

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

**9:00 A.M., FRIDAY, APRIL 1, 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. PLEDGE OF ALLEGIANCE**

**3. INVOCATION**

**4. ADDITIONAL ITEMS TO AGENDA**

Determine the need to add items to the agenda. In order for the Board to add an item to the agenda it must make a determination that: (i). The item came to the attention of the Board after the posting of the agenda; (ii). That there is a need for immediate action to be taken by the Board. If these two tests are met, the Board may add the item in question to the agenda for consideration consistent with the provisions of the Brown Act.

**5. PUBLIC COMMENT**

**6. CONSENT CALENDAR**

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

**A. MINUTES OF THE MEETING OF FEBRUARY 18, 2011**

*Staff Recommendation:* Approve the minutes as submitted.

**B. MINUTES OF THE SPECIAL MEETING OF THE SOUTHERN CALIFORNIA WATER REPLENISHMENT FINANCING CORPORATION OF FEBRUARY 18, 2011**

*Staff Recommendation:* Approve the minutes as submitted.

**C. ADMINISTRATIVE CODE REVISION – 7.2.6(F)**

*Administrative Committee 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.

- D. WEST COAST BARRIER FOLLOW-UP CONDITION ASSESSMENT MOU**  
*Water Resources Committee Recommendation:* Enter into a Memorandum of Understanding with the Los Angeles County Department of Public Works and the West Basin Municipal Water District, subject to approval to form by District Counsel, to perform a Follow-Up Condition Assessment of the West Coast Barrier for a cost to WRD not to exceed \$66,800.
- 7. CONVENE PUBLIC HEARING ON THE FISCAL YEAR 11-12 PROPOSED REPLENISHMENT ASSESSMENT PER WATER CODE SECTION 60306**  
*Staff Recommendation:* Open the Public Hearing, provide opportunity for public comment, receive staff reports and testimony, and continue the Public Hearing to the next scheduled Board meeting.
- 8. MIDYEAR BUDGET REVIEW**  
*Finance Committee Recommendation:* Receive and file the Midyear Budget Review.
- 9. GENERAL MANAGER'S REPORT**
- 10. DISTRICT COUNSEL'S REPORT**
- 11. AB 1234 COMPLIANCE REPORTS AND DIRECTORS REPORTS**
- 12. WRD BOARD MEETING DATES**
- A. April 15, 2011 – 9:00 a.m. – Board of Directors Meeting
  - B. April 29, 2011 – 9:00 a.m. – Special Board of Directors Meeting
  - C. May 6, 2011 – 12:00 p.m. – Special Board of Directors Meeting (Close public hearing and adopt resolution to set the replenishment assessment)
  - D. May 20, 2011 – 9:00 a.m. – Board of Directors Meeting
- 13. CLOSED SESSION**
- A. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a), California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806
  - B. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a) Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786,656
  - C. Conference with Labor Negotiator: Clifton Albright  
Employee Organization: American Federation of State, County and Municipal Employees (AFSCME)
  - D. Conference with Legal Counsel – Existing Litigation  
Pursuant to Government Code §54956.9  
Name of Case: City of Cerritos, City of Downey and City of Signal Hill v. Water Replenishment District of Southern California  
Case No.: Los Angeles County Superior Court BS128136

- E. Conference with Legal Counsel – Existing Litigation  
Pursuant to Government Code §54956.9  
Name of Case: Central Basin Municipal Water District v. Water Replenishment District of Southern California, and Does 1 through 50  
Case No.: Los Angeles County Superior Court BS129817
- F. Conference with Legal Counsel – Anticipated Litigation, Pursuant to Government Code §54956.9 (b), One Case

#### **14. ADJOURNMENT**

Agenda posted by Abigail C. Andom, Deputy Secretary, March 29, 2011. In compliance with ADA requirements, this document can be made available in alternative formats upon request.

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

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

Agendas and minutes are available at the District's website, [www.wrd.org](http://www.wrd.org).

