

**MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712
12:00 P.M., MONDAY, MAY 9, 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 MARCH 14, 2011**
Staff Recommendation: Approve as submitted.
- 4. MASS MAILING RESTRICTIONS**
Staff Recommendation: For discussion.
- 5. COMMITTEE DELINEATION OF DUTIES**
Staff Recommendation: Approve changes to Section 3 - "Committees of the Board" of the Administrative Code.
- 6. PROPOSED AUDIT COMMITTEE CHARTER**
Staff Recommendation: For discussion.
- 7. ADMINISTRATIVE CODE REVISIONS**
Staff Recommendation: For discussion.
- 8. LANDSCAPING CONTRACT**
Staff Recommendation: Approve a three-year contract for landscape maintenance services, subject to approval of form by District Counsel, with Interior Plant Design.
- 9. POLICY AND PROCEDURE MANUAL**
Staff Recommendation: For information.
- 10. DEPARTMENT REPORT**
- 11. DIRECTOR'S REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF**
- 12. ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, May 5, 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

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MINUTES

**MINUTES OF MARCH 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 March 14, 2011 at 2:26 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 David Alvarez

2. PUBLIC COMMENT

None.

3. MINUTES OF THE MEETING OF FEBRUARY 14, 2011

The minutes of were approved as submitted.

The agenda items were taken out of order.

7. MASS MAILING RESTRICTIONS

Interim District Counsel Francisco Leal referred the Committee to a memorandum addressing the Committee's inquiries about mass mailings, general provisions of the Political Reform Act, and the District's Administrative Code.

Discussion followed and the Committee requested that District Counsel send an email to all of the Board Members asking them if they had any specific questions relating to mass mailing restrictions. The Committee asked District Counsel to provide legal responses to the questions posed by the Board of Directors and asked that the responses be supplied in advance of the meeting. The item was continued to next month's meeting.

4. COMMITTEE DELINEATION OF DUTIES

Manager of Administration and Finance Jenna Shaunessy stated that as part of the District's annual independent financial audit and implementation of corporate governance best practices, Vasquez and Company had recommended that an Audit Committee be

created as part of the District's standing committees and an Audit Committee Charter be implemented.

Discussion followed and the Committee requested the item be continued to next month's meeting.

5. PROPOSED AUDIT COMMITTEE CHARTER

The item was deferred to next month's Committee meeting.

6. ADMINISTRATIVE CODE REVISION – 7.2.6(F)

The Committee recommended the Board approve the 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.

8. DEPARTMENT REPORT

Ms. Shaunessy referred to the written report and provided an update on the Department's activities. She noted that the annual Statement of Economic Interest Form 700 is due April 1, 2011.

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

Director Kawasaki requested an update on the California Environmental Quality Act (CEQA) be provided at next month's meeting.

10. ADJOURNMENT

With no other business to come before the Committee, the meeting was adjourned at 3:35 p.m.

Chair

ATTEST:

Member



MEMORANDUM

ITEM NO. 4

Prepared by: J H Shaunessy

Reviewed by: Scott M Ota

Approved by: Robb Whitaker

DATE: MAY 9, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: MASS MAILING RESTRICTIONS

SUMMARY

This item is being continued from the February 14, 2011 and March 14, 2011 meetings of the Administrative Committee. The members of the Committee have asked legal counsel to prepare an opinion related to the California Fair Political Practices Commission's rule on mass mailing restrictions as well as provide the results of Board Member questions related to the topic. District Counsel will present his findings at the Committee meeting.

FISCAL IMPACT

None

STAFF RECOMMENDATION

For discussion.



MEMORANDUM

ITEM NO. 5

Prepared by: J H Shaunessy

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: MAY 9, 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 Finance/Audit 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 05/09/11
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 Finance/Audit Committee
- Administrative Committee
- Groundwater Quality Committee
- Water Resource Committee
- External Affairs Committee

Finance/Audit 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 Committee

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. 6

Prepared by: J H Shaunessy

Reviewed by: Scott M Ota

Approved by: Robb Whitaker

DATE: MAY 9, 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 Finance/Audit Committee Charter to the proposed Finance/Audit 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.

FINANCE/AUDIT COMMITTEE CHARTER

PURPOSE

To assist the Finance/Audit 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 Finance/Audit 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 Finance/Audit 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. 7

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

DATE: MAY 9, 2011
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: ADMINISTRATIVE CODE REVISIONS

SUMMARY

The Board of Directors asked that the Administrative Committee oversee a reconciliation of the Memorandum of Understanding between the Board of Directors of the Water Replenishment District of Southern California and the Employees Association of the Water Replenishment District of Southern California, American Federation of State, County and Municipal Employees, AFL-CIO, Chapter 1902 and the District Administrative Code.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For discussion.



