

**SPECIAL 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., MONDAY, AUGUST 22, 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 SPECIAL MEETING OF JULY 20, 2011**
Staff Recommendation: Approve as submitted.
- 4. DEMANDS – JUNE 2011**
Staff Recommendation: Receive and file the Demands for June 30, 2011
- 5. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING JUNE 30, 2011**
Staff Recommendation: Approve the Investment Report for submittal to the Board of Directors.
- 6. OPEB RESOLUTION**
Staff Recommendation: Adopt Resolution No. 11-905 to delegate authority to the General Manager, Chief Financial Officer and Manager of Finance and Administration to request disbursements on behalf of the Water Replenishment District.
- 7. PROPOSED AUDIT COMMITTEE CHARTER**
Staff Recommendation: Recommend adoption of an Audit Charter to the Board of Directors.
- 8. FINANCE/AUDIT COMMITTEE**
Staff Recommendation: For discussion.
- 9. PROMERICA BANK LETTER OF INTEREST**
Staff Recommendation: For discussion.

10. **COMMUNITY BANKING – FIRST BANK**
Staff Recommendation: For discussion.
11. **COMPREHENSIVE ANNUAL FINANCIAL AUDIT (CAFA) FOR THE PERIOD ENDING JUNE 30, 2011**
Staff Recommendation: For information.
12. **DIRECTORS EXPENSES**
Staff Recommendation: Approve Directors Expenses for submittal to the Board of Directors.
13. **DIRECTORS REPORTS, INQUIRIES, AND FOLLOW-UP OF DIRECTIONS TO STAFF**
14. **ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, August 18, 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 JULY 20, 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 July 20, 2011 at 12:19 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: Jenna Shaunessy

- 2. PUBLIC COMMENT**
None.

- 3. MINUTES OF THE MEETING OF JUNE 15, 2011**
The minutes were approved as submitted.

- 4. DEMANDS – MAY 2011**
The Committee reviewed the list of Demands and recommended submittal to the Board of Directors to receive and file.

- 5. FINANCIAL STATEMENTS – MAY 31, 2011**
The Committee reviewed the Financial Statements for May 31, 2011 and recommended they be submitted to the Board for approval.

- 6. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING MAY 31, 2011**
The Committee reviewed the Investment Report for the period ending May 31, 2011 and recommended they be submitted to the Board for approval.

- 7. PUBLIC AGENCY RETIREMENT SERVICES (PARS) IRS AMENDMENT**
Manager of Finance and Administration Jenna Shaunessy stated that the amendment would bring WRD's current agreement with the Public Agency Retirement Services (PARS) into compliance with recent Internal Revenue Service (IRS) guidelines. Ms. Shaunessy noted that the amendment does not make any changes to WRD's existing procedures and has no impact on the contract fees.

The Committee recommended the Board amend the existing contract with PARS.

8. FINANCE/AUDIT COMMITTEE

The item was continued to the next Committee meeting.

9. DIRECTORS EXPENSES

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

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

None.

11. ADJOURNMENT

With no further business for the Committee, the meeting was adjourned.

Chair

ATTEST:

Member



MEMORANDUM

ITEM NO. 4

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

DATE: AUGUST 22, 2011
TO: FINANCE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: DEMANDS - JUNE 2011

SUMMARY

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

1. The demands list for the period June 1st, 2011 – June 30th, 2011.
2. The demands sorted by vendor with an additional column showing fiscal year-to-date payments

Demands Summary – June 2011

Replenishment Fund	\$ 2,101,604.21
Clean Water Fund	<u>253,809.70</u>
Total	<u>\$ 2,355,413.91</u>

STAFF RECOMMENDATION

Receive and file the Demands for June 30, 2011.



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

September 16, 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 June 30, 2011

Check #	Payee	Description	Total	Replenishment	Clean Water
				Fund	Fund
P0090	LILLIAN Y. KAWASAKI	04/11 DIRECTORS COMPENSATION	640.30	601.89	38.41
P0091	LILLIAN Y. KAWASAKI	05/11 DIRECTORS COMPENSATION	640.30	601.89	38.41
P0092	ROBERT E. KATHERMAN	05/11 EXPENSE REIMBURSEMENT (PART II)	195.59	183.86	11.73
P0093	SERGIO J. CALDERON	06/11 DIRECTORS COMPENSATION (PART I)	1,073.37	1,008.96	64.41
P0093	SERGIO J. CALDERON	06/11 EXPENSE REIMBURSEMENT	94.57	88.90	5.67
DD	ALBERT ROBLES	05/11 DIRECTORS COMPENSATION	573.64	539.22	34.42
DD	ALBERT ROBLES	05/11 DIRECTORS COMPENSATION (PART II)	1,402.72	1,318.57	84.17
DD	WILLARD H. MURRAY, JR	05/11 DIRECTORS COMPENSATION	608.53	572.00	36.53
DD	ROBERT E. KATHERMAN	05/11 DIRECTORS COMPENSATION (PART II)	227.73	214.06	13.67
DD	AFSCME LOCAL 1902 UNION	UNION DUES	556.40	466.34	90.06
DD	AFSCME LOCAL 1902 UNION	UNION DUES	556.40	429.91	126.49
DD	EDD	STATE TAX DEPOSIT	4,595.09	3,744.13	850.96
DD	EDD	STATE TAX DEPOSIT	4,671.01	3,467.07	1,203.94
DD	EDD	DIR STATE TAX DEPOSIT	15.51	14.58	0.93
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	73,006.35	61,967.96	11,038.39
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	74,769.53	57,927.46	16,842.07
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	280.00	263.20	16.80
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	2,693.68	2,532.06	161.62
DD	FLEX-PLAN SERVICES, INC	FSA REIMBURSEMENT	160.00	150.40	9.60
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	306.06	287.70	18.36
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	360.00	338.40	21.60
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	387.25	364.02	23.23
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	671.29	631.01	40.28
DD	FLEX-PLAN SERVICES, INC	FSA REIMBURSEMENT	193.00	181.42	11.58
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	19.33	18.17	1.16
DD	FLEX-PLAN SERVICES, INC	FSA REIMBURSEMENT	218.95	205.81	13.14
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	347.70	326.84	20.86
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	1,006.80	946.39	60.41
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	193.00	181.42	11.58
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	1,913.74	1,798.91	114.83
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	612.96	576.18	36.78
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	922.00	866.68	55.32
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	3,665.58	3,445.65	219.93
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	84.00	78.96	5.04
DD	INTERNAL REVENUE SERVICE	DIR FEDERAL TAX DEPOSIT	2,343.70	2,203.10	140.60
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	28,701.29	24,049.12	4,652.17
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	28,531.83	21,858.62	6,673.21
DD	PARS	DIR PARS PAYMENT	2,636.23	2,478.05	158.18
DD	PRUDENTIAL	DIR DEFERRED COMP	9,280.60	8,723.79	556.81
DD	PRUDENTIAL	DEFERRED COMP	26,289.14	22,379.57	3,909.57
DD	PRUDENTIAL	DEFERRED COMP	24,226.64	18,745.07	5,481.57
DD	PERS	DIR PERS PAYMENT	468.16	440.07	28.09
DD	PERS	PERS PAYMENT	26,296.45	22,196.04	4,100.41
DD	PERS	PERS PAYMENT	26,296.45	20,585.00	5,711.45
3015	VERIZON COMMUNICATION	MONTHLY PHONE CHARGES	(622.63)	(585.27)	(37.36)
3021	AIRA	FY 11/12 MEMBERSHIP DUES	300.00	282.00	18.00
3022	FRANCHISE TAX BOARD	PAYMENT FOR COD#307701238506971108	100.00	94.00	6.00
3023	INDEPENDENT CITIES ASSOCIATION	REGISTRATION FEE - RK	650.00	611.00	39.00
3024	TORRANCE AREA CHAMBER	05/16/11 CHAMBER BOARD MEETING	250.00	235.00	15.00
3025	SOUTHEAST COMMUNITY DEV	06/03/11 ASSEMBLY MEMBER RICARDO	1,000.00	940.00	60.00
3026	CENTRAL BASIN MWD	04/11 WATER SERVICE CHARGE	13,325.20	13,325.20	
3027	HUNTINGTON PARK-BELL	2011 EDUCATION SCHOLARSHIP EVENT	500.00	470.00	30.00
3028	LOS ANGELES HARBOR COLLEGE	2011 EDU SCHOLARSHIP PROGRAM	2,500.00	2,350.00	150.00
3029	SOUTH GATE COMMUNITY ADULT SCH	2011 EDUCATION SCHOLARSHIP EVENT	500.00	470.00	30.00



