on any matters which are the purview of other committees.

Administrative Committe

The Administrative Committee shall study, advise and make recommendations with regard to the following:

1. Administrative and personnel policies and procedures to be considered by the Board of Directors;
2. Be responsible for the policies and procedures pertaining to the oversight and management of the organization, including but not limited to the District's organization and the flow of the authority and responsibility; and,
3. Periodic independent reviews and studies of the organization, classification of positions and related compensation ranges as outlined in the memorandum of understanding with the employees bargaining unit.

Groundwater Quality Committee

The Groundwater Quality Committee shall study, advise and make recommendations with regard to the following:

1. The operation, protection and maintenance of the District's water quality facilities;
2. Engineering aspects of all water quality projects;
3. The effect on the District of existing and proposed federal, state and local water quality statutes and regulations;
4. Provide input related to the District's Capital Improvement Program as it relates to water quality projects.

Water Resources Committee

The Water Resources Committee shall study, advise, and make recommendations with regard to the following:

1. The operation, protection and maintenance of the District's replenishment water facilities;
2. Policies, sources and means related to the stewardship of the Central and West Coast Groundwater Basins including, but not limited to, importing and distributing water, transferring water and wheeling as required by the District;
3. Policies regarding recycling, reuse and underground storage of water and use thereof;

4. Environmental compliance and requirements and the effect on the District of existing and proposed federal, state and local environmental statutes and regulations;
5. Engineering aspects of all replenishment water projects;
6. Provide input related to the District's Capital Improvement Program as it relates to replenishment water projects; and,
7. Policies related to the District's conjunctive use efforts including but not limited to California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA).

External Affairs Committee

The External Affairs Committee shall study, advise, and make recommendations with regard to the following:

1. Proposals and recommendations concerning Local, Regional, State and Federal legislation, or amendments thereto, that may affect the District;
2. Opportunities for members of the Board to assist in outreach activities, including efforts to inform members of the Legislature or the Congress of the District's position with regard to proposed legislation;
3. The effectiveness of legislative advocacy efforts;
4. The development and implementation of school education programs, including the expectations and goals for these programs;
5. The effectiveness of the District's external affairs programs and general communications efforts directed at member agencies and the general public; and
6. The selection of public information consultants and the scope of their assignments.



MEMORANDUM

ITEM NO. 5

Prepared by: J H Shaunessy

Reviewed by: Scott M Ota

Approved by: Robb Whitaker

DATE: MARCH 14, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: PROPOSED AUDIT COMMITTEE CHARTER

SUMMARY

As part of the District's ongoing commitment to transparency and accountability, and in line with the proposed changes to Section 3 - "Committee Delineation of Duties" of the Administrative Code, staff is requesting that the Administrative Committee refer the draft Audit/Finance Committee Charter to the proposed Audit/Finance Committee.

The proposed charter emphasizes enhanced accountability, independent lines of formal communication with the independent financial auditors and strengthened controls.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For discussion.

AUDIT/FINANCE COMMITTEE CHARTER

PURPOSE

To assist the Audit/Finance Committee in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the District's process for monitoring compliance with laws and regulations.

AUTHORITY

The Audit/Finance Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Oversee the work of any registered public accounting firm employed by the organization.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Recommend approval to the Board of Directors of all auditing and non-audit services.
- Seek any information it requires from external parties.
- Meet with staff, external auditors, or outside counsel, as necessary.

COMPOSITION

The Audit/Finance Committee will consist of at least two members with one alternate of the Board of Directors. The Board President or its nominating committee will appoint Committee members and the Committee chair.

RESPONSIBILITIES

The Committee will carry out the following responsibilities:

Financial Statements

- Review significant accounting and reporting issues, including unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the committee under Generally Accepted Auditing Standards.
- Understand how management develops interim financial information, and the nature and extent of external auditor involvement.

- Review interim financial reports with management and the external auditors and consider whether they are complete and consistent with the information known to committee members.

Internal Control

- Consider the effectiveness of the District's internal control system, including information technology security and control.
- Understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort.
- Review the performance of the external auditors, review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the District, including non-audit services, and discussing the relationships with the auditors.
- Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

Compliance

- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Obtain regular updates from management and legal counsel regarding compliance matters.

