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, DECEMBER 22, 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 NOVEMBER 10, 2004
   Recommendation: Approve the minutes as submitted.

IV. STATE AUDIT UPDATE
   Recommendation: For discussion and direction to staff.

V. OATH OF OFFICE FOR DIRECTORS
   Recommendation: For information.

VI. OFFICERS OF THE BOARD AND STANDING COMMITTEES
   Recommendation: For discussion and direction to staff.

VII. MILEAGE OUTSIDE OF THE LOCAL AREA
   Recommendation: For discussion and direction to staff.

   Recommendation: Recommend the Board adopt Resolution No. 05-724.
IX. ADMINISTRATIVE CODE REVISIONS

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

X. DEPARTMENT REPORT

Recommendation: For information.

XI. ADJOURNMENT

Posted by Abigail C. Andom, Deputy Secretary, December 16, 2004.
A regular meeting of the Administrative Committee of the Board of Directors of the Water Replenishment District of Southern California was scheduled for November 10, 2004 at 2:00 p.m. at the District Office, 12621 E. 166th Street, Cerritos, California. Acting Chairperson Pat Acosta 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 Pat Acosta (Alternate) and Norm Ryan
Staff: Tina Graham, Special Legal Counsel Kevin Collins

II. PUBLIC COMMENT
None.

III. MINUTES OF THE REGULAR ADMINISTRATIVE COMMITTEE MEETING OF OCTOBER 13, 2004
Director Acosta stated she would like to abstain from approving the minutes since she was not present at the meeting. Approval of the minutes was carried over to the next meeting.

IV. ADMINISTRATIVE CODE REVISION – PROCUREMENT POLICY ON SMALL BUSINESS ENTERPRISE OUTREACH PROGRAM
Special Legal Counsel Kevin Collins stated at the last Administrative Committee meeting possible revisions to the District’s Small Business Enterprise (“SBE”) Outreach Program were discussed. At the conclusion of the meeting, the Committee directed Counsel to incorporate an SBE subcontractor participation component that is consistent with, and permissible under, Public Contract Code §2002.

Discussion followed. The Committee recommended the District award construction contracts to the lowest responsive and responsible bidder, and all construction contracts greater than $100,000 shall subcontract not less than 20% of their bid amount to SBEs or demonstrate they made good faith efforts to do so. The Committee further recommended the inclusion of a self-performance clause.

The Committee recommended the item be agendized for the November 17, 2004 Board meeting.
V. STATE AUDIT UPDATE
Manager of Administration and Human Resources Tina Graham stated the Finance Committee reviewed the three state audit recommendations and had directed staff to present them to the Administrative Committee.

Discussion followed and the Committee recommended: (1) the use of a business expense form to document the public purpose of any out-of-pocket expenses. The appropriate language shall be included in the Administrative Code. (2) the District’s use of public funds was reassessed for such purposes as award dinners, catered meals, airfares, and lodging for local conferences and the Committee found that such expenditures were appropriate and serve a public purpose.

The Committee further recommended that staff provide additional information at the next meeting relating to the third audit recommendation regarding reimbursable travel expenses and limiting the number of conferences directors and staff may attend.

VI. WRD RECORDS MANAGEMENT PROGRAM
Ms. Graham informed the Committee, in anticipation of the completion of the initial round of scanning and of the District’s move to its new building, the Administration Department has embarked on a project that will create a Records Management Program for the District. She stated the project will establish procedures to ensure new documents are scanned in a timely manner and records are destroyed in accordance with the District’s Records Retention Schedule. She also noted the program will identify at least one individual in each department to assist with the implementation of the project, and an individual will be identified to oversee the Records Management Program for the District.


Ms. Graham informed the Committee the Administrative Department began the project with the assignment of Deputy Secretary Abbie Andom as the records program coordinator for the Department. In addition, a preliminary inventory of the Department’s “vital” records is taking place, and staff is developing a proposed schedule for scanning, storage, and/or destruction of the records. Future document imaging training for Administrative Department staff is also planned.
Ms. Graham noted the Committee will receive regular updates regarding the progress of the program and no documents will be destroyed until after there is Board approval for the program. Once the program is established for the Administrative Department documents, a program will be established for each department, beginning with the Finance Department.

