

**REGULAR MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
12621 E. 166TH STREET, CERRITOS, CALIFORNIA 90703
2:00 P.M., WEDNESDAY, APRIL 14, 2004**

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" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

I. DETERMINATION OF QUORUM

II. PUBLIC COMMENT

III. MINUTES OF THE REGULAR ADMINISTRATIVE COMMITTEE MEETINGS OF FEBRUARY 11, 2004 AND MARCH 10, 2004

Recommendation: That the Committee approve the minutes as submitted.

IV. TRAVEL REQUEST – TRANSPORT NEW SAMPLING VEHICLE TO IDAHO FOR EQUIPMENT FABRICATION AND ASSEMBLY

Recommendation: That the Committee recommend that the Board approve a staff travel request to American Falls, Idaho.

V. VERIFICATION OF DEPENDENTS

Recommendation: For discussion.

VI. ADMINISTRATIVE CODE REVISIONS

Recommendation: That the Administrative Committee discuss any Administrative Code revisions and recommend that the Board consider adoption of any such revisions as recommended by the Committee.

VII. CLOSED SESSION

Labor Negotiations per Government Code §54957.6

Negotiator: J. Arnoldo Beltran

Bargaining Group: American Federation of State County & Municipal Employees (AFSCME)

Discussion: Terms and conditions for Memorandum of Understanding for bargaining group and effect on existing Administrative Code

VIII. ADJOURNMENT

Posted by Abigail C. Andom, Deputy Secretary, April 8, 2004.

**MINUTES OF FEBRUARY 11, 2004
REGULAR MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A regular meeting of the Administrative Committee of the Board of Directors of the Water Replenishment District of Southern California was scheduled for February 11, 2004 at 2:04 p.m. at the District Office, 12621 E. 166th Street, Cerritos, California. Chairperson Willard H. Murray, Jr. called the meeting to order and presided thereover and Acting Deputy Secretary Abigail C. Andom recorded the minutes.

I. DETERMINATION OF QUORUM

Attendees included:

Committee: Directors Willard H. Murray, Jr. and Norm Ryan
Staff: Mario Garcia, Tony Kirk, Hoover Ng, Brett Glasscock,
and District Counsel J. Arnaldo Beltrán

II. PUBLIC COMMENT

None.

Assistant General Manager and District Engineer Mario Garcia introduced the new Manager of Administration and Human Resources Diana Delker. Mr. Garcia welcomed Ms. Delker and gave a brief background on her education and professional experience.

III. MINUTES OF THE REGULAR ADMINISTRATIVE COMMITTEE MEETINGS OF DECEMBER 24, 2003 AND JANUARY 14, 2004

The minutes were approved as submitted.

The agenda items were taken out of order.

VII. DISTRICT HOURS OF OPERATION

Mr. Tony Kirk, the District Employee Grievance Officer, stated that staff reviewed the proposed new district hours of operation, whereby the office would rotate the amount of staff on alternating Fridays in order to avoid having the office closed. Mr. Kirk informed the Committee that staff preferred to keep existing 9/80 work schedule.

Director Murray recommended that the District keep the 9/80 work schedule with staff working alternate Fridays so the office is never closed on Fridays. Director Ryan concurred. The Committee further authorized the General Manager to assign individual work schedules for staff as he deemed appropriate.

VIII. EMPLOYEE BENEFITS – DEFERRED COMPENSATION, MEDICAL COVERAGE, AND RELATED BENEFITS

Director Murray recommended that the District offer a limited matching funds incentive to participating employees in the District's deferred compensation plan. The proposed match is at the rate of \$.50 per deferred dollar with a maximum annual liability to the District of \$5,000 per participating employee.

District Counsel J. Arnaldo Beltran noted that many other special districts offer similar incentives to their employees. He stated that the item will be included in the final negotiations regarding the District's Memorandum of Understanding (MOU) with the American Federation of State, County and Municipal Employees (AFSCME) and is subject to possible contingencies.

Mr. Hoover Ng, the District employees Union President, asked if other potential benefits will be discussed with the Committee before they are discussed with the Union. Mr. Beltran stated that future items may be the subject of further discussions in the Committee.