Reporting Responsibilities

- Regularly report to the Board of Directors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between the external auditors, and the Board of Directors.
- Review any other reports the District issues that relate to Committee responsibilities.

Other Responsibilities

- Perform other activities related to this charter as requested by the Board of Directors.
- Review and assess the adequacy of the Committee Charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

- Confirm annually that all responsibilities outlined in this charter have been carried out.

DRAFT



MEMORANDUM

ITEM NO. 6

Prepared by: J H Shaunessy

Reviewed by: Scott M Ota

Approved by: Robb Whitaker

DATE: MARCH 14, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: ADMINISTRATIVE CODE REVISIONS 7.2.6 (f)

SUMMARY

At the February 18, 2011 meeting of the Board of Directors, the Board approved merging the Event Sponsorship and Community Grant programs into one program with no increase in funding to either program and no change in the application process.

Section 7.2.6 (f) of the Administrative Code allows for the following and recommends the following change based on the Board's action on February 18th.

"Unspent budgeted funds for items listed in subsections a) and b) above, can be re-allocated to the respective individual Director's event sponsorship and/or community grant program allocation."

FISCAL IMPACT

None

STAFF RECOMMENDATION

Approve change to Section 7.2.6(f) of the Administrative Code to reflect the action taken by the Board of Directors on February 18, 2011.



MEMORANDUM

ITEM NO. 7

Prepared by: J H Shaunessy

Reviewed by: Scott M Ota

Approved by: Robb Whitaker

DATE: MARCH 14, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: MASS MAILING RESTRICTIONS

SUMMARY

At the February 14, 2011 meeting of the Administrative Committee, the members of the Committee asked legal counsel to prepare an opinion related to the California Fair Political Practices Commission's rule on mass mailing restrictions. District Counsel will present his findings at the Committee meeting.

FISCAL IMPACT

None

STAFF RECOMMENDATION

For discussion.



MEMORANDUM

ITEM NO. 8

Prepared by: Scott Ota

Reviewed by: J H Shaunessy

Approved by: Robb Whitaker

DATE: MARCH 14, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: DEPARTMENT REPORT

SUMMARY

Staff has been working on the following projects:

- Prepared and distributed an updated Affidavit of Dependency in order to comply with direction from the District's health and dental insurance carrier, the Association of California Water Agencies (ACWA) Health Benefits Authority (HBA)
- Work with Legal Counsel on a public records request in accordance with the California Public Records Request (CPRA) Act received from Orchard Dale Water District requesting information going back over 12 years to 1999.
- Work with Legal Counsel on a public records request in accordance with the California Public Records Request (CPRA) Act received from Anthony Kingsley.
- Work with Interim District Counsel on procedures relating to the District and transitioning any outstanding items from previous District Counsel
- Work with Legal Counsel regarding items related to the District's negotiation with the labor union
- Work with Legal Counsel on financial data and historical records related to the lawsuit against WRD's replenishment assessment
- Researched and brought Administrative Code issue before committee regarding educational reimbursement
- Hosted Sage MIP training class for the Finance Department
- Prepared monthly Director's expenses
- Coordinated distribution of the annual Statement of Economic Interest Form 700.
- Assisted with obtaining a Federal Tax Identification Number and Dunn and Bradstreet identification number for the Groundwater Reliability Improvement Program Joint Powers Authority
- Work with Legal Counsel on a public records request in accordance with the California Public Records Request (CPRA) Act received from Sedgwick, Detert, Moran & Arnold, LLP on behalf of Central Basin Municipal Water District (CBMWD)
- Attended and prepared minutes for Board of Directors on 2/18/11
- Attended and prepared minutes for Administrative Committee meeting on 2/14/11
- Attended and prepared minutes for Finance Committee meeting on 2/16/11
- Attended and prepared minutes for External Affairs Committee meeting on 2/22/11
- Attended and prepared minutes for Groundwater Quality Committee meeting on 2/23/11
- Attended and prepared minutes for Special Finance Committee meeting on 3/1/11
- Attended and prepared minutes for Water Resources Committee meeting on 3/2/11

- Attended and prepared minutes for Board of Directors on 3/4/11
- Assist in the preparation for the Groundwater Festival
- Continued work on various personnel, human resource and legal issues

FISCAL IMPACT

None

STAFF RECOMMENDATION

For information.