VII. FLEXIBLE SPENDING ACCOUNT PROGRAM
Ms. Graham stated the Employees Association’s MOU requires the District to establish and maintain a Flexible Spending Account for its employees. The Flexible Spending Account (FSA)/Dependent Care Assistance Programs (DCAP) are regulated by Internal Revenue Code Section 125 Cafeteria Plan. She noted such plans allow employees the option of using pre-tax dollars to pay for medical expenses not reimbursed by their insurance carriers, to purchase most over-the-counter (OTC) drugs used for treatment of an existing condition and to pay child/dependent care expenses.

Ms. Graham explained, with the FSA program, employees are given a choice to “redirect” part of their salary to the plan. Each employee then uses the ‘redirected’ salary to purchase allowable services or products. The primary benefit for employees is they are not taxed on the salary they redirect into the plan, nor are they taxed when they receive expense reimbursements through the plan. She noted the employer similarly benefits through a FSA program by not paying FICA Social Security and Medicare taxes on the gross amount of salary redirections made by employees.

Ms. Graham stated staff had researched companies offering a FSA program and recommends the company Conexis. She noted staff had surveyed the District’s employees and there is interest in the program.

The Committee recommended staff proceed with the FSA/DCAP program for employees.

VIII. DEPARTMENT REPORT
Ms. Graham stated, in addition to the Records Management Program, the Administrative staff has been busy with other activities planned for the coming month. She noted that on November 16 there will be a Risk Transfer Training for employees sponsored by the ACWA/JPIA. On December 2, ACWA/JPIA Defensive Driver Training and IIPP/Hazard Communication Training programs have been scheduled for District staff.

Ms. Graham informed the Committee District Counsel J. Arnoldo Beltran will be presenting a resolution to the Board at its
November 17, 2004 meeting regarding proposed language for the Administrative Code relating to the District’s deferred compensation program.

Lastly, Ms. Graham noted a letter was received from the Local Agency Formation Commission (LAFCO) regarding nominations to fill the remainder of the term of an alternate. Director Acosta stated she would like the item referred to the External Affairs Committee.

**IX.  ADJOURNMENT**

With no other business to come before the Committee, the meeting was adjourned at 3:20 p.m.

________________________________________

Chairperson

ATTEST:

________________________________________

Director
DATE: DECEMBER 22, 2004
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: STATE AUDIT UPDATE

SUMMARY
On November 10 the Administrative Committee reviewed three recommendations from the Finance Committee related to State Audit Recommendations #10, #12 and #13. The Administration Committee concurred with the Finance Committee’s recommendations related to items #10 and #12, and the two items were approved by the Board at its December 6 meeting.

The Administrative Committee asked staff to provide additional information and agendize State Audit Recommendation #13 for further discussion at this meeting.

**State Audit Recommendation #13:** The State Auditors recommended WRD amend its Administrative Code to provide better guidance on reimbursable travel expenses, including a limit on the number of conferences directors and staff may attend, and a process for justifying exceptions to that limit.

When the Finance Committee originally reviewed this item, they forwarded the following split recommendation to the Administrative Committee:

Director Acosta recommended Section 13.2, Reimbursable Expenses, of the Administrative Code be revised to include the following language:

“Travel for directors and staff to conferences shall be limited to 12 conferences per year. Once a director or staff has been certified by attending a complete series of conferences sponsored by an organization, then only a refresher course may be attended once every two years.

When conferences are held at multiple sites, and when scheduling permits, directors and staff shall choose the site that will result in the lowest cost to the District.

Director Ryan was not in favor of the recommendation proposed by Director Acosta because he thought it was too restrictive.
The Administrative Committee asked staff to contact the Sacramento Municipal Utilities District (SMUD) and ask what their Board of Directors has for a policy regarding attendance at conference and seminars.

SMUD’s current policy is to allocate, through the budget process, $5,000 per director for conference and seminar attendance. Each director may then attend any conference or seminar of their choosing until the $5,000 allotment is exhausted. Directors are not prevented from exceeding the $5,000, but any expense over $5,000 must be approved by the Board President.

In addition to SMUD’s policy, Three Valleys Water District has a similar policy whereby Directors are allotted $5,000 per year for conference and seminar attendance. San Diego County Water Authority’s policy is that Directors may attend a maximum of four conferences or seminars per budget year.

