

**MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712
12:00 P.M., MONDAY, JULY 11, 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 QUORUM**
- 2. PUBLIC COMMENT**
- 3. MINUTES OF THE MEETING OF JUNE 13, 2011**
Staff Recommendation: Approve as submitted.
- 4. ACWA JPIA INSURANCE COVERAGE**
Staff Recommendation: For discussion.
- 5. INSURANCE REQUIREMENTS FOR SMALL BUSINESSES**
Staff Recommendation: For discussion.
- 6. DEPARTMENT REPORT**
- 7. DIRECTOR'S REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF**
- 8. ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, July 6, 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 OF JUNE 13, 2011
MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Administrative Committee of the Board of Directors of the Water Replenishment District of Southern California was held on June 13, 2011, 2011 at 12:21p.m. at the District Office, 4040 Paramount Boulevard, Lakewood, California. Chairperson Willard H. Murray, Jr. called the meeting to order and presided thereover. Deputy Secretary Abigail C. Andom recorded the minutes.

1. DETERMINATION OF QUORUM

Attendees included:

Committee: Directors Willard H. Murray, Jr. and
Lillian Kawasaki
Staff: Scott Ota, Jenna Shaunessy,
Special Counsel David Alvarez and
Special Counsel Wendy Tseng of Leal & Trejo

2. PUBLIC COMMENT

None.

3. MINUTES OF THE MEETING OF MAY 9, 2011

Director Kawasaki stated that she would like to amend the minutes to reflect that at the May 9 meeting, Gilbert Vasquez of Vasquez and Company, the District's independent financial auditor, had recommended the creation of an Audit Committee. She noted that he also stated that best practices suggest a separate and distinct Audit Committee from the Finance Committee.

The minutes were approved as amended.

4. MASS MAILING RESTRICTIONS

Special Counsel David Alvarez referred the Committee to a draft resolution addressing the Committee's inquiries about mass mailings, general provisions of the Political Reform Act, and the District's Administrative Code. Specifically, Mr. Alvarez stated that the draft resolution would amend Sections 9.5 and 9.6 of the Administrative Code as it relates to public information materials and use of District letterhead.

Discussion followed and the Committee recommended the Board adopt the proposed resolution as amended.

5. ADMINISTRATIVE CODE REVISIONS

The Committee recommended the item be continued until the Ad Hoc Labor Negotiations Committee has completed its work.

6. DIRECTORS' TRAVEL AND TRANSPORTATION EXPENSES

Chief Financial Officer Scott Ota stated that at the April 1, 2011 Board meeting, the Board requested the Administrative Committee to review the Administrative Code as it relates to Directors travel and transportation expenses. Mr. Ota noted that travel is currently allocated into two separate categories: travel for legislative purposes to Sacramento and Washington, D.C. and travel for all other purposes.

Discussion followed and the Committee recommended the Board approve the proposed changes to Section 7.2.6 of the Administrative Code eliminating the two categories of the travel budget and with budgeted travel funds available to cover all District related travel.

7. DEPARTMENT REPORT

Ms. Shaunessy referred to the written report and provided an update on the Department's activities.

The Committee requested staff to inform the other directors of the First Aid, CPR and Defibrillator training class scheduled August 30, 2011.

8. DIRECTOR'S REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF

The next Administrative Committee meeting is scheduled July 11, 2011 at 12:00 p.m.

9. ADJOURNMENT

With no other business to come before the Committee, the meeting was adjourned at 1:45 p.m.

Chair

ATTEST:

Member



MEMORANDUM

ITEM NO. 4

Prepared by: Scott M. Ota

Reviewed by: J.H. Shaunessy

Approved by: Robb Whitaker

DATE: JULY 11, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: ACWA JPIA INSURANCE COVERAGE

SUMMARY

At the June 23, 2011 Special Meeting of the Board of Directors, President Calderon requested that the Administrative Committee review the District's Insurance Policies for Liability, Property and Workers' Compensation.

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, allowing them to bypass the high cost of commercial insurance. 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.

Staff has contacted ACWA JPIA and notified them that WRD may review insurance coverage options from other vendors.

