

**MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
12621 E. 166th Street, Cerritos, California 90703**

1:30 P.M., WEDNESDAY, OCTOBER 6, 2004

REVISED 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.

I. DETERMINATION OF A QUORUM

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

IV. PUBLIC COMMENT

V. ADDITIONAL ITEMS TO AGENDA

Determine the need to add items to the agenda. In order for the Board to add an item to the agenda it must make a determination that: (i). The item came to the attention of the Board after the posting of the agenda; (ii). That there is a need for immediate action to be taken by the Board. If these two tests are met, the Board may add the item in question to the agenda for consideration consistent with the provisions of the Brown Act.

VI. CONSENT CALENDAR

Consent Calendar items are considered routine by the Board of Directors and will be adopted by one motion. There will be no separate discussion of these items unless a Board Member so requests, in which event the item will be removed from the Consent Calendar and considered separately immediately following action on the remaining items.

A. MINUTES OF THE REGULAR MEETING OF SEPTEMBER 15, 2004

Staff Recommendation: Approve the minutes as submitted.

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

Administrative Committee Recommendation: Approve revisions to the Procurement Policies and Procedures of the Administrative Code as it relates to the Small Business Enterprise Outreach Program as offered in attached Exhibit B.

VIII. LABORATORY SERVICES AGREEMENT

Groundwater Quality Committee Recommendation: Enter into an agreement, subject to approval as to form by District Counsel, with MWH Laboratories for analytical laboratory services in an amount not to exceed \$750,000 annually for three years.

IX. AWARD OF CONTRACT FOR WEST COAST BASIN OPERATING PLAN

Water Resources Committee Recommendation: Award a contract, subject to approval as to form by District Counsel, to CH2M Hill in an amount not to exceed \$264,000 for the completion of Phase 1 of the West Coast Basin Operating Plan Study and allocate funds for the project from reserves.

X. PACIFIC TERMINALS TEMPORARY ACCESS AND LICENSE AGREEMENT

Staff Recommendation: Due to timing constraints, this item was not reviewed by a WRD committee. Staff requests that the agreement be approved by the Board to expedite the start of the Pilot Project.

XI. NAACP DINNER

External Affairs Committee Recommendation: Approve participation in the Long Beach NAACP Freedom Fund Banquet and Awards Presentation on October 15, 2004 by sponsoring a table for ten in the amount of \$1,000 and approve the allocation of funds from reserves.

XII. CONSERVATION PROGRAM

External Affairs Committee Recommendation: Approve the purchase of garden hose nozzles as WRD conservation items.

XIII. ULTRA-LOW FLUSH TOILET (ULFT) DISTRIBUTION PROGRAM

External Affairs Committee Recommendation: (1) Director Murray made a motion that the Committee recommend participating and contributing up to \$150,000 to the Central & West Basin Municipal Water Districts' Ultra-Low Flush Toilet Program.

(2) Director Acosta wanted to postpone taking action on the item until further information was provided.

XIV. CENTRAL VALLEY PROJECT TOUR

External Affairs Committee Recommendation: For information.

XV. WRD 45TH ANNIVERSARY

External Affairs Committee Recommendation: Proceed with recognition of celebration.

XVI. LEGISLATIVE REPORT

External Affairs Committee Recommendation: For information.

XVII. CONSIDERATION OF RESOLUTION 04-720 - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF A MASTER AGREEMENT FOR DISTRICT OBLIGATIONS, AN INSTALLMENT PURCHASE AGREEMENT, A TRUST AGREEMENT, A PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE EXECUTION AND DELIVERY OF WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REVENUE CERTIFICATES OF PARTICIPATION (2004 CAPITAL IMPROVEMENT PLAN), AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH CERTIFICATES EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$_____, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH CERTIFICATES AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

Ad Hoc Bond Financing Committee Recommendation: Adopt Resolution No. 04-720 with a par amount of the debt issuance in excess of \$11.6 million.