**FISCAL IMPACT**
Unknown.

**STAFF RECOMMENDATION**
For discussion and direction to staff.
DATE: DECEMBER 22, 2004  
TO: ADMINISTRATIVE COMMITTEE  
FROM: ROBB WHITAKER, GENERAL MANAGER  
SUBJECT: OATH OF OFFICE FOR DIRECTORS  

SUMMARY  
Staff will provide a verbal update on plans for the installation of board members at the January 5, 2005 Board of Directors meeting.  

FISCAL IMPACT  
Unknown.  

STAFF RECOMMENDATION  
For information.
MEMORANDUM

ITEM NO. VI

DATE: DECEMBER 22, 2004
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: OFFICERS OF THE BOARD AND STANDING COMMITTEES

SUMMARY
Attached are excerpts from the Administrative Code relating to Officers of the Board and Standing Committees. Also provided for the Committee’s review is a list of current committee assignments.

FISCAL IMPACT
Unknown.

STAFF RECOMMENDATION
For discussion and direction to staff.
ORGANIZATION AND OPERATION OF THE BOARD OF DIRECTORS

The Board of Directors is the policymaking and governing body of the District. It represents the highest authority within the management structure of the District, however it delegates certain of its authority to staff in the interest of efficiency, stability, and prudent management.

2.1 Number of Directors
There are five members of the Board of Directors, each to be elected from one of five divisions within the District, within which such Director resides.

2.2 Officers of the Board
The officers of the Board are the President, Vice President, Secretary, Treasurer, and Deputy Secretary. Officers are elected by the Board at the first regular meeting of the Board in January following the District election. With the exception of the Deputy Secretary, all Board officers are Board members.

2.2.1 President
The President of the Board presides at all meetings of the Board and has all authority afforded the presiding officer, including the power to constitute standing and Ad Hoc Committees and to assign Board members to serve on such committees.

2.2.2 Vice President
The Vice President of the Board presides over any meeting at which the President is not present, or whenever the President relinquishes the chair, and performs such other services as may be requested by the President.

2.2.3 Secretary
The Secretary of the Board records and certifies the minutes of all Board meetings and is responsible for the maintenance of District records. The Secretary may delegate such duties to the Deputy Secretary.

2.2.4 Treasurer
The Treasurer of the Board is responsible for the financial affairs of the District, including financial reporting and investment activities. The Treasurer must also serve on the Finance Committee.
2.2.5 Deputy Secretary
The Deputy Secretary is recommended by the General Manager and approved by the Board. The Deputy Secretary may be a member of the AFSCME Chapter 1902 general bargaining unit. In such cases, the Deputy Secretary shall sign a confidentiality agreement prohibiting the sharing with the membership of the bargaining group, any information learned or gained while in the performance of Deputy Secretary duties.
Committees of the Board

The following Standing Committees shall review the following materials:

3.1 Finance Committee
The Finance Committee shall review all items related to the financial affairs of the District. No later than February 15th of each year, the District Controller (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.

3.2 Administrative Committee
The Administrative Committee shall review all items related to the management of the District, including personnel matters and procedures for the implementation of Board policy in administrative matters.

3.3 Water Resources Committee
The Water Resources Committee shall review all items related to the supply of water necessary for District operations.

3.4 Groundwater Clean-Up Committee
The Groundwater Clean-Up Committee shall review all matters related to the quality of groundwater within the District.

3.5 External Affairs Committee
The Interagency Committee shall review all matters related to the District’s relationship with other agencies and the District’s public information/education programs.

Decisions of any standing committee shall be subject to review and overruling by the full Board.

3.6 Ad Hoc Committees
The President or the Board may establish or dissolve ad hoc committees of the Board, consisting of two Board members each, from time to time.