UNAPPROVED  
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**MINUTES OF FEBRUARY 18, 2011  
MEETING OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Board of Directors of the Water Replenishment District of Southern California was held on February 18, 2011 at 9:25 a.m. in the District office located at 4040 Paramount Boulevard, Lakewood, California. President Sergio Calderon called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

**1. DETERMINATION OF A QUORUM**

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

**2. PLEDGE OF ALLEGIANCE**

Dan Massiello of Kinsell, Newcomb and De Dios led the Pledge of Allegiance.

**3. INVOCATION**

President Calderon gave the Invocation.

**4. ADDITIONAL ITEMS TO AGENDA**

None.

**5. PUBLIC COMMENT**

General Manager Robb Whitaker introduced Dr. Cathy Chang, the District's new employee. Mr. Whitaker stated that Dr. Chang replaced Water Quality Program Manager Hoover Ng who retired last year.

Dr. Cathy Chang stated that she is honored to be working at the District and noted staff's professionalism and sense of mission.

The regular Board meeting recessed at 9:30 a.m. to convene the Special Meeting of the Southern California Water Replenishment Financing Corporation. The regular Board meeting reconvened at 9:35 a.m.

**6. CONSENT CALENDAR**

- A. MINUTES OF THE MEETING OF NOVEMBER 19, 2010**
- B. MINUTES OF THE SPECIAL MEETING OF NOVEMBER 19, 2010**
- C. DEMANDS – NOVEMBER 2010 AND DECEMBER 2010**
- D. FINANCIAL STATEMENTS FOR NOVEMBER 2010**
- E. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING NOVEMBER 30, 2010**
- F. FINANCIAL STATEMENTS FOR DECEMBER 2010**
- G. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2010**
- H. 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 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**
- I. CONSIDERATION OF RESOLUTION NO. 11-897 – 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**
- J. COMMUNITY BANKING – UNION BANK OF CALIFORNIA**
- K. COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2010**
- L. EVENT SPONSORSHIPS AND COMMUNITY GRANTS**

- M. USGS CONTRACT AMENDMENT FOR GROUNDWATER MODELING AND HYDROGEOLOGIC INVESTIGATIONS**
- N. ADOPTION OF PRESS RELEASE AND MEDIA CONTACT PROCEDURE AS DISTRICT POLICY**
- O. ALBRIGHT, YEE AND SCHMIT, LLP CONTRACT AMENDMENT**

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

RESOLVED: That the Board approves the Consent Calendar of February 18, 2011, as submitted.

The agenda items were taken out of order.

**9. STORM WATER RECHARGE FEASIBILITY STUDY AND PILOT PROJECT DEVELOPMENT**

General Manager Whitaker introduced Nancy Steele of the Los Angeles and San Gabriel Rivers Watershed Council.

Nancy Steele stated that the Watershed Council is looking forward to the opportunity of working with the District to further increase the use of stormwater for groundwater augmentation. Ms. Steele noted that the results of the Augmentation Study, which is an on-going 10-year research project led by the Watershed Council, suggest that nearly 180,000 acre-feet of stormwater runoff is lost to the ocean from WRD's service area.

Director Katherman stated that this is a great opportunity to work with the Watershed Council towards finding alternative sources of water. He noted that the Water Resources Committee reviewed the item and recommended Board approval.

Letters of support have also been received by the District from Green LA Coalition and Environment Now.

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

RESOLVED: That the Board enters into a Memorandum of Agreement with the Los Angeles and San Gabriel Rivers Watershed Council, subject to approval of form by District Counsel, to conduct a Stormwater Recharge Feasibility Study and Pilot Project Development Effort for a cost to WRD not to exceed \$230,000. Funding will be divided into two fiscal years.

