

**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, OCTOBER 13, 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 MEETING OF SEPTEMBER 8, 2004

Recommendation: Approve the minutes as submitted.

IV. ADMINISTRATIVE CODE REVISION – PROCUREMENT POLICY ON SMALL BUSINESS ENTERPRISE OUTREACH PROGRAM

Recommendation: Receive revised program, discuss as the Committee desires and provide direction to staff.

V. HOURS AND DAYS OF WORK

Recommendation: Discuss as the Committee desires and provide direction to staff.

VI. COMMUNICATION ALLOWANCE

Recommendation: Discuss as the Committee desires and provide direction to staff.

VII. EXPENSE REIMBURSEMENTS - RECEIPTS

Recommendation: Discuss as the Committee desires and provide direction to staff.

VIII. ADMINISTRATIVE CODE REVISIONS – IDENTIFICATION OF ISSUES FOR FUTURE INCLUSION IN COMMITTEE AGENDAS

Recommendation: The Administrative Committee will entertain topics, issues or modifications to the Administrative Code that warrant full consideration by the Committee. Any such revisions or issues will then be included in a future Committee agenda for full discussion, including public comments on the matter.

IX. DEPARTMENT REPORT

Recommendation: For information.

X. CLOSED SESSION

Labor Negotiations per Government Code §54957.6

Negotiator: Robb Whitaker

Bargaining Group: Management Unit and Employees Association of the WRD,
AFSCME, AFL-CIO, Chapter 1902

Discussion: Benefits

XI. ADJOURNMENT

Posted by Abigail C. Andom, Deputy Secretary, October 7, 2004.

MINUTES OF SEPTEMBER 8, 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 September 8, 2004 at 2:06 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 Deputy Secretary Abigail C. Andom recorded the minutes.

I. DETERMINATION OF QUORUM

Attendees included:

Committee: Directors Willard H. Murray, Jr. and Norm Ryan
Staff: Tina Graham, Scott Ota, and Special Legal Counsel
Kevin Collins

II. PUBLIC COMMENT

None.

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

The minutes were approved as submitted.

IV. ADMINISTRATIVE CODE REVISIONS – PROCUREMENT POLICY ON SMALL BUSINESS ENTERPRISE OUTREACH PROGRAM

Special Legal Counsel Kevin Collins stated that the Board adopted its current Small Business Enterprise (“SBE”) Outreach Program in 2002. Mr. Collins explained that based on staff’s recent experience with the existing SBE Program, the Board directed the Administrative Committee to review the SBE Program for possible revisions.

As a background, Mr. Collins stated that the District’s existing program was formulated based on a review of comparable policies by other local agencies. He noted that Metropolitan Water District’s policies and those of other agencies were still in their formative stages at the time WRD adopted its program. The District’s existing Program applies only to construction contracts greater than \$100,000 and it requires bidders to subcontract at least 20% of their bid amount to SBE’s certified as such by either the State of California or the Los Angeles County Metropolitan Transportation Authority. The existing Program also allows the Board to exempt a project from its SBE Program if it determines that doing so would be in the District’s best interest. This determination is made before the District advertises for bids.

Mr. Collins cited the following problems staff had experienced in implementing the SBE Program: (a) bidders include their own status as certified SBE's for purposes of reaching the participation requirement even though the participation requirement must be met by subcontractors; (b) bidders list SBE's who are not certified by one of the required agencies; (C) bidders list SBE's without including documentation showing that the subcontractors so listed are actually certified as SBE's; and (D) bidders divide work into arbitrary or illogical divisions in order to meet the SBE requirement.

Mr. Collins continued noting that Public Contract Code § 2002 authorizes local government agencies, which includes the District, to facilitate the award of contracts to small business in several ways. He explained that these include: (1) granting a preference to bidders who are small businesses in the amount of up to 5% of the bid submitted by the otherwise lowest responsible and responsive bidder; (2) establishing a small business subcontracting participation goal and granting a preference of up to 5% to bidders who meet the goal; and (3) requiring bidders to either meet a small business subcontracting participation goal or to demonstrate that they made good faith efforts to meet the participation goal. In addition, Public Contract Code § 2002 allows local agencies to adopt their own definition of the term "small business."

Mr. Collins stated that of the three options permitted by Public Contract Code § 2002, the first option of granting a preference to bidders who are small businesses in the amount of up to 5% of the bid submitted by the otherwise lowest responsible and responsive bidder would likely be the best alternative for the District. He noted that it is the least resource-intensive of the three options which is a significant factor because the District does not presently have the resources of other much larger public agencies with SBE programs, such as the Metropolitan Water District. Likewise, the first option also presents the most objective or "bright-line" test.