An ad hoc committee shall cease to exist unless renewed annually by the President on the anniversary of the creation of the committee.
**STANDING COMMITTEES**

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<tr>
<th>Committee</th>
<th>Chair</th>
<th>Members</th>
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| **ADMINISTRATIVE** (meets 2nd Wednesday of the month) | Director Willard Murray, Jr.* | Director Norm Ryan  
|                                  |                        | Director Pat Acosta*  
|                                  |                        | Director Willard Murray, Jr.**                      |
| **FINANCE** (meets 2nd Tuesday of the month)    | Director Norm Ryan*    | Director Pat Acosta  
|                                  |                        | Director Willard Murray, Jr.**                      |
| **GROUNDWATER QUALITY**        | Director Norm Ryan*    | Director Albert Robles  
|                                  |                        | Director Willard Murray, Jr.**                      |
| **EXTERNAL AFFAIRS** (meets 4th Thursday of the month) | Director Pat Acosta* | Director Willard Murray, Jr.  
|                                  |                        | Director Bob Goldsworthy**                          |
| **WATER RESOURCES**           | Director Albert Robles* | Director Bob Goldsworthy  
|                                  |                        | Director Norm Ryan**                                |

**AD HOC COMMITTEES***

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<th>Committee</th>
<th>Chair</th>
<th>Members</th>
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| **AD HOC WBMWD**                 | Director Willard Murray, Jr.* | Director Pat Acosta  
|                                  |                        | Director Norm Ryan**                                |
| **AD HOC WRD STRATEGIC PLAN/CIP**| Director Pat Acosta* | Director Bob Goldsworthy  
|                                  |                        | Director Albert Robles**                            |
| **AD HOC AUDITS**                | Director Bob Goldsworthy* | Director Norm Ryan**                                
|                                  |                        | Director Willard Murray, Jr.**                      |
| **AD HOC LEGISLATIVE**           | Director Pat Acosta*    | Director Willard Murray, Jr.                        |
| **AD HOC GENERAL COUNSEL EVALUATION** | Director Bob Goldsworthy* | Director Willard Murray, Jr.**                      |
| **AD HOC Operational Efficiency** | Director Willard Murray, Jr.* | Director Norm Ryan**                                |
| **AD HOC CONJUNCTIVE USE**       | Director Bob Goldsworthy* | Director Pat Acosta  
| **AD HOC CBMWD**                 | Director Willard Murray, Jr.* | Director Albert Robles  
| **AD HOC G.M. EVALUATION**       | Director Willard Murray, Jr.* | Director Bob Goldsworthy**                          |
| **AD HOC BOND COUNSEL**          | Director Norm Ryan*     | Director Bob Goldsworthy                            |
| **AD HOC CB WATER CONTRACT NEGOTIATIONS** | Director Willard Murray, Jr.* | Director Bob Goldsworthy                          |
| **AD HOC PENSION PLAN**          | Director Willard Murray, Jr.* | Director Norm Ryan**                                |
| **AD HOC OFFICE BUILDING**       | Director Willard Murray, Jr. | Director Norm Ryan**                                |
| **AD HOC BOND FINANCING**        | Director Norm Ryan*     | Director Bob Goldsworthy                            |
DATE: DECEMBER 22, 2004
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: MILEAGE OUTSIDE OF THE LOCAL AREA

SUMMARY
Attached are excerpts from the Administrative Code relating to the District’s policy concerning vehicle allowance, and reimbursement for mileage within or outside of the local area.

The Finance Committee at its December 10, 2004 meeting had recommended the Administrative Committee review the policy.

FISCAL IMPACT
Unknown.

STAFF RECOMMENDATION
For discussion and direction to staff.
7.1 Vehicle Allowance
Each Director may receive a vehicle allowance of $308 per month provided they attend at least one Board meeting within the month. Alternatively, a Director may receive reimbursement for actual mileage at the current IRS rate for business mileage reimbursement.

13.2.5 Travel Expenses
The Board of Directors should pre-approve requests for out of state travel. The Board may retroactively approve out of state travel based on difficult or unexpected circumstances.

The District’s policy concerning reimbursement for travel expenses varies depending whether the destination is within or outside the “local area”. For purposes of this Policy, “local area” includes all of Los Angeles and Orange Counties, and those portions of Riverside and San Bernardino Counties located south of the San Gabriel Mountains and/or west of the San Bernardino Mountains. Except for travel within the “local area” by Board Members or other District employees entitled to a monthly car allowance pursuant to this Code, all Board Members, officers and employees of the District shall be entitled to a mileage reimbursement for authorized use of their privately-owned vehicles in the conduct of District business at the current maximum allowable per mile rate established by the Internal Revenue Service.