Director Murray stated that he would not want to hamper the MOU and recommended that the Committee approve a matching funds incentive to the employees deferred compensation plan with possible contingencies. Director Ryan concurred.

The Committee requested that this item be included in the agenda for the next Board meeting.

V. DOCUMENT IMAGING SYSTEM UPDATE

Network Administrator Brett Glasscock provided an update to the document imaging system. He stated that a temporary full-time employee is currently scanning the Accounting Department's documents for the current fiscal year and other materials in-house.

Discussion followed. The Committee asked that staff determine whether bringing a team on board or using in-house staff will expedite the scanning process. The Committee requested that an update be provided at the next meeting.

IV. DISTRICT IDENTIFICATION BADGES

Mr. Garcia presented a sample District identification card. The Committee made minor recommendations and approved the text of the sample identification (ID) card provided.

VI. ADMINISTRATIVE CODE REVISIONS

The Committee requested that an update on the Internship program be made in the next Committee meeting.

IX. CLOSED SESSION

- A. Labor Negotiations per Government Code §54957.6
Negotiator: J. Arnaldo Beltran
Bargaining Group: American Federation of State County & Municipal Employees (AFSCME)
Discussion: Terms and conditions for Memorandum of Understanding for bargaining group
- B. Conference with real property negotiator per Government Code §54956.8
Real Property: 14150 Vine Place, Cerritos, California 90703;
Parcel No. APN 7003-005-003
Agency Representative: J. Arnaldo Beltran
Negotiating Parties: The Stevens Group
Under Negotiation: Price, terms, and conditions for possible purchase

The Committee went into closed session. The Committee reconvened in open session. District Counsel Beltran reported that on each of the two items, a status report was presented and no action was taken.

X. ADJOURNMENT

With no other business to come before the Committee, the meeting was adjourned at 4:28 p.m.

Chairperson

ATTEST:

Director

**MINUTES OF MARCH 10, 2004
REGULAR MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A regular meeting of the Administrative Committee of the Board of Directors of the Water Replenishment District of Southern California was scheduled for March 10, 2004 at 2:02 p.m. at the District Office, 12621 E. 166th Street, Cerritos, California. Chairperson Willard H. Murray, Jr. called the meeting to order and presided thereover and Acting Deputy Secretary Abigail C. Andom recorded the minutes.

I. DETERMINATION OF QUORUM

Attendees included:

Committee: Directors Willard H. Murray, Jr. and Norm Ryan
Staff: Robb Whitaker, Diana Delker, Brett Glasscock,
Pam Wareham, and Jennifer Mizrahi of Beltrán and
Medina

II. PUBLIC COMMENT

None.

**III. MINUTES OF THE REGULAR ADMINISTRATIVE COMMITTEE
MEETING OF FEBRUARY 11, 2004**

Approval of the minutes was deferred to the next meeting.

IV. DOCUMENT IMAGING SYSTEM UPDATE

Network Administrator Brett Glasscock provided an update to the document imaging system. He stated that staff had determined that it would be more cost-effective and efficient, to use the in-house temporary employees for the scanning process instead of bringing in an outside team.

Mr. Glasscock added that the system is up and running and that the Accounting staff has access to their documents.

V. INTERNSHIP PROGRAM

Manager of Administration and Human Resources Diana Delker stated that the proposed WRD internship program was designed to provide opportunities to highly motivated high school students, undergraduate or graduate level students interested in pursuing careers in hydrogeology, engineering, or local governments. The program will be reviewed on as-needed basis annually. Discussion followed.

Director Ryan stated that he was pleased with the proposal. He noted that he would like to be able to reach the underrepresented and disadvantaged areas of the community by demonstrating less considered career choices and that this proposal would open those possibilities.

The Committee recommended that the Board adopt the proposed internship program.

VI. ADMINISTRATIVE CODE REVISIONS

The Committee requested that a discussion of verification of benefits be discussed at the next meeting.

VII. ADJOURNMENT

With no other business to come before the Committee, the meeting was adjourned at 2:37 p.m.