Check #	Payee	Description	Total	Replenishment	Clean Water
				Fund	Fund
3030	WEST BASIN MWD	04/11 WATER PURCHASE	713,704.10	713,704.10	
3031	THE BOX ZONE	AWWA EXHIBIT SHIPPING CHARGES	1,205.55	1,133.22	72.33
3032	1-800-CONFERENCE(R)	025: 05/11 CONFERENCE CALL SERVICE	105.99	53.00	52.99
3033	ACCOMTEMP	TEMP SERVICE THRU 05/20/11 - MW	1,969.66	1,851.48	118.18
3034	CALIFORNIA CPA EDU FOUNDATION	MEMBERSHIP RENEWAL - SO	399.00	375.06	23.94
3035	CAL DESAL	FY11/12 MEMBERSHIP DUES	5,000.00	4,700.00	300.00
3036	CAPITOL ENQUIRY	2011 POCKET DIRECTORIES & US CONGRESS	629.82	592.03	37.79
3037	CDW GOVERNMENT	COMPUTER SUPPLIES	2,359.70	2,218.12	141.58
3038	CHEVRON AND TEXACO	MONTHLY FUEL CHARGES	187.67	176.41	11.26
3039	COMMUNITY ENGAGEMENT FOUNDATION	2011 'TRIBUTE TO SHEROES' EVENT	5,000.00	4,700.00	300.00
3040	CONTROLLED KEY SYSTEM	MAINT SERVICE	766.37	720.39	45.98
3041	FEDERAL EXPRESS	FEDEX SERVICE	992.80	933.24	59.56
3042	HELPMATES STAFFING	TEMP SERVICE THRU 05/08/11 - MC	3,246.32	3,051.54	194.78
3043	INDEPENDENT CITIES ASSOC	2011 SUMMER SEMINAR EXHIBIT	1,000.00	940.00	60.00
3044	INFINITE CONFERENCING	02/11 PHONE CONFERENCING SVC	163.22	153.42	9.80
3045	INTERIOR PLANT DESIGN	LANDSCAPE MAINTENANCE SVC	369.75	347.57	22.18
3046	LA EXPRESS ONE	05/24/11 COURIER SERVICE	75.00	70.50	4.50
3047	LONG BEACH, CITY OF	001: 05/11 O & M SERVICE	100,000.00	100,000.00	
3048	LONG BEACH, CITY OF	04/11 WATER PURCHASE	103,362.00	103,362.00	
3049	McMASTER-CARR SUPPLY	011: FIELD SUPPLIES	480.23	240.13	240.10
3050	NAME BADGE PRODUCTION	OFFICE SUPPLIES	138.25	129.96	8.29
3051	NATIONAL GROUND WATER ASSOC	07/01/11-06/30/12 MEMBERSHIP DUES	840.00	789.60	50.40
3052	NORWALK PRINTING	BUSINESS CARDS - AR & JS	107.56	101.10	6.46
3053	ARC	011: 2009-2010 REGIONAL GRNDWTR	5,699.89	2,849.85	2,849.84
3054	OFFICE TEAM	TEMP SERVICE THRU 04/22/11 - MT	3,018.90	2,837.77	181.13
3055	PROFORMA GRAPHIC PRINTSOURCE	PROMOTIONAL ITEMS	1,105.89	1,039.35	66.34
3056	SCHLUMBERGER WATER SERVICES	011: PROF SERVICE THRU 04/17/11	11,500.00	5,750.00	5,750.00
3057	T & A SIGNS	WRD CUSTOM LOGO TABLECLOTHS	521.12	489.85	31.27
3058	TORRANCE AREA CHAMBER	STATE OF THE CITY LUNCHEON	111.00	104.34	6.66
3059	VASQUEZ & COMPANY	2010/11 FINANCIAL AUDIT SERVICE	8,000.00	7,520.00	480.00
3060	VORTEX INDUSTRIES	MAINTENANCE SERVICE	226.12	212.55	13.57
3061	WATER WISE CONSULTING	05/14/11 ECO GARDENER HOMEOWNER	1,200.00	1,128.00	72.00
3062	WEST BASIN MWD	IRWMP FUNDING CONTRIBUTION	20,000.00	20,000.00	
3063	XEROX	05/11 COPIER SERVICE - TR#561586	1,058.49	994.98	63.51
3064	YSI	001 & 018: FIELD SUPPLIES	4,344.98	4,344.98	
3065	TETRA TECH GEO	025: SHIPPING CHARGES	8.18	4.09	4.09
3066	BINHUYEN BUI FOR WRD	PETTY CASH REIMBURSEMENT	474.04	419.93	54.11
3067	VERIZON BUSINESS	MONTHLY PHONE CHARGES	622.63	585.27	37.36
3068	ACCOMTEMP	TEMP SERVICE THRU 05/27/11 - MW	2,046.40	1,923.62	122.78
3069	ALBRIGHT, YEE & SCHMIT	04/11 LEGAL SERVICE - AFCME MOU	7,884.00	7,410.96	473.04
3070	AT&T	002: MONTHLY PHONE SERVICE	205.74		205.74
3071	BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 05/28/11	6,475.00	6,475.00	
3072	CDW GOVERNMENT	COMPUTER SUPPLIES	3,473.07	3,264.69	208.38
3073	CH2M HILL	005: PROF SERVICE THRU 04/29/11	29,004.70	29,004.70	
3074	COSTCO BUSINESS	KITCHEN SUPPLIES	418.26	393.16	25.10
3075	DELL BUSINESS	COMPUTER SUPPLIES	8,059.42	7,575.85	483.57
3076	FLORENCE-FIRESTONE CHAMBER	WATER CONSERVATION SPONSOR EVENT	500.00	470.00	30.00
3077	FRANCHISE TAX BOARD	PAYMENT FOR COD#307701238506971108	100.00	94.00	6.00
3078	FRED PRYOR SEMINARS	REGISTRATION FEE - EL	956.00	898.64	57.36
3079	GOVERNMENT FINANCE OFFICERS ASSC.	REGISTRATION FEE - SO	85.00	79.90	5.10
3080	IN-SITU	011: MAINT SERVICE	37,316.99	36,827.54	489.45
3081	INTERA	025: 04/11 PROF SERVICE	2,412.00	2,412.00	
3082	INTERIOR PLANT DESIGN	001: 06/11 MAINT SERVICE	2,000.00	1,816.00	184.00
3083	INTER-TEL NETSOLUTIONS	MONTHLY PHONE CHARGES	858.79	807.26	51.53
3084	JAN-PRO CLEANING	06/11 JANITORIAL SERVICE	2,743.00	2,578.42	164.58
3085	LEAL & TREJO	005: 04/11 LEGAL SERVICE	27,787.70	25,339.42	2,448.28
3087	NELLOR ENVIRONMENTAL	004: PROF SERVICE THRU 05/31/11	180.00	180.00	
3088	OFFICE TEAM	TEMP SERVICE THRU 05/27/11 - MC	4,102.16	3,856.03	246.13
3089	PARS	04/11 REP FEES	500.00	470.00	30.00
3090	PAUL, HASTINGS	025: PROF SERVICE THRU 04/30/11	7,875.00	3,937.50	3,937.50
3091	ROBERT E. BUSH	005: 05/11 LEGISLATIVE SERVICE	3,000.00	3,000.00	
3092	SOUTHERN CALIFORNIA EDISON	05/11 ENERGY USAGE	2,572.73	2,418.37	154.36
3093	SOUTHERN CALIFORNIA EDISON	002: ENERGY USAGE THRU 06/07/11	1,466.57	1,378.58	87.99
3094	SPARKLETTES	SUPPLIES	696.02	654.26	41.76
3095	TESTAMERICA	006: 05/11 PROF SERVICE	5,264.00		5,264.00
3096	THE GAS COMPANY	MONTHLY UTILITY CHARGES	177.39	166.75	10.64
3097	TIME WARNER CABLE	MONTHLY INTERNET SERVICE	1,000.00	940.00	60.00
3098	TRES ES	04/11 LEGISLATIVE SERVICE	9,000.00	8,460.00	540.00
3099	VERIZON COMMUNICATION	MONTHLY PHONE CHARGES	356.84	335.43	21.41
3100	VERIZON WIRELESS	MONTHLY CELL PHONE SERVICE	1,072.44	1,008.10	64.34
3101	WESTERN EXTERMINATOR	05/11 PESTICIDE SERVICE	85.00	61.10	3.90