Article 22 of the JPIA Agreement ("the Agreement") states the following:

Article 22 — Withdrawal

- (a) A Member may withdraw as a party to this Agreement any time prior to its consenting in writing to enter the joint protection program.

- (b) A Member that does not consent in writing to enter the joint protection program must withdraw as a party to this Agreement prior to the effective date of the program, or it will be considered to have voluntarily withdrawn upon such effective date.
- (c) A Member that enters or has entered any pooled joint protection program may not withdraw as a participant of that program, as a party to this Agreement, or as a Member of the Authority, for a three-year period commencing on the Member's date of entry into said pooled joint protection program.
- (d) After the initial three-year non-cancellable commitment to each pooled joint protection program, a Member may withdraw only at the end of said program's Policy Year, provided it has given the Authority a twelve-month written notice of its intent to withdraw from said pooled joint protection program.
 - (1) No later than ninety (90) days prior to the end of said pooled joint protection program's policy Year, any Member having given an Article 22 (d) conditional notice shall make clear to the Authority its final decision on withdrawal. Final notice of actual withdrawal must be given instructed to rely on such final notice received on or before ninety (90) days prior to the end of the program's Policy Year, and no rescission of such final notice can be made after close of business ninety (90) days prior to the end of the program's Policy Year. If no such final notice is received by close of business on the required date, staff shall treat the original notice with all its conditions and ambiguities as final notice of withdrawal.
 - (2) Any participation by a former Member must be effected as a new Member. No benefits will be held over from the withdrawing Member's former status as a previous program participant.
- (e) Members may withdraw from any group purchase program at the conclusion of its Policy Year, without being required to give the twelve-month written notice required for withdrawal from pooled joint protection programs.
- (f) A Member may not withdraw as a party to this Agreement nor as a member of the Authority until it has withdrawn from all of the programs of the Authority.

The District's insurance coverage with ACWA JPIA ends on the following dates:

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

FISCAL IMPACT

None at this time.

STAFF RECOMMENDATION

For discussion.



MEMORANDUM

ITEM NO. 5

Prepared by: Scott M. Ota

Reviewed by: J.H. Shaunessy

Approved by: Robb Whitaker

DATE: JULY 11, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: INSURANCE REQUIREMENTS FOR SMALL BUSINESSES

SUMMARY

The District has a standard professional services agreement (attached) approved by District Counsel for use when entering into agreements approved by the Board of Directors. Section 12 of this standard agreement has the District's insurance requirements to protect the District against risk of loss.

The Board of Directors requested that the Administrative Committee review "Section 12 – Insurance" of the standard agreement to determine if the District can adjust these requirements in order to attract and accommodate smaller businesses that may not carry the policies currently required but may be sufficient to cover their particular scope of work.

District Counsel will be present at the Committee meeting to provide a report.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For discussion.



PROFESSIONAL SERVICES AGREEMENT
[INSERT CONTRACTOR NAME]

This Professional Services Agreement (the "Agreement") is made and entered into this day of , , by and between the Water Replenishment District of Southern California ("District") and **[Insert Contractor Name]**, ("Consultant") (collectively the "Parties" or individually as "Party") for the furnishing of certain professional services upon the following terms and conditions.

1. Scope of Services. Consultant shall perform the scope of services described in Exhibit A hereto ("Services"). Tasks other than those specifically described in Exhibit A shall not be performed without a prior written amendment to this Agreement.
 - 1.1 Standard of Care. In performing the scope of services under this Agreement, Consultant shall exercise the standard of care and expertise prevailing in California for the performance of such services.