**7. RECEIVE AND FILE REGIONAL GROUNDWATER MONITORING REPORT – WATER YEAR 09-10**

Chief Hydrogeologist Ted Johnson provided a presentation on the results of the 2009-10 Regional Groundwater Monitoring Report. Mr. Johnson stated that that staff has completed the Regional Groundwater Monitoring Report which describes the groundwater levels, groundwater quality and replenishment water quality for the Central and West Coast Basins for the previous water year. Mr. Johnson noted that water levels increased modestly over most of the Central Basin during water year 2009-10. He also reported that water levels were generally stable to slightly increasing for the coastal area of the West Coast Basin. Mr. Johnson stated that, overall, groundwater in the Central and West Coast Basins continues to be of high quality and suitable for potable and non-potable uses and meets high standards for quality. Lastly, Mr. Johnson stated that WRD remains committed to protecting and preserving the groundwater resources in the Central and West Coast Basins. He explained that WRD will be installing additional monitoring wells in the upcoming year to enhance its monitoring well network.

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

RESOLVED: That the Board receives and files the 2009/2010 Regional Groundwater Monitoring Report.

**8. UPDATE ON WRD MEMBRANE RESEARCH ACTIVITIES**

Dr. Paul Fu, Senior Engineer, provided a presentation on the District's membrane research projects. Dr. Fu stated that at the Leo J. Vander Lans Water Treatment Facility the following projects have been performed to improve the performance of the membrane treatment processes: a process optimization study to address rapid fouling of the reverse-osmosis (RO) membranes in 2008, a WasteReuse Research Foundation funded study on maximizing recovery of recycled water using RO and nanofiltration (NF) in 2009, and a brine minimization pilot study to substantially reduce waste flow for plant expansion in 2010.

Dr. Fu stated that membrane technologies have also have also been applied to the District's Groundwater Reliability Improvement Program (GRIP). He noted that in 2010, an extensive pilot study was conducted to evaluate the feasibility of applying NF, as an alternative to RO, as the primary treatment process prior to the spreading operations. He stated that a performance assessment of surface spreading operations receiving different blend ratios of tertiary/RO and tertiary/NY treated waters was also conducted. Lastly, Dr. Fu stated that the most recent proposed collaborative undertaking is to evaluate a high-recovery NF/RO integrated treatment system at the LACSD's San Jose Creek Water Reclamation Plant. He explained that this research project will expand on a recently completed brine minimization study at the Leo J. Vander Lans Water Treatment Facility by determining the viability and potential application of the integrated treatment system which can achieve an overall product water recovery greater than 92%. The U.S. Bureau of Reclamation

(USBR) has agreed to participate in this important effort by contributing \$50,000.

**10. LEGISLATIVE REPORT**

Government Affairs Manager Adeline Yoong provided an update on state and federal legislative activities. Ms. Yoong stated that President Obama released his budget plan proposal for the fiscal year starting October 1. She noted that the \$3.7 trillion spending plan was quickly dismissed by the Republican leaders. She stated that within the budget request are a number of cuts including the Bureau of Reclamation's Title XVI Water Reuse Projects.

On the state side, Ms. Yoong stated that Governor Brown's budget unveiled in January included general tax hike extensions, programmatic cuts, and government restructuring. She informed everyone that Democratic Representative Jane Harman is resigning and the Governor has 14 days to call a special election when the seat is vacant.

**11. CONSIDERATION OF CONTRACT WITH TRES ES, INC.**

Director Robles stated that former Senator Richard Polanco has been very helpful to the District by providing assistance in gathering information, and providing advice and/or advocate positions on legislation in Sacramento. He explained that the District could use his assistance on pending matters facing WRD today. He noted that the term of the proposed contract would be for a period beginning February 2011, at a rate of \$9,000 per month, not to exceed six months.

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

RESOLVED: That the Board approves a contract with Tres Es, Inc., for a period beginning February 2011, at a rate of \$9,000 per month, not to exceed six months.

**12. GENERAL MANAGER'S REPORT**

General Manager Robb Whitaker stated that two staff members, Senior Engineer Dr. Paul Fu and Water Quality Specialist Phuong Ly, will be presenting technical papers at the Annual WateReuse Conference to be held this March in Dana Point, California.