Check #	Payee	Description	Total	Replenishment	Clean Water
				Fund	Fund
3102	XEROX	06/11 COPIER SERVICE	5,352.21	5,031.08	321.13
3103	PREFERRED BANK	DISTRICT'S NEW CERTIFICATE OF DEPOSIT	240,000.00	225,600.00	14,400.00
3104	F&M BANK	05/11 CC CHARGES	8,993.10	8,453.51	539.59
3105	BRIDGES COMMUNITY ECONOMIC	BRIDGE THE ACADEMIC GAP' EVENT	2,500.00	2,350.00	150.00
3106	FRANCHISE TAX BOARD	PAYMENT FOR COD#663842107838225245	467.58	439.53	28.05
3107	THE SIGN FACTORY	WRD SAFE DRINKING WATER SIGN	148.16	139.27	8.89
3108	BROWNSTEIN HYATT	04/11 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
3109	KINDEL GAGAN	05/11 LEGISLATIVE SERVICE	843.75	793.12	50.63
3110	MWH LABORATORIES	05/11 LAB SERVICES	70,641.50	41,087.00	29,554.50
3111	PACIFIC ATLANTIC PARTNERS	06/11 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
3112	PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	859.33	520.29	339.04
3113	PROFORMA GRAPHIC PRINTSOURCE	PROMOTIONAL ITEMS	1,614.36	1,517.50	96.86
3114	ACCOMTEMP	TEMP SERVICE THRU 06/10/11 - MW	1,253.42	1,178.21	75.21
3116	ASSOC OF CALIFORNIA WATER AGENCIES	05/12/11 ACWA SEMINAR LUNCHEON - RW	45.00	42.30	2.70
3117	CITY OF BELL GARDENS	JAFPF#5 WATER CONSERVATION PROJ	5,000.00	4,700.00	300.00
3118	DEPARTMENT OF TOXIC SUBSTANCES CONTROL	006: PROFESSIONAL SERVICE	17,500.00		17,500.00
3119	CDW GOVERNMENT	COMPUTER SUPPLIES	4,181.51	3,930.62	250.89
3120	CLEAN SOURCE COMMERCE	GENERAL SUPPLIES	536.10	503.93	32.17
3121	DAILY BREEZE	05/26/11 NEWSPAPER AD	1,574.26	1,479.80	94.46
3122	FEDERAL EXPRESS	FEDEX SERVICE	761.29	689.06	72.23
3123	FLASHBAY	PROMO ITEMS - 4GB FLASH DRIVE	2,362.41	2,220.67	141.74
3124	HELPMATES STAFFING	TEMP SERVICE THRU 05/29/11 - MC	3,134.12	2,946.07	188.05
3125	IN-SITU	004: FIELD SUPPLIES MAINT SERVICE	30,861.04	27,639.76	3,221.28
3126	ISLAND EXPRESS HELICOPTER	AERIAL GROUNDWATER TOUR	2,850.00	2,679.00	171.00
3127	KINDEL GAGAN	005: 05/11 PROF SERVICE	10,000.00	10,000.00	
3128	KONE	06/01/11 - 08/31/11 ELEVATOR MAINT SVC	180.42	169.59	10.83
3129	LAKESWOOD, CITY OF	WATER USAGE THRU 06/17/11 - 35232	173.03	162.66	10.37
3130	LAKESWOOD SELF STORAGE	07/01/11-06/01/12 STORAGE RENTAL	5,742.00	5,397.48	344.52
3131	LA OPINION	NEWSPAPER AD THRU 03/06/11	3,275.00	3,078.50	196.50
3132	MARCIA FORKOS	MEDICAL REIMBURSEMENT	604.13	567.88	36.25
3133	MILLENNIUM ADVOCATES	06/11 LEGISLATIVE SERVICE	15,000.00	14,100.00	900.00
3134	MONROE ALEXANDER	MAINTENANCE SERVICE	300.00	282.00	18.00
3135	OFFICE TEAM	TEMP SERVICE THRU 05/13/11 - MT	4,502.18	4,232.06	270.12
3136	PROFORMA GRAPHIC PRINTSOURCE	PROMOTIONAL ITEM	739.47	695.10	44.37
3137	SAN PEDRO & PENINSULA YMCA	COMMUNITY SUPPORT CAMPAIGN	250.00	235.00	15.00
3138	SINCLAIR WELL PRODUCTS	FIELD SUPPLIES	52.68	26.34	26.34
3139	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	680.43	639.61	40.82
3140	TORRANCE, CITY OF	002: 07/11 PLANT SITE RENT	3,373.48		3,373.48
3141	U.S. GEOLOGICAL SURVEY	025: 07/01/10-10/30/10 PROF SERVICE -	6,683.00	3,341.50	3,341.50
3142	U.S. GEOLOGICAL SURVEY	025: 11/01/10-06/03/11 PROF SERVICE -	17,000.00	8,500.00	8,500.00
3143	U.S. GEOLOGICAL SURVEY	025: 11/01/10-06/03/11 PROF SERVICE -	139,345.33	69,672.67	69,672.66
3144	WATER WISE CONSULTING	05/11 ECO PRO TRAINING - ADMIN	4,987.50	4,688.25	299.25
3145	WEST BASIN MWD	WATER CONSERVATION REBATE PROG	40,000.00	37,600.00	2,400.00
3146	ALSTON & BIRD	04/12 LEGAL SERVICE	44,508.24	44,508.24	
3147	XO CORP	PHONE CHARGES THRU 07/14/11	107.36	100.92	6.44
3152	ACWA - HBA	06/11 EAP PREMIUM	261.96	246.26	15.70
3153	ACWA - HBA	07/11 MED/DEN/LIFE PREMIUM	55,470.16	52,141.95	3,328.21
3154	MARTIN E WHELAN. JR.	07/11 MEDICAL PREMIUM	733.45	689.44	44.01
3155	PEPSI BOTTLING	SUPPLIES	255.40	240.08	15.32
3156	DELUXE FOR BUSINESS	AP LASER CHECKS	944.92	888.22	56.70
3157	STANDARD INSURANCE	07/11 STD/LTD PREMIUM	1,374.00	1,291.56	82.44
3158	ASSOC OF CALIFORNIA WATER AGENCIES	JOB POSTING AD - SH	400.00	376.00	24.00
ACHI 10601	EAST WEST BANK	CC CHARGES THRU 05/04/11	15,079.60	14,174.82	904.78
ACHI 10630	EAST WEST BANK	CC CHARGES THRU 06/03/11	11,027.52	10,365.87	661.65
Total Demands from June 1, 2011 to June 30, 2011			2,355,413.91	2,101,604.21	253,809.70

Robb Whitaker, P.E., General Manager

Water Replenishment District of Southern California
Demands List - Current and YTD By Vendor

<u>Payee</u>	<u>Description</u>	<u>Current Demands</u>	<u>YTD Demands</u>
PAYROLL	BENEFIT/DEDUCTION/REIMBURSEMENT	131,309.39	2,353,202.10
PAYROLL	PAYROLL	147,775.88	1,996,474.78
PAYROLL	TAXES	68,858.43	942,957.24
ROBERT E. KATHERMAN	DIRECTORS' COMPENSATION	227.73	11,808.57
ROBERT E. KATHERMAN	EXPENSE REIMBURSEMENT	195.59	9,302.68
LILLIAN Y. KAWASAKI	DIRECTORS' COMPENSATION	1,280.60	9,741.20
SERGIO J. CALDERON	DIRECTORS' COMPENSATION	1,073.37	25,835.25
SERGIO J. CALDERON	EXPENSE REIMBURSEMENT	94.57	2,654.28
WILLARD H. MURRAY, JR	DIRECTORS' COMPENSATION	608.53	8,993.62
ALBERT ROBLES	DIRECTORS' COMPENSATION	1,976.38	30,566.34
1-800-CONFERENCE(R)	025: 05/11 CONFERENCE CALL SERVICE	105.99	3,166.55
ACCONTEMPS	TEMP SERVICE THRU 05/20/11 - MW	1,969.66	45,472.10
ACCONTEMPS	TEMP SERVICE THRU 05/27/11 - MW	2,046.40	47,518.50
ACCONTEMPS	TEMP SERVICE THRU 06/10/11 - MW	1,253.42	48,771.92
ACWA - HBA	06/11 EAP PREMIUM	261.96	575,903.55
ACWA - HBA	07/11 MED/DEN/LIFE PREMIUM	55,470.16	631,373.71
AIRA	FY 11/12 MEMBERSHIP DUES	300.00	550.00
ALBRIGHT, YEE & SCHMIT	04/11 LEGAL SERVICE - AFSCME MOU	7,884.00	96,364.43
ALSTON & BIRD	04/12 LEGAL SERVICE	44,508.24	268,209.44
ARC	011: 2009-2010 REGIONAL GRNDWTR	5,699.69	14,723.09
ASSOC OF CALIFORNIA WATER AGENCIES	05/12/11 ACWA SEMINAR LUNCHEON - RW	45.00	8,025.00
ASSOC OF CALIFORNIA WATER AGENCIES	JOB POSTING AD - SH	400.00	176.46
AT&T	002: MONTHLY PHONE SERVICE	205.74	2,861.46
BINHUYEN BUI FOR WRD	PETTY CASH REIMBURSEMENT	474.04	2,840.23
BOOKMAN-EDMONSTON	023: PROF SERVICE THRU 05/28/11	6,475.00	47,320.50
BRIDGES COMMUNITY ECONOMIC	BRIDGE THE ACADEMIC GAP' EVENT	2,500.00	2,500.00
BROWNSTEIN HYATT	04/11 LEGISLATIVE SERVICE	15,000.00	195,000.00
CAL DESAL	FY11/12 MEMBERSHIP DUES	5,000.00	5,000.00
CALIFORNIA CPA EDU FOUNDATION	MEMBERSHIP RENEWAL - SO	399.00	1,739.00
CAPITOL ENQUIRY	2011 POCKET DIRECTORIES & US CONGRESS	629.82	629.82
CDW GOVERNMENT	COMPUTER SUPPLIES	2,359.70	12,876.34
CDW GOVERNMENT	COMPUTER SUPPLIES	3,473.07	16,349.41
CDW GOVERNMENT	COMPUTER SUPPLIES	4,181.51	20,530.92
CENTRAL BASIN MWD	04/11 WATER SERVICE CHARGE	13,325.20	11,049,164.50
CH2M HILL	005: PROF SERVICE THRU 04/29/11	29,004.70	1,035,534.42
CHEVRON AND TEXACO	MONTHLY FUEL CHARGES	187.67	2,071.51
CITY OF BELL GARDENS	JAFPF#5 WATER CONSERVATION PROJ	5,000.00	5,000.00
CLEAN SOURCE COMMERCE	GENERAL SUPPLIES	536.10	2,964.98
COMMUNITY ENGAGEMENT FOUNDATION	2011 'TRIBUTE TO SHEROES' EVENT	5,000.00	5,000.00
CONTROLLED KEY SYSTEM	MAINT SERVICE	766.37	979.37
COSTCO BUSINESS	KITCHEN SUPPLIES	418.26	2,868.61
DAILY BREEZE	05/26/11 NEWSPAPER AD	1,574.26	5,028.33
DELL BUSINESS	COMPUTER SUPPLIES	8,059.42	107,114.62
DELUXE FOR BUSINESS	AP LASER CHECKS	944.92	944.92
DEPARTMENT OF TOXIC SUBSTANCES	006: PROFESSIONAL SERVICE	17,500.00	35,000.00
EAST WEST BANK	CC CHARGES THRU 05/04/11	15,079.60	55,050.00
EAST WEST BANK	CC CHARGES THRU 06/03/11	11,027.52	66,077.52
F&M BANK	05/11 CC CHARGES	8,993.10	44,611.67
FEDERAL EXPRESS	FEDEX SERVICE	992.80	8,206.75
FEDERAL EXPRESS	FEDEX SERVICE	761.29	8,968.04
FLASHBAY	PROMO ITEMS - 4GB FLASH DRIVE	2,362.41	2,362.41
FLORENCE-FIRESTONE CHAMBER	WATER CONSERVATION SPONSOR EVENT	500.00	800.00
FRED PRYOR SEMINARS	REGISTRATION FEE - EL	956.00	956.00
GOVERNMENT FINANCE OFFICERS ASSOC	REGISTRATION FEE - SO	85.00	680.00
HELPMATES STAFFING	TEMP SERVICE THRU 05/08/11 - MC	3,246.32	51,387.60

