

**SPECIAL MEETING OF THE FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA  
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712  
11:15 A.M., MONDAY, DECEMBER 5, 2011**

**AMENDED 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. INSURANCE STATEMENTS OF QUALIFICATIONS**  
*Staff Recommendation:* For discussion.
- 4. PUBLIC AGENCY RETIREMENT SERVICES (PARS) IRS AMENDMENT**  
*Staff Recommendation:* Recommend approval to the Board of Directors to amend the existing contract with Public Agency Retirement Services (PARS).
- 5. DIRECTORS EXPENSES**  
*Staff Recommendation:* Approve Directors Expenses for submittal to the Board of Directors.
- 6. DIRECTORS REPORTS, INQUIRIES, AND FOLLOW-UP OF DIRECTIONS TO STAFF**
- 7. ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, December 2, 2011.

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

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

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



## MEMORANDUM

### ITEM NO. 3

*Prepared by:* Scott M. Ota

*Reviewed by:* Scott M. Ota

*Approved by:* Robb Whitaker

**DATE: DECEMBER 5, 2011**

**TO: FINANCE COMMITTEE**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: INSURANCE STATEMENTS OF QUALIFICATIONS**

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### SUMMARY

The District currently contracts with the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA). The agreement is entered into by Members pursuant to the provisions of the California Government Code §§ 990, 990.4, 990.8 and 6500 et seq., in order to provide comprehensive and economical public liability, workers' compensation, unemployment, health, accident and/or dental, and property coverage, or coverage for other risks to which the Board of Directors may agree.

The WRD utilizes the ACWA JPIA risk-sharing pools which are a cost-effective form of risk management available only to public entities. The coverages provided by this risk-sharing arrangement are unique to water agencies. Additionally, not all water agencies are accepted into the JPIA. Prospective members must demonstrate a commitment to effective risk management programs.

In a pooled insurance program, all members share premiums and losses. The quality of agency management, the control of losses, and sound safety programs are vitally important to every member of the Pool. Periodically, the JPIA has a formal assessment performed by a JPIA Risk Management Consultant. This assessment helps to ensure that members of the Pool are conforming to the JPIA's requirements which keeps premium and losses to a minimum. The WRD recently had an assessment of our policies and procedures which were deemed in compliance with JPIA's requirements.

At the Administrative Committee's direction, staff sent a letter to ACWA notifying them of our intent to withdraw from the JPIA Liability Property and Workers Compensation Programs (see attached acknowledgment letter). Based on Article 22(d) (1), the WRD must confirm its final decision on withdrawal no later than 90 days prior to the end of the pooled joint protection program's policy year. The soonest the District can withdraw from each pooled insurance program is as follows:

- Liability Insurance – 10/1/12
- Property Insurance Program – 4/13/13
- Workers' Compensation – 7/1/13

The Finance Committee recommended and the Board of Directors approved the issuance of a request for qualifications. Staff has received Statements of Qualification and has distributed them to the Committee Members.

Committee members have agendaized this item for further discussion.

**FISCAL IMPACT**

None at this time.

**STAFF RECOMMENDATION**

For discussion.



## MEMORANDUM

ITEM NO. 4

*Prepared by:* Jenna Shaunessy

*Reviewed by:* Scott Ota

*Approved by:* Robb Whitaker

**DATE: DECEMBER 5, 2011**

**TO: FINANCE COMMITTEE**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: PUBLIC AGENCY RETIREMENT SERVICES (PARS) IRS AMENDMENT**

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### SUMMARY

Public Agency Retirement Services (PARS), is a tax-qualified plan to provide retirement benefits for Board Members who are not active CalPERS members. This is a qualified plan and pension trust established to hold the assets on behalf of the District. This is an Internal Revenue Service required amendment that brings WRD's current agreement into compliance with recent IRS related legislation. This amendment does not make any changes to WRD's existing procedures and has no impact on contract fees. This amendment solely serves to bring the current agreement into compliance with Internal Revenue Service guidelines.

### FISCAL IMPACT

There is no increase in fees. This is a budgeted item.

### STAFF RECOMMENDATION

Recommend approval to the Board of Directors to amend the existing contract with Public Agency Retirement Services (PARS).

**AMENDMENT TO THE  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA  
PARS RETIREMENT ENHANCEMENT PLAN**

**WHEREAS**, the Water Replenishment District of Southern California (the "Employer") has previously adopted the Water Replenishment District of Southern California PARS Retirement Enhancement Plan (the "Plan"); and

**WHEREAS**, the Employer has the right to amend said Plan in accordance with Section 5.3 of the Plan; and

**WHEREAS**, the Employer desires to amend the Plan to comply with recent legislation and regulations applicable to the Plan.

**NOW, THEREFORE**, the Plan is hereby amended as follows:

1. Effective January 1, 2008, Section 4.6(b)(1)(B), "Eligible Retirement Plan," is hereby amended by adding the following to the end of the Section:

"With respect to eligible rollover distributions made on or after January 1, 2008, an eligible retirement plan shall also include a Roth IRA as described in Section 408A of the Code, provided that the distributee is not restricted from making such a rollover from this Plan to a Roth IRA pursuant to Section 408A(c) of the Code."

This Amendment is hereby adopted this 9<sup>th</sup> day of December, 2011 effective as of the dates set forth above.

Water Replenishment District of Southern California

By: \_\_\_\_\_

Its: Board Secretary \_\_\_\_\_

By: \_\_\_\_\_

Its: Board President \_\_\_\_\_