**13. DISTRICT COUNSEL REPORT**

Deferred to closed session.

**14. AB 1234 COMPLIANCE REPORTS AND DIRECTORS' REPORTS**

Director Katherman stated that he attended the Independent Cities Association Conference along with Director Robles. He also stated that he attended the Ad Hoc West Basin MWD Meeting.

Director Robles stated that he attended the first meeting of the GRIP Joint Powers Agreement (JPA) where he was elected chair. He stated that he will submit his meetings in writing.

President Calderon congratulated Director Robles on his new position as chair of the GRIP JPA. He stated that he will submit his meetings in writing. He also acknowledged February as Black History Month and thanked staff for the brochure featuring African-American water leaders in the Los Angeles region.

**15. WRD BOARD MEETING DATES**

- A. ~~March 18, 2011 – 9:00 a.m. – Board of Directors Meeting~~  
The meeting of March 18, 2011 has been changed to March 4, 2011 at 9:00 a.m.
- B. *April 1, 2011 – 9:00 a.m. – Board of Directors Meeting (Open public hearing on the proposed 2011-12 replenishment assessment)*
- C. April 15, 2011 – 9:00 a.m. – Board of Directors Meeting
- D. *May 6, 2011 – 9:00 a.m. – Board of Directors Meeting (Close public hearing and adopt resolution to set the replenishment assessment)*
- E. May 20, 2011 – 9:00 a.m. – Board of Directors Meeting

**16. CLOSED SESSION**

- A. Conference with Legal Counsel – Existing litigation, pursuant to Government Code §54956.9(a), California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806
- B. Conference with Legal Counsel – Existing litigation, pursuant to Government Code §54956.9(a), Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786, 656
- C. Conference with Labor Negotiator: Clifton Albright  
Employee Organization: American Federation of State County & Municipal Employees (AFSCME)
- D. Conference with Legal Counsel – Existing Litigation  
Pursuant to Government Code §54956.9  
Name of Case: City of Cerritos, City of Downey and City of Signal Hill v. Water Replenishment District of Southern California  
Case No.: Los Angeles County Superior Court BS128136
- E. Conference with Legal Counsel – Existing Litigation  
Pursuant to Government Code §54956.9  
Name of Case: Central Basin Municipal Water District v. Water Replenishment District of Southern California, and Does 1 through 50  
Case No.: Los Angeles Superior Court BS 129817
- F. Conference with Legal Counsel – Anticipated Litigation, Pursuant to Government Code §54956.9 (b), One Case

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

Interim District Counsel Fernando Leal reported that there were no reportable actions taken. He stated that Agenda Item 16.C was not discussed.

**17. ADJOURNMENT**

President Calderon asked if there was any further business to come before the Board, and there being none, the meeting was adjourned at 11:40 a.m, in memory of Jim Tabilio. The meeting was also adjourned in memory of Vernon Donald (Don) Bowler IV who passed away February 7, 2011 in Long Beach. Don is survived by his wife, Sue; daughters, Melissa and Hayley, and grandchildren, Cheyenne, Kaylyn, Zane and Jaden.

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Sergio Calderon, President

ATTEST:

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Robert Katherman, Secretary

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**MINUTES OF FEBRUARY 18, 2011  
MEETING OF THE BOARD OF DIRECTORS  
SOUTHERN CALIFORNIA WATER REPLENISHMENT FINANCING CORPORATION**

A special meeting of the Board of Directors of the Southern California Water Replenishment Financing Corporation was held on February 18, 2011 at 9:30 a.m. in the District office at 4040 Paramount Boulevard, Lakewood, California. President Sergio Calderon called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

**1. DETERMINATION OF A QUORUM**

The President declared a quorum of Directors was present, which in addition to himself included Directors Rob Katherman, Willard H. Murray, Jr., and Albert Robles. Director Lillian Kawasaki was excused.

**2. PUBLIC COMMENT**

None.