Director Ryan expressed concern that an SBE awarded the contract and entitled to the 5% discount from the bid amount submitted by the lowest responsible and responsive bidder, may turn around and subcontract the work to someone else who is not necessarily an SBE. Discussion followed.

The Committee directed Special Counsel to revise the proposed SBE policy to include a self performance requirement and asked for the revised policy to be presented to the Board for approval at its October 6, 2004 meeting.

V. STATE AUDIT UPDATE

Chief Financial Officer Scott Ota stated he was presenting the Finance Committee's recommended responses to the findings of the state audit, noting that Director Robert Goldsworthy was the Chairperson of the Committee at that time the recommendations were made.

With Director Ryan re-elected as the new Treasurer, the Administrative Committee recommended this item be referred back to the Finance Committee for re-review.

VI. CONSIDERATION OF RESOLUTION NO. 04-718 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA AMENDING EXHIBIT B TO THE CONFLICT OF INTEREST CODE

Manager of Administration and Human Resources Tina Graham stated that, in accordance with Government Code 8736.5, the District is required to review its Conflict of Interest Code on a biennial basis and is required to revise the Code when necessary. She explained that changes, except minor title changes, must be approved by the Board of Directors through an enabling resolution and must be returned to the Los Angeles County Board of Supervisors by October 1, 2004.

Ms. Graham stated the proposed amendments to Exhibit "B" of the District's Conflict of Interest Code include changes that are a result of the District's recent organizational changes.

The Committee recommended the Board adopt Resolution No. 04-718 and directed staff to submit the required forms and a copy of the resolution to the County Board of Supervisors.

VII. ELECTION NOTICE

Deputy Secretary Abigail Andom stated that prior to the next Administrative Committee meeting, the District is expected to receive from the County of Los Angeles Registrar-Recorder the Notice of Election and List of Nominees for the election scheduled to be held November 2, 2004. She explained that, pursuant to Elections Code Section 12113, the District is required to post this notice at the District office.

Ms. Andom also stated that staff would like to seek the Committee's concurrence with posting the Notice to the District's website as well.

The Committee concurred with the staff recommendation.

VIII. ADMINISTRATIVE CODE REVISIONS

The Committee did not have any proposed Administrative Code revisions.

IX. DEPARTMENT REPORT

Director Murray asked staff for an update on the District's new building. Mr. Ota stated that the District received its first rent check from the previous owners for the lease of the building. He explained that staff is preparing a request for proposal for a space planner. Mr. Ota also informed the Committee that the building was paid for in cash to avoid other incidental fees.

Director Ryan asked staff to look into membership to the California Public Facilities Fund.

Director Murray asked Ms. Graham to provide an update on the automated agenda system. Ms. Graham stated that the automated agenda system would not be effective for the District due to the small volume of agendas the District generates and because the software is not compatible with the District's own document imaging system.

Ms. Graham stated that the District had implemented the Internship Program and hired Isaiah Berry as an intern to work for a period of six weeks. Mr. Berry was introduced to the Committee and he provided a brief report on the many projects and tasks he has been working on. Ms. Graham stated that Mr. Berry would continue his internship for at least another eight to ten weeks.

Director Ryan stated he would like the internship program running concurrently with the school semester, and would like interns rotated on a regular basis.

Ms. Graham stated that, in response to the Board's adoption of an Affidavit of Dependency form, staff performed an audit on the files and has updated the list of dependents accordingly.

Ms. Graham stated that former Director Leo J. Vander Lans' PARS retirement benefits will commence in October 2004, retroactive to his date of retirement.

Mr. Ota informed the Committee that a District temporary employee, Stacey Ewart, had an accident over the week-end and is in critical condition.

Director Murray asked Ms. Graham and Mr. Ota to convey the District's prayers and thoughts to Ms. Ewart and her family.

X. ADJOURNMENT

With no other business to come before the Committee, the meeting was adjourned at 3:50 p.m. A moment of silence was observed for Ms. Ewart.

Chairperson

ATTEST:

Director



MEMORANDUM

ITEM NO. IV

Prepared by: Tina Graham

Reviewed by:

DATE: OCTOBER 13, 2004

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: ADMINISTRATIVE CODE REVISION – PROCUREMENT POLICY ON SMALL
BUSINESS ENTERPRISE OUTREACH PROGRAM**

SUMMARY

At the October 6 board meeting the Board of Directors discussed proposed revisions to WRD's Small Business Enterprise Outreach Program. The Board referred the item back to the Administrative Committee and directed staff to add language to the revised program that would include requirements for contractors to subcontract a portion of the work to qualified Small Business Enterprises.