2. Term. The term of this Agreement shall commence on **Month, Day, Year** and shall end on **Month, Day, Year** (the "Expiration Date"). At least sixty (60) days prior to the Expiration Date, District staff shall evaluate the quality of the Services that have been provided by the Consultant, the cost of such Services relative to the benefits, and the need for any continuation of the services. The results of such evaluation shall be provided to the appropriate District Committee, which committee shall provide a report to the District's Board of Directors ("Board"). If the Board determines that there is a demonstrated need for the continuation of such Services, the Board may renew the Agreement on terms and conditions that do not provide for a significantly longer term, increased scope of services or increased fee schedule than is provided for in Paragraphs 1 or this Paragraph 2. If the Board desires to modify the Agreement to provide for such a significantly longer term, increased scope of services or increased fee schedule, the District shall comply with the provisions of its then current Administrative Code concerning the solicitation and approval of proposals for professional services.
 - 2.1 Termination by District
 - 2.1.1 Termination for Convenience. The District may terminate this Agreement for its convenience at any time upon five (5) days written notice to Consultant. Consultant's compensation in the event of such a termination shall be exclusively limited to payment for all authorized services performed and for all authorized expenses incurred up to the effective date of such termination. Consultant understands and agrees that it shall not be

entitled to any additional compensation or reimbursement whatsoever in the event of such termination.

2.1.2 Consultant's Obligations Upon Termination. Following any termination of this Agreement by the District or Consultant, the Consultant shall promptly return all District property, and shall likewise provide to District all finished and unfinished data, studies, maps, reports, and other deliverables and work-product prepared by Consultant pursuant to this Agreement.

3. Consultant's Compensation. District will compensate Consultant for services performed and for expenses incurred pursuant to this Agreement as follows:

3.1 Fee. Consultant shall be paid in accordance with the Consultant Rate Schedule attached to this Agreement as Exhibit B which may not be changed except with District's written approval.

3.2 Reimbursable Expenses. Consultant shall be reimbursed for the following expenses. Provided, Consultant shall obtain the District's prior written approval before incurring an expense for which Consultant intends to seek reimbursement in excess of \$500.00.

3.2.1 Transportation, Meals and Lodging. Consultant shall be reimbursed for transportation, meals and lodging expenses in accordance with the provisions of the District's Administrative Code applicable to reimbursement of such expenses when incurred by District employees. A copy of said provisions are attached to this Agreement as Exhibit C.

3.2.2 Miscellaneous Expenses. Unless otherwise provided at Exhibit B, and subject to the provisions of Paragraph 3.2, the District shall reimburse Consultant for all out of pocket costs charged to Consultant by third parties although such reimbursement shall be at cost without any markup by Consultant.

3.3 Invoices. Consultant shall submit monthly invoices to District for services performed and expenses incurred during the preceding month. Consultant's invoices shall separately identify all personnel for whose services payment is sought, the services performed, and all expenses for which reimbursement is requested. As a condition precedent to payment, District may require Consultant to furnish supporting information and documentation for all charges for which payment is sought. District shall have the right to withhold from payments to Consultant reasonably disputed amounts including, without limitation, amounts for services not performed in accordance with this Agreement and costs, expenses or damages incurred by District as a result of Consultant's breach of this Agreement or Consultant's negligence.

4. Consultant's Obligation to Provide Notice of Changes. Consultant shall provide written notice to the District no later than twenty (20) days after the occurrence of any event (including any direction by the District) which Consultant believes requires a change in its compensation or the time for performance of its obligations under this Agreement. Said notice shall describe the event and the basis for any change in compensation or time for performance requested by Consultant. The Parties shall thereafter meet and confer to determine whether such a change is appropriate. However, no such change to this Agreement may be made except by written amendment to this Agreement executed by the Parties. Consultant's failure to provide the notice required under this Paragraph shall constitute a waiver of its right to seek a change in its compensation or the time for performance of its obligations under this Agreement.
5. Ownership and Use of Documents. All proprietary information developed by Consultant in connection with, or resulting from, this Agreement, including but not limited to inventions, discoveries, improvements, copyrights, patents, maps, reports, textual material or software programs, shall be the sole and exclusive property of the District. Consultant agrees that the compensation to be paid pursuant to this Agreement includes adequate and sufficient compensation for any proprietary information developed in connection with or resulting from this Agreement. Consultant further understands and agrees that full disclosure of all proprietary information developed in connection with, or resulting from, this Agreement shall be made to the District, and that Consultant shall do all things necessary and proper to perfect and maintain District's ownership of such proprietary information. All documents, reports, surveys, renderings, photographs, data and other materials furnished by the District to Consultant shall remain the property of the District.
6. Publication of Project Information. Consultant shall notify and obtain written approval from the District before presenting verbal or written information to outside individuals or entities about the services or project for which Consultant was retained.
7. Patents and Copyrights. The Consultant shall assume all costs arising from the use of patented or copyrighted materials, including but not limited to, equipment, devices, processes, and software programs used or incorporated in the work performed under this Agreement. Consultant shall defend, indemnify hold the District, its officers, directors agents, employees, representatives and assigns harmless from any and all claims, demands, suits at law, and actions of every nature for or on account of the use of any patented or copyrighted materials.
8. Consultant's Status. Consultant is an independent contractor and neither Consultant nor any employee of Consultant is or will be treated as an employee of the District under this Agreement. District controls the result to be accomplished under this Agreement, but not the means by which Consultant achieves such results.