Chairperson

ATTEST:

Director



MEMORANDUM

ITEM NO. IV

Prepared by: Tony Kirk

Reviewed by:

DATE: APRIL 14, 2004

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: TRAVEL REQUEST- TRANSPORT NEW SAMPLING VEHICLE TO IDAHO FOR EQUIPMENT FABRICATION AND ASSEMBLY

SUMMARY

Staff requests approval for one employee to transport the sampling vehicle to and from AMS, Inc., in American Falls, Idaho in late May 2004. The main purpose of the trip, besides the need to deliver the vehicle to AMS, is for a knowledgeable staff member to meet in person with AMS engineers and fabricators to work through the details of the equipment design and fabrication. This dialogue is an important step in assuring that the finished product meets the needs of the District and field staff.

The first part of travel will include a one day drive with the new truck to American Falls, an overnight stay, a $\frac{3}{4}$ -day meeting and a flight back to Southern California. The second part of travel (approximately one month later) will include a return flight to American Falls, one to two days testing operation of the sampling system, working out any problems, and a one day return drive to Southern California with the truck and a trailer. The travel cost for up to five days is not expected to exceed \$800 plus the \$325 round-trip airfare.

The cost for shipping the truck to Idaho is \$800 and returning the truck and trailer to Southern California is estimated to be \$1600, thus totaling \$2400. In light of the cost differential and benefits of active supervision in the design of the truck, staff deems this trip to Idaho to be the best option.

FISCAL IMPACT

Not to Exceed \$1200.

STAFF RECOMMENDATION

That the Committee recommend that the Board approve a staff travel request to American Falls, Idaho.



MEMORANDUM

ITEM NO. V

Prepared by: Diana I. Delker

Reviewed by: Robb Whitaker

DATE: APRIL 14, 2004

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: VERIFICATION OF DEPENDENTS

SUMMARY

This memorandum is in response to a request to staff by the Administrative Committee regarding:

- 1) How the WRD currently verifies dependents for medical insurance and reimbursement; and
- 2) What is the legally permissible way dependents may be verified?

Current Policy

Currently for health insurance, the WRD only requires that employees list their *dependents* with social security numbers. This information is then forwarded to ACWA.

For medical reimbursements, WRD has no verification requirement for adding or removing *dependents*.

As of January 1, 2004 (see attached), ACWA requires certain documentation for verification of dependents. The WRD is legally allowed to follow this same requirement. Employees can volunteer their tax returns; however these documents cannot be required for proof of dependents. WRD may also require affidavits under penalty of perjury for each addition or removal of a dependent.

District Code

Under § 14.1 of the WRD Administrative Code, "All Directors of the District, full-time District employees, and each of their *dependents*, as defined by then-current insurance policy are covered under a medical-hospital insurance policy..."

Dependent defined under ACWA is spouse, child(ren), and domestic partner.

For health reimbursements, under §14.9.2 of the WRD Administrative Code, "The District will pay for non-covered medical and dental expenses provided that the reimbursement of any

employee or Director shall not exceed \$3,000 in any one-year and \$2,000 per *dependent* in any one year.”

The District uses IRS Publication 502 –Medical and Dental Expenses as the basis in determining what qualifies as a covered or deductible medical expense that is non-taxable.

Under the IRS Code, a *dependent* is defined by a 5-part test, discussed *infra*.

What can the WRD legally request for dependent verification?

I. Voluntary submission of tax returns.

Federal privacy rights are implicated if an employer **requires** an employee to furnish IRS filings for verification of dependent. However, if the employee is voluntarily given the option of whether to submit the tax records, it is okay, so long that the employer understands that it is (1) asking for highly confidential information; that (2) the agency would very carefully have to guard this information; and (3) the employer must keep in mind that a tax return may not prove accurate for many cases (e.g., if an employee acquired a dependent on January 1, 2004, that dependent would not show up on the employee’s tax return until April 2005, similarly if the employee ceased having a dependent on July 1, 2004, that might not show up until the subsequent tax return).

II. Documentation

Under ACWA new hires and new addition or removal of dependents can only be accomplished by demonstrating the following:

Spouse: Marriage license, divorce judgment, legal separation papers.