Water Replenishment District of Southern California
Demands List - Current and YTD By Vendor

<u>Payee</u>	<u>Description</u>	<u>Current Demands</u>	<u>YTD Demands</u>
HELPMATES STAFFING	TEMP SERVICE THRU 05/29/11 - MC	3,134.12	54,521.72
HUNTINGTON PARK-BELL	2011 EDUCATION SCHOLARSHIP EVENT	500.00	500.00
INDEPENDENT CITIES ASSOC	2011 SUMMER SEMINAR EXHIBIT	1,000.00	1,778.88
INDEPENDENT CITIES ASSOCIATION	REGISTRATION FEE - RK	650.00	2,550.00
INFINITE CONFERENCING	02/11 PHONE CONFERENCING SVC	163.22	253.23
IN-SITU	011: MAINT SERVICE	37,316.99	108,538.28
IN-SITU	004: FIELD SUPPLIES MAINT SERVICE	30,861.04	139,399.32
INTERA	025: 04/11 PROF SERVICE	2,412.00	51,483.01
INTERIOR PLANT DESIGN	LANDSCAPE MAINTENANCE SVC	369.75	22,920.03
INTERIOR PLANT DESIGN	001: 06/11 MAINT SERVICE	2,000.00	24,920.03
INTER-TEL NETSOLUTIONS	MONTHLY PHONE CHARGES	858.79	10,376.80
ISLAND EXPRESS HELICOPTER	AERIAL GROUNDWATER TOUR	2,850.00	2,850.00
JAN-PRO CLEANING	06/11 JANITORIAL SERVICE	2,743.00	32,916.00
KINDEL GAGAN	05/11 LEGISLATIVE SERVICE	843.75	126,537.50
KINDEL GAGAN	005: 05/11 PROF SERVICE	10,000.00	136,537.50
KONE	06/01/11 - 08/31/11 ELEVATOR MAINT SVC	180.42	6,378.39
LA EXPRESS ONE	05/24/11 COURIER SERVICE	75.00	1,533.52
LA OPINION	NEWSPAPER AD THRU 03/06/11	3,275.00	5,275.00
LAKWOOD SELF STORAGE	07/01/11-06/01/12 STORAGE RENTAL	5,742.00	20,287.70
LAKWOOD, CITY OF	WATER USAGE THRU 06/17/11 - 35232	173.03	299,873.93
LEAL & TREJO	005: 04/11 LEGAL SERVICE	27,787.70	137,309.90
LONG BEACH, CITY OF	001: 05/11 O & M SERVICE	100,000.00	2,386,664.67
LONG BEACH, CITY OF	04/11 WATER PURCHASE	103,362.00	2,490,026.67
LOS ANGELES HARBOR COLLEGE	2011 EDU SCHOLARSHIP PROGRAM	2,500.00	2,655.72
MARCIA FORKOS	MEDICAL REIMBURSEMENT	604.13	4,814.19
MARTIN E WHELAN. JR.	07/11 MEDICAL PREMIUM	733.45	23,838.85
McMASTER-CARR SUPPLY	011: FIELD SUPPLIES	480.23	7,255.11
MILLENNIUM ADVOCATES	06/11 LEGISLATIVE SERVICE	15,000.00	181,179.77
MONROE ALEXANDER	MAINTENANCE SERVICE	300.00	525.00
MWH LABORATORIES	05/11 LAB SERVICES	70,641.50	930,166.50
NAME BADGE PRODUCTION	OFFICE SUPPLIES	138.25	1,044.50
NATIONAL GROUND WATER ASSOC	07/01/11-06/30/12 MEMBERSHIP DUES	840.00	965.00
NELLOR ENVIRONMENTAL	004: PROF SERVICE THRU 05/31/11	180.00	15,973.24
NORWALK PRINTING	BUSINESS CARDS - AR & JS	107.56	4,110.32
OFFICE TEAM	TEMP SERVICE THRU 04/22/11 - MT	3,018.90	110,934.78
OFFICE TEAM	TEMP SERVICE THRU 05/27/11 - MC	4,102.16	115,036.94
OFFICE TEAM	TEMP SERVICE THRU 05/13/11 - MT	4,502.18	119,539.12
PACIFIC ATLANTIC PARTNERS	06/11 LEGISLATIVE SERVICE	15,000.00	180,000.00
PARS	04/11 REP FEES	500.00	14,300.00
PAUL, HASTINGS	025: PROF SERVICE THRU 04/30/11	7,875.00	12,937.50
PEPSI BOTTLING	SUPPLIES	255.40	3,909.86
PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	859.33	7,452.47
PREFERRED BANK	DISTRICT'S NEW CERTIFICATE OF DEPOSIT	240,000.00	240,000.00
PROFORMA GRAPHIC PRINTSOURCE	PROMOTIONAL ITEMS	1,105.69	1,105.69
PROFORMA GRAPHIC PRINTSOURCE	PROMOTIONAL ITEMS	1,614.36	2,720.05
PROFORMA GRAPHIC PRINTSOURCE	PROMOTIONAL ITEM	739.47	3,459.52
ROBERT E. BUSH	005: 05/11 LEGISLATIVE SERVICE	3,000.00	36,000.00
SAN PEDRO & PENINSULA YMCA	COMMUNITY SUPPORT CAMPAIGN	250.00	250.00
SCHLUMBERGER WATER SERVICES	011: PROF SERVICE THRU 04/17/11	11,500.00	187,078.15
SINCLAIR WELL PRODUCTS	FIELD SUPPLIES	52.68	505.40
SOUTH GATE COMMUNITY ADULT SCH	2011 EDUCATION SCHOLARSHIP EVENT	500.00	500.00
SOUTHEAST COMMUNITY DEV	06/03/11 ASSEMBLY MEMBER RICARDO	1,000.00	5,000.00
SOUTHERN CALIFORNIA EDISON	05/11 ENERGY USAGE	2,572.73	206,371.19
SOUTHERN CALIFORNIA EDISON	002: ENERGY USAGE THRU 06/07/11	1,466.57	207,837.76
SPARKLETTS	SUPPLIES	696.02	2,506.40
STANDARD INSURANCE	07/11 STD/LTD PREMIUM	1,374.00	16,212.81

Water Replenishment District of Southern California
Demands List - Current and YTD By Vendor