**3. CONFIRMATION OF OFFICERS**

President Calderon stated the officers of the Corporation are President, Vice President, Secretary, Treasurer, General Manager, and Chief Financial Officer. He noted that the officers of the Corporation shall be the same officers of the WRD Board of Directors.

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

RESOLVED: The officers of the Southern California Water Replenishment Financing Corporation shall be the same officers of the Board of Directors.

Director Robles noted that the WRD Board of Directors does not get additional compensation when the Financing Corporation meets.

**4. ADJOURNMENT**

President Calderon asked if there was any further business to come before the Board and there being none, the meeting was adjourned at 9:35 a.m.

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Sergio Calderon, President

ATTEST:

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Robert Katherman, Secretary



## MEMORANDUM

ITEM NO. 6.C

Prepared by: J H Shaunessy

Reviewed by: Scott M Ota

Approved by: Robb Whitaker

**DATE:** APRIL 1, 2011  
**TO:** BOARD OF DIRECTORS  
**FROM:** ROBB WHITAKER, GENERAL MANAGER  
**SUBJECT:** ADMINISTRATIVE CODE REVISIONS 7.2.6 (f)

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### 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 18<sup>th</sup>.

*"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. 6.D

*Prepared by:* Nancy Matsumoto

*Reviewed by:* Ted Johnson

*Approved by:* Robb Whitaker

**DATE:** APRIL 1, 2011

**TO:** BOARD OF DIRECTORS

**FROM:** ROBB WHITAKER, GENERAL MANAGER

**SUBJECT:** WEST COAST BARRIER FOLLOW-UP CONDITION ASSESSMENT MOU

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The Los Angeles County Department of Public Works (LACDPW) owns and operates the West Coast Barrier, with WRD purchasing the recycled and imported injection water for the barrier from West Basin Municipal Water District (WBMWD). Proper functioning of the West Coast Barrier is critical to the health of the West Coast Basin by preventing seawater intrusion.

In fiscal year 07-08, LACDPW, WRD and WBMWD entered into a Memorandum of Understanding (MOU) to share costs for a West Coast Barrier Condition Assessment focused on evaluating the condition of the water supply lines of the barrier. The Condition Assessment was completed in 2009.

The Condition Assessment found no leaks in the supply lines, but recommended that the 2,400-foot length of supply line located on the Raytheon property in El Segundo be further field-evaluated to verify pipe conditions and assess if further action is necessary or appropriate. Accordingly, LACDPW proposed a Follow-Up Condition Assessment and requested that WRD and WBMWD share the costs for this work.

Initially, LACDPW, WRD and WBMWD cooperatively sought grant funding for this Follow-Up Condition Assessment. However, given that this segment of supply pipeline runs partially beneath the Metro Rail Green Line, the parties have agreed that it is important to move forward with this project rather than to wait for grant funding to become available.

LACDPW will be the lead agency for the work, will issue the Request for Proposals and will manage the consulting contract. Both WRD and WBMWD will provide review and input on the entire project. The MOU for this work was drafted and is being reviewed by each of the agencies' legal counsel. The final MOU will be submitted by LACDPW to WRD and WBMWD for approval and signature, upon which WRD and WBMWD are anticipated to approve and execute the MOU.

### FISCAL IMPACT

Based on LACDPW's experience with barrier condition assessments, the total cost of the West Coast Barrier Follow-Up Condition Assessment is estimated at an amount not to exceed \$200,000. Under the terms of the MOU, WRD would reimburse LACDPW for approximately one-third of the cost of the Condition Assessment, up to a maximum of \$66,800. This is not a

budgeted item but funding opportunities are being explored during the current mid-year budget review process.

**WATER RESOURCES COMMITTEE RECOMMENDATION**

Enter into a Memorandum of Understanding with the Los Angeles County Department of Public Works and the West Basin Municipal Water District, subject to approval to form by District Counsel, to perform a Follow-Up Condition Assessment of the West Coast Barrier for a cost to WRD not to exceed \$66,800.