- 8.1 Payments made to Consultant pursuant to this Agreement shall be the sole and complete compensation to which Consultant is entitled. Consultant is solely responsible for any taxes levied by local, state or federal authorities on such sums. Consultant shall defend and indemnify the District for any taxes, fines, penalties and attorneys' fees assessed or threatened to be assessed against District for failure to properly withhold taxes as a result of any determination that Consultant, or any of Consultant's employees, is an employee rather than an independent contractor of District.
- 8.2 District will not make any contribution to any retirement plan or Social Security on behalf of Consultant or any of Consultant's employees. Consultant shall defend and indemnify the District for any contribution, fines, penalties and attorneys' fees assessed or threatened to be assessed against District for failure to contribute to any retirement plan or Social Security as a result of any determination that Consultant, or any of Consultant's employees, is an employee rather than an independent contractor of District.
- 8.3 District will not make any payments to Consultant, or Consultant's employees, which rely upon employee status, including, but not limited to, FLSA and other overtime and minimum wage requirements, prevailing wage laws, worker's compensation benefits, FMLA, CFRA, Paid Leave, and unemployment benefits. Consultant shall defend and indemnify the District for any payment, fines, penalties and attorneys' fees assessed or threatened to be assessed against District for failure to make any such payment or otherwise provide the benefits of such laws as a result of any determination that Consultant, or any of Consultant's employees, is an employee rather than an independent contractor of District.
- 8.4 Consultant shall comply with the Political Reform Act of 1974, as amended including, but not limited to, disclosure of all conflicts of interest and other financial disclosure requirements required thereunder.
9. Instructions to Consultant. In the performance of the services set forth in this Agreement, Consultant shall report to and receive instructions from the following person on behalf of the District: **Robb Whitaker, General Manager.**
10. Subconsultant Services. Any subconsultants to be used by Consultant in the performance of the scope of services shall be identified in Exhibit A hereto. Consultant shall obtain the District's prior written approval before retaining a subconsultant to perform any portion of the scope of services of this Agreement. Notwithstanding Consultant's use of any subconsultants, Consultant shall be responsible to the District for the performance of its subconsultants as it would be if Consultant had performed those services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the District and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall defend and indemnify the District for any payment, fines or penalties assessed or threatened to be assessed against District as a result of any claim brought by

any subconsultant of Consultant for any matter arising from, or related to, the services performed by subconsultant under this Agreement.

11. Compliance With Laws and Regulations; Licensing. Consultant shall perform its services under this Agreement in compliance with all applicable provisions of Federal, State and local laws, statutes, codes, rules, regulations, ordinances and professional standards (“Applicable Laws”). By entering into this Agreement, Consultant represents and warrants that it possesses and will keep current all license and registrations required by Applicable Laws to enter into this Agreement and to perform the scope of services hereunder.
12. Insurance. Consultant, at its sole cost and expense, shall obtain, keep in force, and maintain the following policies of insurance at all times while this Agreement is in effect, and shall not commence any work under this Agreement until proof of such insurance has been provided to the District. The coverages provided by such insurance shall not be construed as limitations of liability.

12.1 Required Policies.

12.1.1 Commercial General Liability Insurance (contractual, products, and completed operations coverages included) with a combined single limit of no less than \$1,000,000 and a general aggregate limit of no less than \$1,000,000.

12.1.2 Business or Comprehensive Automobile Liability Insurance for owned, scheduled, non-owned, or hired automobiles, with a combined single limit of no less than \$1,000,000 per accident.