<u>Payee</u>	<u>Description</u>	<u>Current Demands</u>	<u>YTD Demands</u>
STAR OFFICE PRODUCTS	OFFICE SUPPLIES	680.43	17,837.23
T & A SIGNS	WRD CUSTOM LOGO TABLECLOTHS	521.12	2,280.04
TESTAMERICA	006: 05/11 PROF SERVICE	5,264.00	57,730.35
TETRA TECH GEO	025: SHIPPING CHARGES	8.18	124,298.99
THE BOX ZONE	AWWA EXHIBIT SHIPPING CHARGES	1,205.55	1,205.55
THE GAS COMPANY	MONTHLY UTILITY CHARGES	177.39	3,061.09
THE SIGN FACTORY	WRD SAFE DRINKING WATER SIGN	148.16	290.09
TIME WARNER CABLE	MONTHLY INTERNET SERVICE	1,000.00	9,000.00
TORRANCE AREA CHAMBER	05/16/11 CHAMBER BOARD MEETING	250.00	960.00
TORRANCE AREA CHAMBER	STATE OF THE CITY LUNCHEON	111.00	1,071.00
TORRANCE, CITY OF	002: 07/11 PLANT SITE RENT	3,373.48	495,415.78
TRES ES	04/11 LEGISLATIVE SERVICE	9,000.00	34,500.00
U.S. GEOLOGICAL SURVEY	025: 07/01/10-10/30/10 PROF SERVICE -	6,683.00	155,824.95
U.S. GEOLOGICAL SURVEY	025: 11/01/10-06/03/11 PROF SERVICE -	17,000.00	172,824.95
U.S. GEOLOGICAL SURVEY	025: 11/01/10-06/03/11 PROF SERVICE -	139,345.33	312,170.28
VASQUEZ & COMPANY	2010/11 FINANCIAL AUDIT SERVICE	8,000.00	36,398.00
VERIZON BUSINESS	MONTHLY PHONE CHARGES	622.63	6,841.31
VERIZON COMMUNICATION	MONTHLY PHONE CHARGES	(622.63)	3,816.17
VERIZON COMMUNICATION	MONTHLY PHONE CHARGES	356.84	4,173.01
VERIZON WIRELESS	MONTHLY CELL PHONE SERVICE	1,072.44	13,921.33
VORTEX INDUSTRIES	MAINTENANCE SERVICE	226.12	827.24
WATER WISE CONSULTING	05/14/11 ECO GARDENER HOMEOWNER SERIES	1,200.00	72,081.25
WATER WISE CONSULTING	05/11 ECO PRO TRAINING - ADMIN	4,987.50	77,068.75
WEST BASIN MWD	04/11 WATER PURCHASE	713,704.10	17,637,093.57
WEST BASIN MWD	IRWMP FUNDING CONTRIBUTION	20,000.00	17,657,093.57
WEST BASIN MWD	WATER CONSERVATION REBATE PROG	40,000.00	17,697,093.57
WESTERN EXTERMINATOR	05/11 PESTICIDE SERVICE	65.00	780.00
XEROX	05/11 COPIER SERVICE - TR#561586	1,058.49	66,255.44
XEROX	06/11 COPIER SERVICE	5,352.21	71,607.65
XO CORP	PHONE CHARGES THRU 07/14/11	107.36	1,257.79
YSI	001 & 018: FIELD SUPPLIES	4,344.98	8,449.78
		2,355,413.91	83,383,056.39



MEMORANDUM

ITEM NO. 5

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

DATE: AUGUST 22, 2011
TO: FINANCE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING JUNE 30, 2011

Each month, the Finance Department reports the District's reserve balances as well as cash and 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.

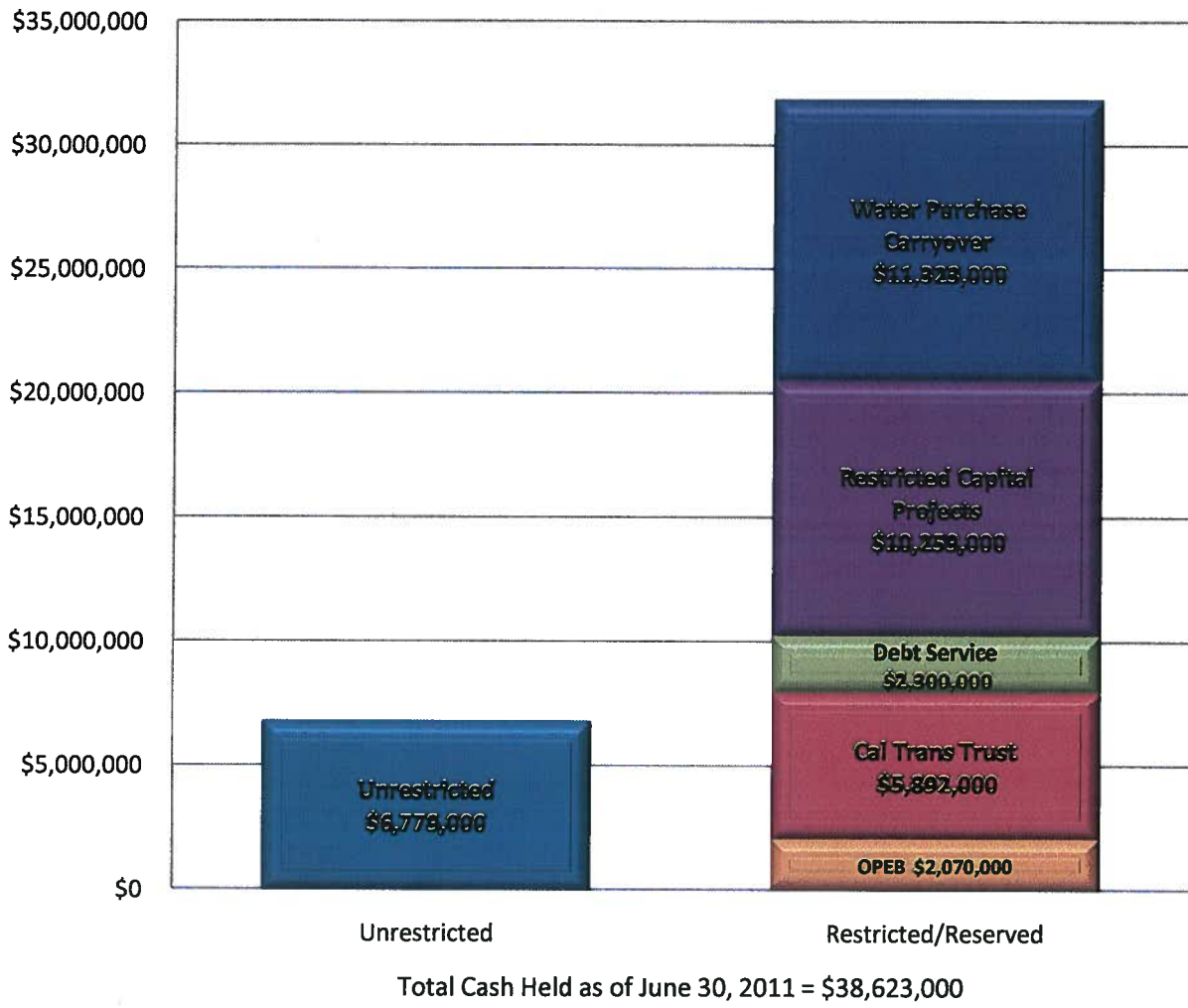
If for some reason, the District has more than \$10,000,000 (adjusted for the blended cost of water), §60328.1 states that the District shall apply the estimated fiscal year end balance in excess of the amount allowed in §60290 to a replenishment assessment rate reduction or to the purchase of water in the succeeding fiscal year.

The following pages provide specific breakdowns of the District cash and investments.

The District's reserve balances are presented in Figure A below:

Operating Reserve Fund	\$ 6,779,000
Reserved or Encumbered:	
Water Purchase Carryover Fund	11,323,000
Restricted for Capital Projects	10,259,000
Debt Service Reserve Fund	2,300,000
Cal Trans Trust Fund	5,892,000
Other Post Employment Benefit Obligation (OPEB)	<u>2,070,000</u>
Reserved or Encumbered Subtotal	<u>\$ 31,844,000</u>
 Total Cash and Investments	 <u>\$ 38,623,000</u>

WRD Funds as of June 30, 2011



Water Purchase Carryover Fund – This category of represents:

<u>Source of Funds:</u> <u>Use of Funds:</u>	Replenishment Assessment Restricted for Water Purchases
1. Monthly accrual of budgeted amount for fiscal year 10/11	
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 th – rounded) x twelve months	\$ 19,269,000
Net of 10/11 monthly accrual after adjusting the purchases of untreated Tier 1 spreading water	<u>\$ 11,323,000</u>
2. Budget 10/11 Rate Relief – As a result of public budget workshops, \$8,270M was allocated from the Water Purchase Carryover Fund as rate relief (1/12 th 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)	\$ (8,270,000)
Total	<u>8,270,000</u>
	<u>\$ 0</u>
Total Water Purchase Carryover Fund	<u>\$ 11,323,000</u>

Restricted for Capital Projects – This category represents funds encumbered for the following:

1. Safe Drinking Water Program	
<u>Source of Funds:</u> <u>Use of Funds:</u>	Replenishment Assessment Encumbered for Safe Drinking Water Projects
Huntington Park Well #17 – Central Basin	<u>\$ 40,000</u>
2. Capital Replacement / Construction	
<u>Source of Funds:</u> <u>Use of Funds:</u>	Replenishment Assessment Encumbered for Projects Below
Leo J. Vanderlans Water Treatment Facility:	
Capital Replacement	\$ 1,023,000
Preliminary and Final Design for Expansion	380,000 ¹
Goldsworthy Desalter:	
Capital Replacement	256,000
Preliminary Design	<u>100,000¹</u>
Total	<u>\$ 1,759,000</u>

¹ This amount was budgeted in fiscal year 2009/10 and encumbered for capital expenditure in fiscal year 2010/11

3. Proceeds from the 2008 Certificates of Participation

Source of Funds:

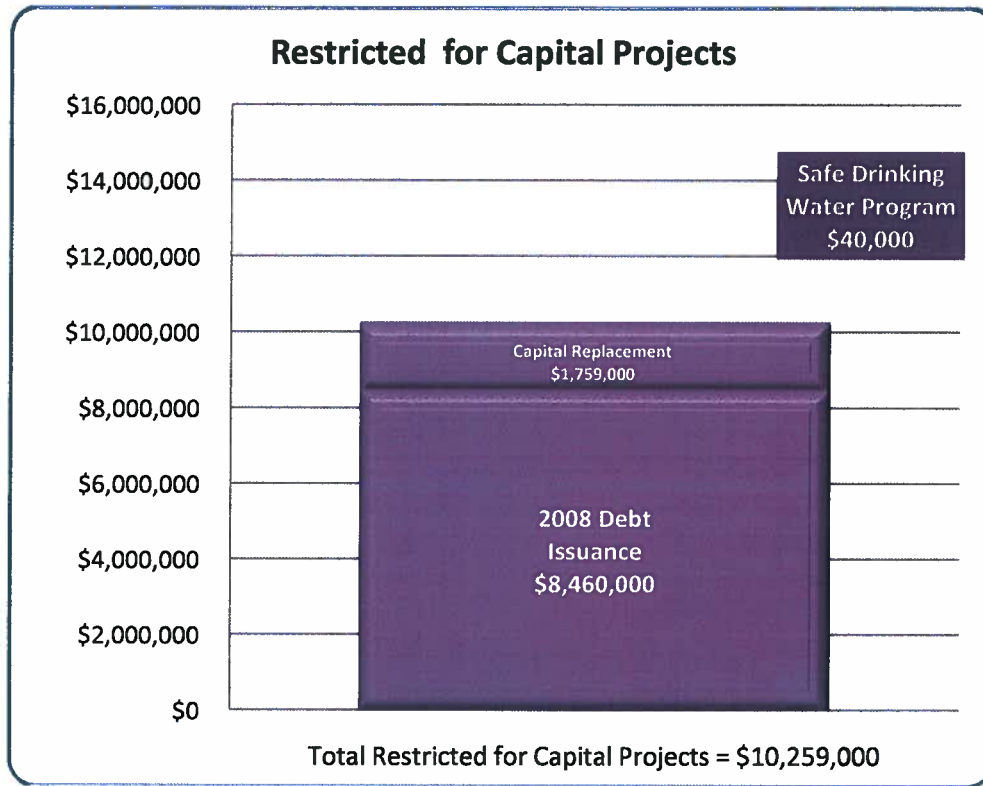
2008 Debt Issuance

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



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:
Use of Funds:

2004 and 2008 Debt Issuance
Restricted based on Master Trust Agreement

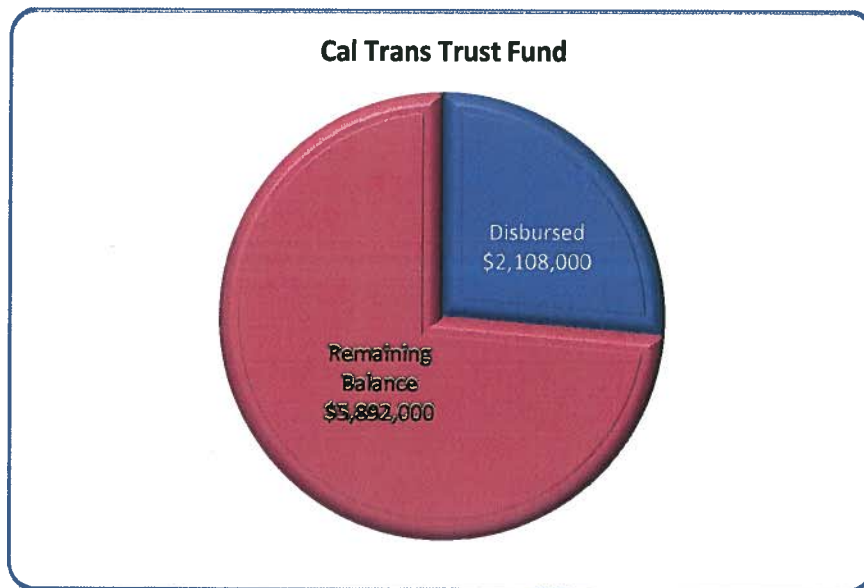
2004 Trustee Reserve Fund	\$ 968,000
2008 Trustee Reserve Fund	1,332,000
Total	<u>\$ 2,300,000</u>

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:
Use of Funds:

CalTrans Settlement
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 \$2.11 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.



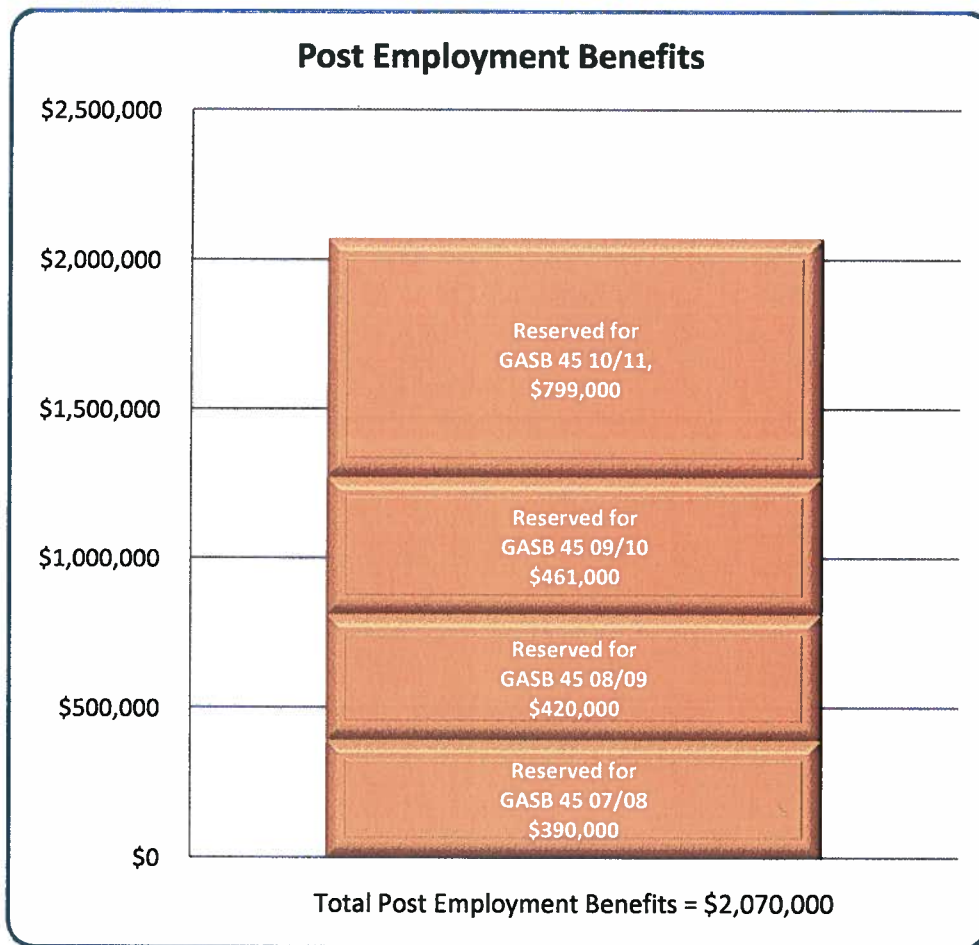
Other Post Employment Benefit Obligations (OPEB)

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 after adjustments	\$ 799,000
09/10 Annual Required Contribution after adjustments	461,000
08/09 Annual Required Contribution	420,000
07/08 Annual Required Contribution	<u>390,000</u>
Total	<u>\$ 2,070,000</u>



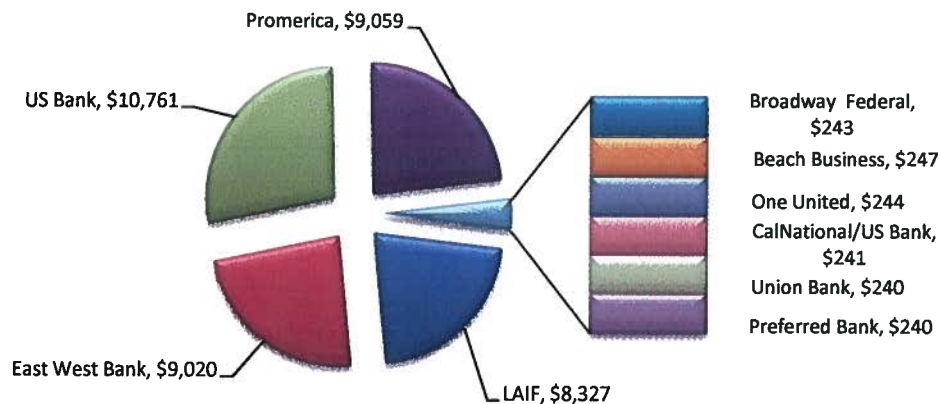
CASH AND INVESTMENTS

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 Area Investment Fund (LAIF).