## MEMORANDUM

ITEM NO. 7

*Prepared by:* Ted Johnson

*Reviewed by:* Jason Weeks

*Approved by:* Robb Whitaker

**DATE: APRIL 1, 2011**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: CONVENE PUBLIC HEARING ON THE FISCAL YEAR 11-12 PROPOSED REPLENISHMENT ASSESSMENT PER WATER CODE SECTION 60306**

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### SUMMARY

On March 4, 2011, the WRD Board of Directors accepted the staff-prepared 2011 Engineering Survey and Report (ESR) and adopted Resolution No. 11-898 declaring that funds shall be raised in the ensuing fiscal year to purchase replenishment water and for funding groundwater quality and replenishment projects and programs by means of a Replenishment Assessment (RA). Following that action, copies of the ESR and Resolution 11-898 were mailed to all groundwater producers in the District and other interested parties.

In compliance with California Water Code (Water Code) Section 60306, a Public Hearing on the fiscal year 11-12 RA will open April 1, 2011. The purpose of the Public Hearing is to determine whether and to what extent the estimated cost of (1) purchasing water for groundwater replenishment for the ensuing year and accomplishing acts reasonably necessary for replenishment, (2) removing contaminants from groundwater supplies and undertaking other groundwater quality projects, and (3) the District's operating and administrative expenses, shall be paid by a RA levied upon groundwater producers within the Central and West Coast Groundwater Basins. As required by the Water Code, notice of the Public Hearing was published in a newspaper of general circulation in Los Angeles County at least 10 days before the hearing date.

The public is invited to attend the hearing and provide comment on any proposed RA, the ESR, or any other matters related to the District's rate setting process. The Public Hearing may be continued to subsequent Board meetings including budget workshops as the Board considers additional information, such as the draft budget. The Public Hearing will be closed prior to setting the RA, currently scheduled for Friday, May 6, 2011.

The following is the current proposed 2011 schedule for Board Meetings and Budget Workshops (dates subject to change):

- **Friday, April 1 at 9:00am:** Board Meeting - Open the Public Hearing on the fiscal year 11-12 RA – Present Midyear budget. Receive Public Comments.
- **Friday, April 8 at 12:00pm:** Special Finance Committee meeting on budget.

- **Friday, April 15 at 9:00am:** Board Meeting and Budget Workshop #1 – Continue public hearing on RA.
- **Wednesday, April 20 at 12:00pm:** Finance Committee Meeting and Budget Workshop #2.
- **Tuesday April 26 at 12:00pm:** Finance Committee Meeting and Budget Workshop #3.
- **Friday, April 29 at 9:00pm:** Special Board Meeting and Budget Workshop #4 – Continue public hearing.
- **Friday, May 6, 12:00pm:** Special Board Meeting and Budget Workshop #5 – Close Public Hearing, Adopt Budget, Set the fiscal year 11-12 RA.

**FISCAL IMPACT**

None at this time.

**STAFF RECOMMENDATION**

Open the Public Hearing, provide opportunity for public comment, receive staff reports and testimony, and continue the Public Hearing to the next scheduled Board meeting.



## MEMORANDUM

### ITEM NO.8

*Prepared by: Scott Ota*

*Reviewed by: Scott Ota*

*Approved by: Robb Whitaker*

**DATE: APRIL 1, 2011**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: MIDYEAR BUDGET REVIEW**

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### SUMMARY

Each year, staff prepares a midyear analysis of the current year's budget. The analysis will include 6 months of actual data from July 1, 2010 and December 31, 2010 along with projected data from January 31, 2011 through June 30, 2011. This information gives the Board and staff a "snapshot" of how the District is progressing with planned projects and programs. The midyear review analysis is used as a guide for the ensuing year's budget.

Staff will provide a presentation to the Board of Directors at the meeting.

### FISCAL IMPACT

None.

### FINANCE COMMITTEE RECOMMENDATION

Receive and file the Midyear Budget Review.