Special Legal Counsel Kevin Collins will attend and present the revised program to the Committee at the meeting.

FISCAL IMPACT

Unknown at this time.

STAFF RECOMMENDATION

Receive revised program, discuss as the Committee desires and provide direction to staff.



MEMORANDUM

ITEM NO. V

Prepared by: Tina Graham

Reviewed by:

DATE: OCTOBER 13, 2004

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: HOURS AND DAYS OF WORK

SUMMARY

At the request of President Murray this item is agendized for discussion.

Section 11.5 of the Administrative Code notes the following:

“Office hours are 7:30 a.m. to 5:30 p.m. Monday through Thursday and 7:30 a.m. to 4:00 p.m. on alternating Fridays.”

Article 41 – Management Rights, Section 41.1, (i), of the Memorandum of Understanding between WRD and the Employees Association notes the following:

“To assign work to and schedule employees in accordance with requirements as determined by the District and to establish and change work schedules and assignments upon reasonable notice.”

Attached for reference are copies of sections of the minutes from meetings of the Administrative Committee and Board where the issue of hours of work was discussed.

FISCAL IMPACT

Unknown at this time.

STAFF RECOMMENDATION

Discuss as the Committee desires and provide direction to staff.

**MINUTES OF JANUARY 14, 2004
REGULAR MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

VII. DISTRICT HOURS OF OPERATION

Director Murray stated that he would like to propose changing the District's existing 9/80 work schedule by allowing the General Manager the discretion to have selected staff alternate their Fridays off. Discussion followed.

Ms. Adeline Yoong, the District's union Secretary, stated that the union's position has not changed regarding its support of the 9/80 work schedule but that she would present the proposal at the next AFSCME meeting. The Committee requested that comments be presented at the next Committee meeting scheduled February 11, 2004.

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

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.

**MINUTES OF APRIL 14, 2004
REGULAR MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

VI. ADMINISTRATIVE CODE REVISIONS

Discussion followed, and the Committee recommended the following changes to the Administrative Code:

1. Change in Communications Allowance for Directors – propose increase from \$200 to \$300 a month
2. Change in Medical Reimbursement Allowance – propose increase from \$3,000 per employee to \$4,000 per employee, and from \$2,000 per dependent to \$3,000 per dependent
3. Change in District Office Hours – retain the 9/80 work schedule but keep the office open with half of staff working alternate Fridays. The General Manager was authorized to adjust employee schedules in order to implement this schedule.

Mr. Kirk, the Union Grievance Officer, noted that the union membership unanimously preferred the existing 9/80 work schedule.

**MINUTES OF APRIL 21, 2004
MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

X.ADMINISTRATIVE CODE REVISIONS

Mr. Hoover Ng, President of the Employees Association of the WRD, AFSCME Chapter 1902, spoke on behalf of the bargaining unit regarding a proposed change to the District's work schedule. Mr. Ng stated that the membership requests that the Board maintain the status quo of continuing to operate with alternate Fridays off. Mr. Ng stated that having a full staff present every other Friday has been more effective and efficient. He noted that a split schedule with only partial management and staff working, resulted in inefficiencies and delays in getting work accomplished which is why the split schedule was changed to full staff every other Friday.

Mr. Ted Johnson, Chief Hydrogeologist of the District, spoke on behalf of the management team about the proposed change in the work schedule. Mr. Johnson stated that the management team does not support the proposed change of schedule. He stated that the action would result in an ineffective schedule with only half staff present each Friday.

Mr. Johnson noted that prior to September 2001, the District had a split schedule and that it did not work. Many times there were insufficient staff resources on each Friday to effectively conduct business, either at meetings, to answer questions that came up, to address committee or board items, for department discussions, or to send out notices, reports, and correspondence. Mr. Johnson reminded the Board that they recognized this problem and on September 7, 2001, voted unanimously to change the schedule to the current one of alternating Friday office closures. Citing other cost and productivity savings to the District, Mr. Johnson asked that the Board retain the current work schedule that has been proven to be more effective and productive to the District and its stakeholders.

President Murray stated that there are new arguments presented to the Board today that he was not aware of and without any objections from the other Directors wanted to refer the item back to the Administrative Committee.

Director Robles stated that he felt the change is not warranted because the existing work schedule has proven effective. He stated that he felt it was disingenuous for the Board to propose this change while the Memorandum of Understanding with the bargaining unit is being worked out. He asked that it not be referred to the Administrative Committee but have the item removed from discussion.