Cash and Investments:

Local Area Investment Fund (LAIF) ¹	\$ 8,327,000
East West Bank ²	9,020,000
Beach Business Bank ²	247,000
One United Bank ²	244,000
Broadway Federal Bank ²	243,000
US Bank (formerly CalNational Bank) ²	241,000
Union Bank ²	240,000
Preferred Bank ²	240,000
Promerica Bank ²	9,059,000
US Bank (Trustee) ²	<u>10,761,000</u>
Total Cash and Investments	<u>\$ 38,623,000</u>

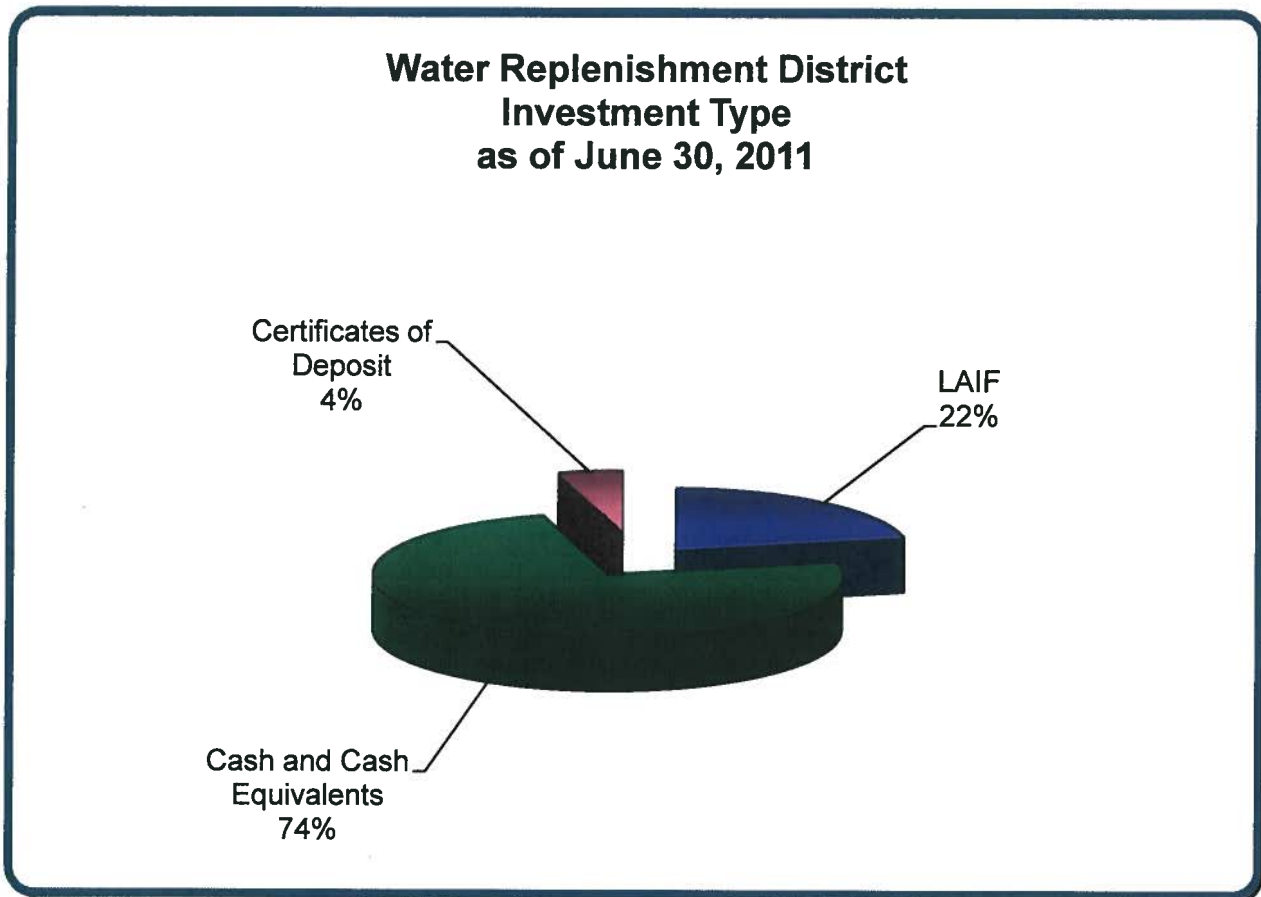
Investment Breakdown By Amount (in thousands) June 30, 2011



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

Cash and Investments:

Local Area Investment Fund (LAIF) ¹	\$ 8,327,000
Cash and Cash Equivalents ²	28,585,000
Certificates of Deposit ²	<u>1,711,000</u>
Total	<u>\$ 38,623,000</u>



Staff has attached a detailed investment report for June 30, 2011 for approval.

Footnotes:

¹ – The Local Area 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.

² – 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.

Any slight differences are due to rounding. For presentation purposes, staff has rounded dollar values to the nearest thousand.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Approve the Investment Report for submittal to the Board of Directors.



MEMORANDUM

ITEM NO. 6

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: AUGUST 22, 2011

TO: FINANCE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: OPEB RESOLUTION

BACKGROUND

Under Governmental Accounting Standards Board ("GASB") Statement 45, a ruling to provide required government-wide accounting practices, public employers must account differently for "other post-employment benefits" ("OPEB Benefits") than they have in the past. OPEB Benefits include various non-pension benefits, such as healthcare and life insurance, which are often provided to retirees. Historically, public employers have used a pay-as-you go method when accounting for OPEB Benefits, resulting in recognition of the cost of these benefits occurring only when premiums or benefit claims for these retirees were actually paid.

The GASB issued Statement 45 to require more complete and reliable financial reporting regarding the costs and financial obligations that governments incur when they provide OPEB Benefits. Thus, Statement 45 requires that public employers annually expense OPEB Benefits that are earned today by active employees but that will be paid only after the employee retires.

On March 25, 2011, the Board of Directors approved the establishment of an irrevocable Other Post-Employment Benefit (OPEB) trust with California Public Employees' Retirement System (CalPERS) through the CalPERS California Employers' Retirement Benefit Trust (CERBT) and instruct staff to fund the OPEB trust liability as calculated in accordance with the Government Accounting Standards Board (GASB) Statement 45.

FISCAL IMPACT

None

STAFF RECOMMENDATION

Adopt Resolution No. 11-905 to delegate authority to the General Manager, Chief Financial Officer and Manager of Finance and Administration to request disbursements on behalf of the Water Replenishment District.

RESOLUTION NO. 11-905

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA
REGARDING DELEGATION OF AUTHORITY
TO REQUEST DISBURSEMENTS FROM
THE OTHER POST EMPLOYMENT PREFUNDING PLAN OF CALPERS**

The Board of Directors of the Water Replenishment District of Southern California delegates to the incumbents in the positions of General Manager, Chief Financial Officer and Manager of Finance and Administration authority to request on behalf of the Employer disbursements from the other Post Employment Prefunding Plan and to certify as to the purpose for which the disbursed funds will be used.

Sergio Calderon, President

ATTEST:

Robert Katherman, Secretary

Date



MEMORANDUM

ITEM NO. 7

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

DATE: AUGUST 22, 2011
TO: FINANCE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: PROPOSED AUDIT COMMITTEE CHARTER

SUMMARY

On February 16, 2011, Vasquez and Company presented the results of the June 30, 2010 annual comprehensive annual financial audit (CAFA). As part of their report, the auditors presented the Finance Committee with various items which are considered "best practices" in the audit and governmental finance industry. One of the items reported to the Committee was the need to designate an Audit Committee to act as a liaison between the independent auditor and the Board of Directors. This recommendation is in line with the District's ongoing commitment to transparency and accountability. Additionally, along with the Audit Committee would be an accompanying Audit Charter which documents the responsibilities of the Audit Committee. The Finance Committee referred the development of an Audit Committee to the Administrative Committee and to recommend to the Board of Directors any change in the Administrative Code.

On May 9, 2011, the Administrative Committee reviewed the delineation of duties performed by the various Standing Committees of the Board of Directors. As part of this review, the Administrative Committee reviewed a draft Audit Charter and has referred this item back to the Finance Committee for a final recommendation to the Board of Directors. This proposed charter emphasizes enhanced accountability, independent lines of formal communication with the independent financial auditors and strengthened controls.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Recommend adoption of an Audit Charter to the Board of Directors.

FINANCE/AUDIT COMMITTEE CHARTER

PURPOSE

To assist the 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 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; and
- Meet with staff, external auditors, or outside counsel, as necessary.

COMPOSITION

The 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.

PROCEDURE

The Committee shall meet with representatives of the independent auditors at least annually to review and discuss:

- The results of the independent audit and underlying accounting judgments and estimates;
- The auditors' comments regarding the adequacy of the DISTRICT's internal accounting controls;
- External auditors' relationships with DISTRICT that may impact objectivity and independence;
- Management's representations regarding integrity of internal controls and financial reporting systems and conformity of financial statements with generally accepted accounting principles;
- Other relevant matters noted during the auditors' examination, along with management's response regarding such comments;
- Assurance that auditors were not subject to undue influence by management during the course of the audit; and
- The scope and objectives of the independent audit for the current fiscal year.

RESPONSIBILITIES

The Committee will carry out the following responsibilities:

Financial Statements

- Oversee District accounting and financial reporting policies and practices;
- 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 the results of the independent audit, including the audit of government grants and awards (A-133 audit), underlying accounting judgments and estimates and the auditor's (internal control) recommendations to management and management's response;**
- 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; and
- Understand how management develops interim financial information, and the nature and extent of external auditor involvement.

Internal Control

- Consider the effectiveness of the District's internal control system, including information technology security and control; and
- 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; and
- **Resolve disagreements, if any, between management and the independent auditors.**

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; and
- **Review the District's program to monitor compliance with the District's code of conduct.**

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

CHANGES TO THE CHARTER

Changes to this Charter must be approved by the Board.