12.1.3 Professional Liability Insurance with limits of \$1,000,000 per claim and \$1,000,000 in the aggregate.

12.1.4 Employers’ Liability Insurance with limits of \$1,000,000 per claim and \$1,000,000 in the aggregate.

12.1.5 Workers’ Compensation Insurance as required under the Workers’ Compensation Insurance and Safety Act of the State of California.

12.2 Required Terms.

12.2.1 All policies except workers’ compensation and professional liability, shall name as additional insureds the Water Replenishment District of Southern California, its directors, officers, employees, agents and representatives. **[Insert other names if services are being provided for such other persons].**

12.2.2 All policies shall be written on an occurrence basis. If a policy may only be obtained on a claims made basis, the policy shall be maintained continuously for a period of no less than three (3) years after the date of final completion of the scope of services under this Agreement.

12.2.3 All policies shall provide that coverage cannot be cancelled without twenty (20) days prior written notice to the District.

12.2.4 All insurance required under this Agreement shall be considered primary to any insurance maintained by the District. All policies except Professional Liability shall include waivers of subrogation in favor of the District and its insurers.

12.2.5 All policies required under this Agreement shall be issued by companies authorized to transact insurance business in the State of California acceptable to the District and having a Best rating of A- or better.

13. Indemnification. Consultant shall indemnify, defend and hold harmless the District and its directors, officers, employees, agents and representatives (collectively "District"), from and against any and all claims, liabilities, costs, damages, suits, proceedings, injuries (including injuries to real and personal property, and injuries to persons, including death) incurred by District ("Losses"), as a result of Consultant's breach of any provision of this Agreement, Consultant's failure to comply with applicable laws, Consultant's negligent acts or omissions, or Consultant's willful misconduct. However, Consultant's obligation to defend shall arise regardless of any claim or assertion that the District caused or contributed to the Losses. Nothing in this paragraph shall constitute a waiver or limitation of any legal rights which the District may have including, without limitation, the right to implied indemnity.
14. Arbitration and Attorneys' Fees. Any dispute arising from or relating to this Agreement shall be submitted to final and binding arbitration before an arbitrator who is a member of the National Academy of Arbitrators. The parties will obtain a list of five names of potential arbitrators from the National Academy of Arbitrators, or the American Arbitration Association, and will take turns striking the names of arbitrators until one arbitrator remains, who shall preside over the arbitration. The arbitrator will have no power to rewrite any of the terms of this Agreement. The parties shall split the cost of the arbitrator's fee and any court reporter required by the arbitrator or if both parties agree to having the proceedings taken down by a court reporter. The prevailing Party in any action arising from or relating to this Agreement shall be entitled to recover its reasonable attorneys fees, expert witness fees and arbitration fees and costs in addition to any other relief and recovery ordered by the arbitrator or other tribunal hearing any matter related to this Agreement. .
15. Conflict of Interest. No official of the District who is authorized in such capacity and on behalf of the District to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Agreement, or any contract or subcontract relating to

work to be performed pursuant to this Agreement, shall become directly or indirectly personally interested in this Agreement or in any part thereof. Consultant shall not accept employment or contract during the term of this Agreement with any firm or individual for the provision of services if such employment or contract would conflict directly with the Services provided to the District under this Agreement.

16. Equal Opportunity. During the performance of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status or national origin.
17. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the District, Consultant, and their respective successors and assigns provided, however, that no assignment of the duties or benefits under this Agreement shall be made without the written consent of the Consultant and the District.
18. Choice of Law and Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. The Parties agree that the exclusive venue for any action or proceeding arising from or relating to this Agreement shall be in the County of Los Angeles, State of California.
19. Notices. All notices provided by this agreement shall be in writing and shall be sent by first-class mail and facsimile transmission as follows:

If to the District:

Water Replenishment District of
Southern California
4040 Paramount Blvd.
Lakewood, CA 90712
Phone: (562) 921-5521
Fax: (562) 921-6101

If to Consultant:

Contact Name
Address
Address
City, State ZIP
Phone:
Fax:

20. Amendments. This Agreement may be modified only by a writing signed by the Parties hereto.

21. Integration; Construction. This Agreement sets forth the final, complete and exclusive expression of the Parties' agreement with respect to the subject matter hereof, and supersedes any and all other agreements, representations, and promises, whether made orally or in writing. The Parties represent and warrant that they are not entering into this Agreement based upon any representation or understanding that is not expressly set forth in this Agreement. This Agreement shall be construed as the product of a joint effort between the Parties and shall not be construed against either Party as its drafter.
22. Effective Date. This Agreement is effective as of the date first set forth above.
23. Authority. Each person signing this Agreement represents that he or she has the authority to do so on behalf of the Party for whom he or she is signing.

IN WITNESS WHEREOF, the Parties have caused this AGREEMENT to be executed the day and year first above written.

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Signature
Sergio Calderon

Print Name
President, Board of Directors

Title

Signature
Robert Katherman

Print Name
Secretary, Board of Directors

Title

[INSERT CONTRACTOR NAME], ("CONTRACTOR")

Signature

Print Name

Title

**Approved As To Form
 LEAL, TREJO APC**

 H. Francisco Leal
 Attorneys for the Water Replenishment
 District of Southern California

EXHIBIT A
SCOPE OF WORK

[Insert detailed description of scope of work.]

EXHIBIT B
CONSULTANT RATE SCHEDULE

- 1.0 Consultant shall be compensated for actual services performed in accordance with this Agreement **[insert appropriate language: at the hourly rates, monthly sum or the lump sum amount.]**
- 2.0 A budgetary amount of \$ _____ (which amount applies to Consultant's fee and reimbursable expenses) is established for this Agreement. Notwithstanding any other provision of this Agreement, the District shall not be obligated to pay Consultant any amount in excess of said budgetary amount absent prior written approval from the District. Likewise, Consultant shall not be obligated to perform services or incur expenses in excess of the budgetary amount absent prior written approval from the District.

[Insert additional terms as needed after consultation with counsel.]

EXHIBIT C
REIMBURSEMENT FOR TRAVEL, MEALS AND LODGING

1. EXPENSES

13.1 Allowable And Unallowable Expenses

In the conduct of District business, employees and Directors shall incur expenses, subject to budgeted funds being available, adequate supporting documentation, and required approvals, according to the following:

13.1.1 General Guideline

1. Expenses outlined in this Administrative Code and Procurement Policies and Procedures;
2. Expenses that further the District's mission concerning replenishment and quality of water in the Central and West Coast Groundwater Basins, including but not limited to, expenses directly incurred in connection with a program or capital project of the District, activities that facilitate relations or working arrangements with other government or private sector personnel that are important to the District's mission, activities that enhance awareness and education of the District's functions, and activities that promote the attraction and retention of high quality employees of the District.

13.1.2. Specifically Unallowable Expenses

1. Gifts,
2. Entertainment,
3. Alcoholic beverages,
4. Goods and services for personal use,
5. Fines and penalties incurred by an employee,
6. Memberships in social organizations, dining clubs, or country clubs,
7. Advance payments for goods or services, except as generally required,
8. Moving expenses, unless pre-approved as part of a written employment contract with a new employee,
9. Travel related expenses incurred by or on behalf of a spouse or companion,
10. Certain travel costs (e.g., first-class airfare, hotel suites, luxury vehicle rental),

11. Repetitive seminars or educational courses on the same topic or issue and repetitive courses that provide training on a specific subject to a particular class of persons (e.g., training for persons new to the areas of water or special districts).

Employees and Board Members shall not obligate the District and shall not receive reimbursement for any of the unallowable expenses listed above.

13.2 REIMBURSABLE EXPENSES

13.2.1 Application of Policy

This Policy applies to all Board Members, management, staff, legal counsel, and any other authorized parties who may submit claims for reimbursement of amounts expensed on the District's behalf.