Ms. Diana Delker, Manager of Administration and Human Resources, stated that the Administrative Committee members proposed revisions to the Administrative Code. The first proposed revision was requested by Administrative Committee Chairman Murray that required that WRD be open on all Fridays.

Ms. Delker stated that the second revision proposal was by Director Ryan and it was that the Medical Expense Reimbursement language be changed to require enrollment in WRD's medical insurance program in order to be eligible for the District's medical reimbursements. Director Ryan stated that since the medical reimbursement was primarily intended to be supplemental to the District's medical coverage, only those dependents that meet ACWA's documentation of dependents are entitled to this benefit.

Director Robles stated that this policy has proven effective and he felt it is again disingenuous for the Board to propose this change. He noted that it has been a year-long process trying to get the MOU finalized and for staff benefits to be identified that recommending this change at this time is not appropriate.

Director Goldsworthy stated that he would like this item to be referred back to the Administrative Committee for further review. Director Acosta concurred. The Board referred this item back to the Administrative Committee.

Ms. Delker stated that the third proposed changes were submitted to the Administrative Committee by District Counsel Arnoldo Beltran and herself regarding non-substantive changes relating to WRD's Mission Statement (§1.0); Purpose of the Administrative Code (§1.1); Deputy Secretary (§2.2.5); Requests for Public Records Requests (§9.7); and Personnel Policies (§11).

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

RESOLVED: That the Board approve the proposed changes to the WRD's Mission Statement (§1.0), Purpose of the Administrative Code (§1.1), Deputy Secretary (§2.2.5), Requests for Public Records Requests (§9.7), and Personnel Policies (§11).

**MINUTES OF MAY 12, 2004
REGULAR MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

V. ALTERNATE FRIDAYS OFF

The Board at its April 21, 2004 meeting reviewed this item and referred it back to the Administrative Committee for further review.

The Committee reconfirmed its recommendation of retaining a 9/80 work schedule with alternating groups, that allowed for the office to be open every Friday. The General Manager was authorized to adjust employee schedules in order to implement this schedule.



MEMORANDUM

ITEM NO. VI

Prepared by: Tina Graham

Reviewed by:

DATE: OCTOBER 13, 2004

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: COMMUNICATION ALLOWANCE

SUMMARY

At the April 14 Committee meeting the members discussed and recommended the Board raise the Directors' communication allowance from \$200 to \$300 per month. The attached Resolution No. 04-708 was prepared in anticipation of the Board's approval.

Prior to the Board meeting where the item would have been considered, staff was asked to table the item until such time as the Committee expressed a desire to revisit the item.

At the desire of the Committee Chair, the issue of adjusting the Directors' monthly communication allowance is agendized for discussion and possible action.

The Committee will receive information related to actual and estimated monthly communication expenditures.

FISCAL IMPACT

Should the Board approve an increase in the communication allowance the approximate annual fiscal impact would be \$6,000.

STAFF RECOMMENDATION

Discuss as the Committee desires and provide direction to staff.



MEMORANDUM

ITEM NO. VII

Prepared by: Tina Graham

Reviewed by:

DATE: OCTOBER 13, 2004

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: EXPENSE REIMBURSEMENTS - RECEIPTS

SUMMARY

The Administrative Code requires Directors and staff to submit suitable documentation prior to receiving reimbursement for allowable expenses incurred during the course of their duties. In addition, the Administrative Code requires expenses submitted by Directors to be reviewed and approved by the Finance Committee, and staff expenses to be reviewed and approved by the General Manager.

At the meeting, staff will provide the Committee with information related to what the IRS considers to be suitable documentation.

FISCAL IMPACT

Unknown at this time.

STAFF RECOMMENDATION

Discuss as the Committee desires and provide direction to staff.



MEMORANDUM

ITEM NO. VIII

Prepared by: Abbie Andom

Reviewed by: Tina Graham

DATE: OCTOBER 13, 2004

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: ADMINISTRATIVE CODE REVISIONS

SUMMARY

Changes to the Administrative Code will be discussed.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Administrative Committee will entertain topics, issues or modifications to the Administrative Code that warrant full consideration by the Committee. Any such revisions or issues will then be included in a future Committee agenda for full discussion, including public comments on the matter.



MEMORANDUM

ITEM NO. IX

Prepared by: Abbie Andom

Reviewed by: Tina Graham

DATE: OCTOBER 13, 2004
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: DEPARTMENT REPORT

SUMMARY

Staff will provide an update of department activities.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For information.