MEMORANDUM

ITEM NO. 8

Prepared by: Scott M. Ota

Reviewed by: J.H. Shaunessy

Approved by: Robb Whitaker

DATE: AUGUST 22, 2011

TO: FINANCE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: FINANCE/AUDIT COMMITTEE

SUMMARY

Pursuant to Chapter 3 of the District's Administrative Code ("Code"), the District currently has five standing committees that are organized to review various District-related issues. The Administrative Committee reviewed and updated the responsibilities of each Standing Committee of the Board of Directors as currently outlined.

Along with these changes and as part of the District's continuing commitment to transparency and accountability, the District's independent external auditor, Vasquez and Company recommends the addition of an Audit Committee. The proposed addition of a separate Audit Committee is designed to further the implementation of governmental best practices. This addition will provide a direct line of independent and formal communication between WRD's independent financial auditors and the District's governing body.

The Administrative Committee had a split recommendation: Chairman Murray suggests adding the audit function to the existing Finance Committee and renaming the Standing Committee to be called the Finance/Audit Committee. Director Kawasaki suggests a separate and distinct Standing Committee whose sole purpose will be to interface with the independent financial auditors on an annual basis during the Comprehensive Annual Financial Audit (CAFA). The Finance Committee recommended that the Board approve adding the audit function to the existing Finance Committee.

The updated Committee Delineation of Duties was adopted by the Board of Directors on July 15, 2011 which proposed assigning the audit liaison function to the existing Finance Committee rather than establishing a separate Standing Audit Committee.

The Chair of the Finance Committee recommended that this item be further discussed by the Finance Committee.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For discussion.

3 COMMITTEES OF THE BOARD

Identification of Standing Committees

The following Standing Committees of the Board of Directors are as shall review the following materials:

- Finance Committee
- Administrative Committee
- Water Resources Committee
- Groundwater Quality Committee
- External Affairs Committee

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3.1 Finance/Audit Committee

The Finance/Audit Committee shall review all items related to the financial affairs of the District. No later than by the end of the first full week in March of every year, the Chief Financial Officer (or such other person as the Board may designate) shall present to the Finance Committee a mid-year budget review that shall include a budget-to-actual comparison with all appropriate detail required to support any variance included in the report. study, advise and make recommendations with regard to the following:

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

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1. Financial activities of the District by reviewing the monthly demands, financial statements, reimbursements and other key financial issues of the District;

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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;

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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.

Decisions of any Standing Committee shall be subject to review and overruling by the full Board.

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MEMORANDUM

ITEM NO. 9

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: AUGUST 22, 2011

TO: FINANCE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: PROMERICA BANK LETTER OF INTEREST

SUMMARY

In May 2007, the Metropolitan Water District (MWD) suspended the availability of imported seasonal spreading water. Since that time, the WRD has carried-over excess funds earmarked for water purchases in order to have cash on-hand to purchase water when MWD makes it available. During the 2010-11 budgeting process, the WRD held five (5) public workshops and with the input of stakeholders, the WRD Board of Directors agreed to spread out the water purchase deficit cause by the lack of availability of water from MWD. The deficit of 17,500 acre-feet was spread out over the next five fiscal years at a rate of 3,500 acre-feet per year. This action allowed the WRD to use \$8.27M of cash held in the Water Purchase Carryover Fund to stabilize the fiscal year 2010-11 replenishment assessment increase. This increase was caused by a paradigm shift from budgeting for imported seasonal spreading water to budgeting for Tier 1 water.

On May 6, 2011, the WRD Board of Directors established a replenishment assessment of \$244 per acre-foot for the fiscal year beginning July 1, 2011. This rate included the use of \$10M held in the Water Purchase Carryover Fund to help relieve and mitigate the increase to the ensuing year's replenishment assessment.

On May 10, 2011, the Board of Directors of the Metropolitan Water District approved a motion to offer water under the existing Replenishment Service Program and the associated discounted water rate, in an amount limited to additional increases beyond current water supplies. Therefore, there will be an estimated 225,000 acre-feet of discounted replenishment water available for the first time since May 2007. This water will only be available through the end of 2011.

In preparation of the purchase of seasonal spreading water and due to the fact that WRD has utilized a large portion of its reserves to subsidize the impact of rate increases over the past two fiscal years, staff would like the Finance Committee to review ways to possibly finance the purchase of seasonal spreading water while it is available. Promerica Bank has prepared a Letter of Interest which outlines general terms and conditions to be reviewed by the Finance Committee for borrowing funds through either a line of credit or term loan. Representatives from Promerica Bank will be available to discuss any questions the Committee may have.

Additionally, the costs associated with this type of agreement will be discussed at the Committee meeting.

FISCAL IMPACT

To be determined.

STAFF RECOMMENDATION

For discussion.



MEMORANDUM

ITEM NO. 10

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: AUGUST 22, 2011
TO: FINANCE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: COMMUNITY BANKING – FIRST BANK

BACKGROUND

The District has implemented its Community Banking Program, utilizing financial institutions that reinvest and finance projects in communities the District serves. 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.

Staff was introduced to First Bank and has inquired how they may be able to assist the District in its efforts to reach out to the community by being part of the District's banking program. Staff has obtained the necessary information if the Finance Committee decides to recommend utilizing First Bank's services within the District's community banking guidelines.

FISCAL IMPACT

No fiscal impact.

STAFF RECOMMENDATION

For discussion.

RESOLUTION NO. 11-906

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA
AUTHORIZING SIGNERS ON DISTRICT ACCOUNTS
WITH FIRST BANK OF CALIFORNIA**

Name of District: Water Replenishment District of Southern California
Address: 4040 Paramount Blvd., Lakewood California 90712
Telephone: (562) 921-5521

RESOLVED, that First Bank of California (hereinafter called the "Bank") hereby is designated as a depository in which the funds of the District may be deposited, that any officer or the General Manager, Chief Financial Officer or the Manager of Finance and Administration of this District hereby is authorized for and on behalf of the District to open an account or accounts with said Bank to accept the provisions and conditions set forth on the Bank's signature card relating to said account or accounts, and to make arrangements for the conduct thereof as he shall deem proper, that any two of the following officers or persons, as shown on bank signature cards, for any check above \$5,000 and that any one of the following named officers or persons, as shown on bank signature cards, for a check of \$5,000 or less:

1. Director – President
2. Director – Vice President
3. Director – Treasurer
4. Director – Secretary
5. Director
6. General Manager
7. Chief Financial Officer
8. Manager of Finance and Administration

of this District, each of whom is a qualified and acting representative of this District as stated after his name, be and they (he/she) hereby are (is) authorized to sign checks of this District and orders for the payment of money withdrawing funds from the Bank, and the Bank be, and it hereby is, authorized and directed to honor and pay checks and orders so executed or drawn, whether such checks or orders be payable to the order of the person or persons signing or countersigning the same, or any of said persons or officers of this District in their individual capacities or not, and whether or not the same are deposited to the individual credit of, or are used in payment of the individual obligations of, or are tendered for cashing by, the persons signing or countersigning the same or of or by any officer or employee of this District; and that any one of said persons named above be, and he/she hereby is authorized to endorse for deposit, credit

or negotiation any and all checks, drafts, notes, bills of exchange or other evidences of indebtedness and orders for the payment of money belonging to, payable to or in the possession of this District and that all endorsements for credit may be made by the written or stamped endorsement of the name of this District without designation of the person making the same; and

RESOLVED FURTHER, that the foregoing Resolution shall remain in full force and effect until written notice of the amendment or rescission thereof shall have been delivered and receipted for by the Bank, and that the Bank be, and it hereby is authorized and directed to honor and pay checks, orders, and other items made, drawn, accepted or endorsed by the persons named above prior to the date of receipt by the Bank of the written notice of amendment or recession of the foregoing resolutions whether such checks, orders or items are presented for payment before or after the receipt by the Bank of such written notice of amendment or recession, and

RESOLVED FURTHER, that the Secretary of this District be, and hereby is, authorized and directed to certify to said Bank these resolutions and that the provisions thereof are in conformity with California Law. And that the signatures contained on these cards are genuine signatures of the persons named and referred to in the Resolution set forth above.

President

ATTEST:

Secretary

The undersigned does hereby certify that she is the Deputy Secretary of the Water Replenishment District of Southern California, a Special District of the State of California (hereinafter called the "District") and has the custody of the corporate records, minutes, and corporate seal, that at a meeting of the Board of Directors of the District duly called, convened and held in accordance with California Law, on the ___ day of ___, 2011, at which a duly authorized quorum of the members of the Board of Directors of the District were present in person, the above Resolution was duly adopted in accordance with the California Law and now is in full force and effect.

Deputy Secretary



MEMORANDUM

ITEM NO. 11

Prepared by: Scott Ota

Reviewed by: Scott Ota

Approved by: Robb Whitaker

DATE: AUGUST 22, 2011

TO: FINANCE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL AUDIT (CAFA) FOR THE PERIOD
ENDING JUNE 30, 2011**

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.

Vasquez and Company has recently completed their annual audit fieldwork and has left the District to compile their results and comments. The Auditor's Report and the District's financial statements are incorporated with other information into a Comprehensive Annual Financial Report (CAFR) each year. Once the audit and CAFR is complete, the Finance Committee will recommend to the Board of Directors that they receive and file the annual report.

Staff 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 and has been awarded this prestigious certificate for the seventh consecutive year.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For information.