MEMORANDUM

ITEM NO. 8

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: MAY 9, 2011
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: LANDSCAPING CONTRACT

SUMMARY

WRD currently has a contract for landscape maintenance that expires on June 30, 2011. The scope of work in the current contract is to provide landscape and plant maintenance services for the following:

- (1) The interior and exterior of the District's administrative offices at 4040 Paramount Blvd. in Lakewood,
- (2) Care and upkeep of designated sustainable landscape at the District's Leo J. Vander Lans Facility at 7380 Willow St. in Long Beach and
- (3) Care and upkeep of designated sustainable landscape at wellhead treatment locations in the City of Torrance.

The current contract is for \$24,000 per year with a 10% contingency of \$2,400 for incidental supplies and plant replacement. This has been budgeted in fiscal year 11-12 and will be budgeted in subsequent years.

The District went through the procurement process in March 2010 after the Board of Directors approved the issuance of a request for proposals (RFP) for landscape maintenance services. Staff mailed the RFP to 21 recipients and gave them 3 weeks to respond. WRD received one responsive proposal.

FISCAL IMPACT

The fiscal impact increases 2.0% per year as follows:

- Year 1 – \$24,480 per year with a 10% contingency of \$2,500 for incidental supplies and plant replacement
- Year 2 – \$24,970 per year with a 10% contingency of \$2,500 for incidental supplies and plant replacement
- Year 3 – \$25,470 per year with a 10% contingency of \$2,500 for incidental supplies and plant replacement

This has been budgeted in fiscal year 11-12 and will be budgeted in subsequent years.

STAFF RECOMMENDATION

Approve a three-year contract for landscape maintenance services, subject to approval of form by District Counsel, with Interior Plant Design.



MEMORANDUM

ITEM NO. 9

Prepared by: Abbie Andom

Reviewed by: Scott M Ota

Approved by: Robb Whitaker

DATE: MAY 9, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: POLICY AND PROCEDURE MANUAL

SUMMARY

The WRD Policy and Procedure Manual (Manual) provides general guidelines on policies and procedures the Board of Directors has established that are not specifically addressed in the WRD Administrative Code. The Manual is intended to be a companion to the Administrative Code.

Staff has been working on a draft Manual and will provide an update at the Committee Meeting.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For information.



MEMORANDUM

ITEM NO. 10

Prepared by: Scott Ota

Reviewed by: J H Shaunessy

Approved by: Robb Whitaker

DATE: MAY 9, 2011
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: DEPARTMENT REPORT

SUMMARY

Staff has been working on the following projects:

- District Counsel was asked to provide the Board of Directors with training as it relates to the California Environmental Quality Act (CEQA). This training took place on April 1, 2011. The Administrative Committee also asked that staff receive similar training subsequent to the training provided to the Board of Directors.
- Made travel arrangements for Directors to attend the WRD Annual Legislative Trip to Washington D.C., California Contract Cities Association (CCCA) Conference, Groundwater Resources Association (GRA) Legislative Symposium and a trip to Sacramento to discuss upcoming legislation.
- Work with Interim District Counsel on procedures relating to the District and transitioning any outstanding items from previous District Counsel
- Prepared monthly Director's expenses
- Coordinated distribution of the annual Statement of Economic Interest Form 700.
- Attended and prepared minutes for Administrative Committee meeting on 3/14/11
- Attended and prepared minutes for External Affairs Committee meeting on 3/21/11
- Attended and prepared minutes for Groundwater Quality Committee meeting on 3/23/11
- Attended and prepared minutes for Special Board of Directors meeting on 3/25/11
- Prepared for and hosted meeting with President Calderon and the City of Huntington Park on 3/30/11
- Attended and prepared minutes for Water Resources Committee meeting on 4/6/11
- Attended and prepared minutes for Finance Committee meeting on 4/8/11
- Attended and prepared minutes for Board of Directors on 4/15/11
- Attended and prepared minutes for External Affairs Committee meeting on 4/18/11
- Attended and prepared minutes for Special Finance Committee meeting on 4/20/11
- Continued work on various personnel, human resource and legal issues
- Continued work on policies and procedures manual.
- Researched 9/80 – 5/40 studies.
- Worked with Counsel re: latest CPRA from Sedgwick.

FISCAL IMPACT

None

STAFF RECOMMENDATION

For information.