13.2.2 General Principles

The following general principles apply to the District's reimbursement of amounts expended on the District's behalf:

1. All expenses shall be reasonable and necessary.
2. The most economical mode and class of transportation consistent with scheduling requirements shall be utilized. In the event a more expensive mode or class of transportation is utilized, the reimbursable amount shall be limited to the cost of the most economical mode or class of transportation available, not to exceed the cost of coach airfare.
3. Expenditure for food and lodging shall be moderate and reasonable.
4. All reimbursements must be approved pursuant to the provisions of this Code.
5. Approval Process for Reimbursable Expenses
6. Claims shall be submitted on forms supplied by the District. Such forms shall include a description of the expense, names (if appropriate), date incurred, and a description of the business purpose of the expense.

13.2.3 Directors' Expenses: Finance Committee Approval

At its regularly scheduled monthly meeting, the District's Finance Committee shall approve or reject all requests and claims for reimbursement by members of the Board of Directors. The Finance Committee shall meet once per month to consider such claims and requests as are submitted. Receipts must support claims and requests as submitted to the Finance Committee or other documentation the

Finance Committee deems acceptable. For each expense less than \$25, submission of documentation the Finance Committee deems acceptable shall be sufficient for purposes of this section. At the discretion of a Director, supporting receipts for each expense less than \$25 may be submitted with the documentation. If a claim or request is submitted to the Finance Committee with documentation the Committee deems inadequate, or without documentation, that claim or request shall be rejected. A claim or request initially rejected can later be submitted for approval if it is supported by adequate documentation at such later time.

Requests for reimbursement must be submitted within 90 days of the date the expense was incurred. Specifically excluded from this time limit are expenses incurred for medical, dental, eye care, or other expenses that require processing by an insurance or benefit provider, or an expense where backup documentation was delayed beyond the control of the Director. Any reimbursement for a non-excluded expense submitted after 90 days must be approved by the Board of Directors.

13.2.4 Staff Expenses: General Manager Approval

The General Manager or the Chief Financial Officer, acting as an agent of the General Manager, shall approve or reject all requests and claims for reimbursement by staff and shall report such approval/rejection to the Finance Committee at its monthly meeting. Receipts must support claims and requests as submitted to the General Manager or Chief Financial Officer or other documentation the General Manager or Chief Financial Officer deems acceptable. For each travel related expense less than \$25, submission of documentation the General Manager or Chief Financial Officer deems acceptable shall be sufficient for purposes of this section. At the discretion of staff, supporting receipts for each travel related expense less than \$25 may be submitted with the documentation. If a claim or request is submitted to the General Manager or Chief Financial Officer with documentation he deems inadequate, or without documentation, that claim or request shall be rejected. A claim or request initially rejected can later be submitted for approval if it is supported by adequate documentation at such later time.

Requests for reimbursement must be submitted within 90 days of the date the expense was incurred. Specifically excluded from this time limit are expenses incurred for medical, dental, eye care, or other expenses that require processing by an insurance or benefit provider, or an expense where backup documentation was delayed beyond the control of the employee. Any reimbursement for a non-excluded

expense submitted after 90 days must be approved by the Board of Directors.

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" and whether an individual receives or elects to receive a vehicle allowance. 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.

Directors who do not elect to receive a monthly vehicle allowance pursuant to Section 7.1 of this Code and all employees who do not receive a monthly vehicle allowance may be reimbursed for travel within the "local area". Reimbursement shall be for actual mileage at the current maximum allowance per mile rate established by the Internal Revenue Service for authorized use of privately-owned vehicles in the conduct of District Business.

Directors who do not elect to receive a monthly vehicle allowance pursuant to Section 7.1 of this Code and all employees who do not receive a monthly vehicle allowance may be reimbursed for travel outside the "local area," including travel by personal automobile instead of by air travel. Reimbursement shall be limited to expenses 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.

13.2.6 Lodging

For the purpose of lodging, "local area" means a 40-mile radius from either one's residence or the District office, whichever is further.

Within the discretion of the Board President, a Director may stay overnight at a site less than a 40-mile radius from the residence or the District office. If the Director desiring to stay overnight at such a site is the Board President, that Director shall obtain approval from the Board Treasurer. Otherwise, no requests for lodging or reimbursement claims for expenses incurred within the "local area" shall be approved by the Finance Committee.