In the case of travel to a location outside of the “local area,” including travel by personal automobile instead of by air travel, reimbursement shall be limited to expenses for the Board Member, officer or employee not exceeding 14-day advanced purchase round trip standard coach airfare, plus ground transportation.

Actual expenses for ground transportation to and from airports and while attending to District business shall also be reimbursed. Ground transportation shall include taxi, bus fare or standard automobile rental. No reimbursement shall be provided for charges incurred due to the inclusion of personal loss insurance coverage i.e., loss damage waiver, supplemental liability, personal effects, uninsured or underinsured motorist) in a car rental agreement.
DATE: DECEMBER 22, 2004
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER

SUMMARY
A request has been received from the County of Los Angeles Department of Public Works regarding participation in the exchange of ad valorem property tax. If a taxing agency involved in the negotiation does not adopt a resolution providing for the exchange of property tax, the Board of Supervisors can determine the exchange of property tax revenue for that taxing agency.

This item normally would go to the Finance Committee but due to the scheduling of the meetings it is before the Administrative Committee for consideration.

FISCAL IMPACT
None.

STAFF RECOMMENDATION
Recommend the Board adopt Resolution No. 05-724.
RESOLUTION NO. 05-724

A JOINT RESOLUTION OF
THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES,
THE CITY COUNCIL OF THE CITY OF CARSON,
THE BOARD OF DIRECTORS OF THE GREATER LOS ANGELES
COUNTY VECTOR CONTROL DISTRICT, THE BOARD OF DIRECTORS OF
THE COUNTY SANITATION DISTRICT No. 8 OF LOS ANGELES COUNTY
(COUNTY SANITATION DISTRICT NO. 8), AND THE BOARD OF DIRECTORS
OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF
PROPERTY TAX REVENUES RESULTING FROM
ANNEXATION OF TRACT 53751 TO
COUNTY LIGHTING MAINTENANCE DISTRICT 1697

WHEREAS, pursuant to Section 99.01 of the Revenue and Taxation
Code, prior to the effective date of any jurisdictional change that will result in a
special district providing one or more services to an area where those services
have not previously been provided by any local agency, the special district and
each local agency that receives an apportionment of property tax revenue from
the area must negotiate an exchange of property tax increment generated in the
area subject to the jurisdictional change and attributable to those local agencies;
and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting
on behalf of the County of Los Angeles, the Los Angeles County Library, the
Consolidated Fire Protection District of Los Angeles County, the Los Angeles
County Flood Control Drainage Improvement District, and the Los Angeles
County Flood Control District; the City Council of the City of Carson; the Board of
Directors of the Greater Los Angeles County Vector Control District, the Board of
Directors of the County Sanitation District No. 8 of Los Angeles County (County
Sanitation District No. 8), and the Board of Directors of the Water Replenishment
District of Southern California have determined that the amount of property tax
revenue to be exchanged between their respective agencies as a result of the
annexation proposal identified as Tract 53751 to County Lighting Maintenance
District 1697 is as set forth below:

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues between the
County of Los Angeles, the Los Angeles County Library, the
Consolidated Fire Protection District of Los Angeles County, the
County Flood Control Drainage Improvement District, and Los
Angeles County Flood Control District; the City Council of the City
of Carson; the Board of Directors of the Greater Los Angeles
County Vector Control District, the Board of Directors of County
Sanitation District No. 8; and the Water Replenishment District of Southern California resulting from the annexation proposal identified as Tract 53751 to County Lighting Maintenance District 1697 is approved and accepted.

2. For fiscal years commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within Tract 53751 (Tax Rate Area 1011) shall be allocated to the affected agencies as indicated in the enclosed worksheet.

3. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year, and any amounts of property tax received in excess of that which is proper shall be refunded to the appropriate agency.

PASSED, APPROVED AND ADOPTED THIS ______________ day of ____________, 200__ by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

____________________________
President

ATTEST:

____________________________
Secretary

____________________________
Date
MEMORANDUM

ITEM NO. IX

DATE:          DECEMBER 22, 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
Discuss any Administrative Code revisions and recommend the Board consider adoption of any such revisions as recommended by the Committee.
DATE: DECEMBER 22, 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.