Child(ren): birth certificate, legal custody, guardianship/adoptions papers, court ordered coverage documents.

Domestic Partner: state registry or notarized ACWA affidavit of domestic partnership, or ACWA affidavit of termination of domestic partnership.

III. Sworn Affidavit

Many agency plans simply accept a written statement by the employee that another qualifies as his or her dependent within the meaning of the IRS code provision. This statement should be made under penalty of perjury and notarized.

IRS Definition of Dependent

Under the IRS code, in order to claim a dependency exemption, ALL of the dependency tests must be met. These include five items: 1) member of the household/relationship test; 2) citizen/resident test; 3) joint return test; 4) gross income test; and the 5) support test. A

taxpayer cannot claim a dependency exemption for a person who can be claimed as a dependent on another return.

- 1) Member of the household/relationship test. The person must live with the taxpayer for the entire year as a member of the taxpayer's household, OR the person must be related to the taxpayer in one of the allowable ways, with certain relatives not having to be members of the taxpayer's household for the entire year.

Taxpayers meet the test for the following relatives: child, parent, brother/sister, stepparent, stepchild, stepbrother/sister, half brother/half sister, grandparent, grandchild, son-in-law/daughter-in-law, brother-in-law/sister-in-law, uncle/aunt, niece/nephew.

- 2) Citizen or Resident Test

Taxpayers will meet this test for persons who are US citizens or legal residents, residents of Canada or Mexico.

- 3) Joint Return Test

Taxpayers will meet this test for persons who are unmarried; OR married but do not file a joint return; OR married, file a joint return only to claim a refund of withheld tax –neither would have a tax liability on separate returns, neither the dependent nor spouse can claim personal exemptions on their joint return.

- 4) Gross Income Test

Taxpayers will meet this test for person whose gross income is less than the exemption amount. In 2003, the exemption amount is \$3,050. This test does not apply to children under 19, or full-time students until age 24. The gross income test considers the dependent's taxable income.

- 5) Support Test

Taxpayers will meet this test if the taxpayer provided more than half of a person's total support for the entire year. Support items include: food, clothing, shelter, education, dental care, recreation, transportation. The support test considers all income, taxable and nontaxable.

FISCAL IMPACT

Implementing a policy would require minimal staff resources/time.

STAFF RECOMMENDATION

For discussion.



Association of California Water Agencies

Leadership Advocacy Information Since 1910

Rec'd 3-16-04

To: ACWA Benefit Plan Member Participants

From: Barbara L Duggen, Benefits Administrator

Date: January 2004

SUBJECT: Documentation of Dependent Eligibility on ACWA Benefit Plans

Effective January 2004 ACWA adopted an administrative policy requiring documentation of dependent eligibility or ineligibility on all benefit plans.

This requirement applies to:

- Newly hired employees (on or after January 1, 2004) and their eligible dependents
- New dependents being added to existing employee coverage (spouse / child(ren) / domestic partners)
- Dependent spouse / partner / child(ren) being removed due to divorce / legal separation / termination of domestic partnership

When submitting the enrollment form(s) to add or remove the affected employee and / or dependents, please include a copy of the applicable paperwork as follows:

- spouse: marriage certificate / divorce decree / legal separation papers
- child(ren): birth certificate / legal custody or guardianship papers / placement for adoption papers / court ordered coverage documents
- domestic partner: state registry or notarized ACWA affidavit of domestic partnership / ACWA affidavit of termination of domestic partnership

This policy has been adopted in keeping with non-discriminatory enrollment practices and to protect the plans from including ineligible dependents.

If it is already your employer practice to require this documentation upon enrollment in the benefit plans, and you do not wish to send this documentation to us with every enrollment form, please write us a letter indicating:

- It is already your employer practice to require this documentation prior to enrollment in the plan(s)
- You maintain copies of this documentation within your employer personnel files
- You will permit ACWA HBA or ASC, or its agent, upon reasonable notice, to review and audit the eligibility and relevant records maintained by your agency that may affect premium collection or benefit eligibility under the ACWA plans.

Thank you in advance for your assistance.