Expenses will be allowed for adequate and reasonably priced lodging when necessary for the conduct of District business. When lodging is required in conjunction with a conference or similar function, whenever possible, lodging shall be at the conference location at the reduced rate provided by the conference, if applicable. In all cases, reasonable attempts shall be made to obtain reduced rates for lodging (i.e., government rates for domestic lodging as published by the U.S. General Services Administration.)

Unless otherwise authorized by the Finance Committee, no reimbursement will be approved for lodging for greater than one night before or for any nights after an event outside of the "local area."

13.2.7 Meal Reimbursements

"Local area" in this section has the same definition as in the Overnight Accommodations policy above.

1. When a Board member or other District employee is outside of the local area on District business for an entire day, the Board Member or employee may receive one hundred dollars (\$100.00) per day for meals, including gratuities, as follows:
 - Breakfast: \$20.00
 - Lunch: \$35.00
 - Dinner: \$45.00
2. When a Board member or other District employee is outside of the local area on District business for portions of a day, the Board member or employee shall receive compensation for those meals that occur during the portion of the day that the individual is outside the local area.
3. Authorized personnel and Directors may, in lieu of per diem reimbursement, receive reimbursement for actual meal costs, including tips, if such costs are less than the per diem amount.
4. The meal compensation discussed in Subsection (1) above, shall only be received for meals on the day immediately before the beginning of the event which the Board member or employee is

attending, the days when the event is occurring and the day immediately following the conclusion of that event. Further, where meal costs are included in airfare or in the event registration fees, the compensation received shall be reduced by the amounts indicated above.

5. The per diem amounts discussed above are provided for the Board Member or other employee's meals while out of the local area on business. Whether or not expenditure occurs within the local area, the Board member or other employee is entitled to reimbursement for meals purchased for other persons, if such meals are in furtherance of District business and the Finance Committee subsequently approves the request for reimbursement. Any such expenditures for additional meals shall be reasonable and necessary and must further the business interest of the District.
6. In calculating the amount to be reimbursed to the Board member or employee, the Finance Committee shall reduce each meal's total by that meal's per diem rate.

13.3 Special Provisions

Where a Board Member or other person is entitled to receive reimbursement for expenses from another employer or entity, the sum of total reimbursement from both the District and the other employer or entity shall not exceed actual expenses incurred.

All exempt District personnel attending a conference or other event outside of the District's service area shall receive no additional salary for travel during a non-scheduled workday.

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MEMORANDUM

ITEM NO. 6

Prepared by: J H Shaunessy

Reviewed by: Scott Ota

Approved by: Robb Whitaker

DATE: JULY 11, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: DEPARTMENT REPORT

SUMMARY

Staff has been working on the following projects:

- Worked with Interim District Counsel on seven California Public Records Requests (CPRA) from Sedgwick on behalf of Central Basin
- Managing the Assistant General Manager recruitment process.
- Continued to follow up on advertisements for the Senior Hydrogeologist position recently left vacant by the retiring the previous employee
- Assisted with the District's 7th Annual Groundwater Quality Workshop on 6/29/11
- Assisted in preparing the General Manager for the Integrated Regional Water Management monthly meeting of the Lower San Gabriel and Los Angeles Rivers Sub-Region Steering Committee
- Worked with ACWA JPIA to ensure that the District is up to date on all of its insurance requirements
- Prepared monthly Director's expenses
- Attended and prepared minutes for the Finance Committee meeting on 6/15/11.
- Attended and prepared minutes for Board of Directors meeting on 6/17/11
- Attended and prepared minutes for the External Affairs Committee meeting on 6/20/11
- Attended and prepared minutes for Groundwater Quality Committee meeting on 6/22/11
- Attended and prepared minutes for the Special Board Meeting on 6/23/11

- Attended and prepared minutes for Water Resources Committee meeting on 7/6/11
- Assist in preparing for various Ad Hoc Committee meetings (Ad Hoc Bond Financing, Ad Hoc Work Force, Ad Hoc Labor Negotiations, Ad Hoc Redistricting, Ad Hoc GRIP, Ad Hoc Emergency Preparedness and Ad Hoc Building Committee)
- Continued work on various personnel, human resource and legal issues

FISCAL IMPACT

None

STAFF RECOMMENDATION

For information.