XVIII. WRD TAC CHAIR REPORT

XIX. GENERAL MANAGER'S REPORT

XX. DISTRICT COUNSEL REPORT

XXI. DIRECTORS' REPORTS

XXII. WRD BOARD MEETING DATES

- A. October 20, 2004 – 1:30 p.m. – Board of Directors Meeting
- B. November 3, 2004 – 1:30 p.m. – Board of Directors Meeting
- C. November 17, 2004 – 1:30 p.m. – Board of Directors Meeting
- D. December 1, 2004 – 1:30 p.m. – Board of Directors Meeting

XXIII. CLOSED SESSION

- A. Anticipated litigation per Government Code §54956.9 (b), One Case
- B. Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786,656
- C. California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806
- D. Labor Negotiations per Government Code §54957.6
Negotiator: J. Arnoldo Beltrán
Bargaining Group: Management Unit
Discussion: Terms and conditions for Memorandum of Understanding for bargaining group

- E. Consideration of appointment, employment, evaluation of performance, or dismissal of public employee per Government Code §54957
Position Title: General Manager

XXIV. ADJOURNMENT

Agenda posted by Abigail C. Andom, Deputy Secretary, October 1, 2004. In compliance with ADA requirements, this document can be made available in alternative formats upon request.



MEMORANDUM

ITEM NO. XVII

Prepared by: Scott M. Ota

Reviewed by:

DATE: OCTOBER 6, 2004

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: CONSIDERATION OF RESOLUTION 04-720 - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF A MASTER AGREEMENT FOR DISTRICT OBLIGATIONS, AN INSTALLMENT PURCHASE AGREEMENT, A TRUST AGREEMENT, A PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE EXECUTION AND DELIVERY OF WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REVENUE CERTIFICATES OF PARTICIPATION (2004 CAPITAL IMPROVEMENT PLAN), AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH CERTIFICATES EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$ _____, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH CERTIFICATES AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS.

SUMMARY

The District is finalizing its efforts in putting together a debt financing package in order to fund the District's capital improvement projects and administration building over the next 30 years. Staff has had several all-hands meeting meetings with the financing team and has reviewed the documents stated above with the Ad Hoc Bond Financing Committee. We will use these documents for the issuance of the debt. These documents have been sent to the directors and need to be approved through this resolution by the board in order to proceed with the financing.

FISCAL IMPACT

The fiscal impact of the bonds has a direct relationship to the sizing of the issuance, the interest rate at the time of the issuance, the rating of the bonds and the insurance costs, among other factors.

AD HOC BOND FINANCING COMMITTEE RECOMMENDATION

Adopt Resolution No. 04-720 with a par amount of the debt issuance in excess of \$11.6 million.

RESOLUTION NO. 04-720

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF A MASTER AGREEMENT FOR DISTRICT OBLIGATIONS, AN INSTALLMENT PURCHASE AGREEMENT, A TRUST AGREEMENT, A PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE EXECUTION AND DELIVERY OF WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REVENUE CERTIFICATES OF PARTICIPATION (2004 CAPITAL IMPROVEMENT PLAN), AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH CERTIFICATES EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$ _____, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH CERTIFICATES AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the Water Replenishment District of Southern California (the “District”) desires to finance the acquisition, construction and installation of certain capital facilities in furtherance of the District’s purposes (the “Project”);

WHEREAS, in order to finance the Project, the District desires to purchase the Project from the Southern California Water Replenishment Financing Corporation (the “Corporation”), and the Corporation desires to sell the Project to the District, for the installment payments (the “Installment Payments”) to be made by the District pursuant to an Installment Purchase Agreement (such Installment Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Installment Purchase Agreement”);

WHEREAS, the Installment Payments, and the interest thereon, to be paid by the District pursuant to the Installment Purchase Agreement will be payable from revenues of the District remaining after the payment therefrom of operation and maintenance costs;

WHEREAS, the District desires to establish and declare, pursuant to a Master Agreement for District Obligations (the “Master Agreement”), by and between the District and the Corporation, the conditions and terms upon which obligations such as the Installment Purchase Agreement, and the Installment Payments and the interest thereon payable thereunder, are to be incurred and secured;

WHEREAS, the Corporation proposes to assign without recourse certain of its rights under and pursuant to the Installment Purchase Agreement to U.S. Bank National Association, as trustee (the “Trustee”), pursuant to a Trust Agreement among the Trustee, the Corporation and the District (such Trust Agreement, in the form presented to this meeting, with such changes,

insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Trust Agreement”);

WHEREAS, in consideration of such assignment and the execution and entering into of the Trust Agreement, the Trustee will execute and deliver Water Replenishment District of Southern California Revenue Certificates of Participation (2004 Capital Improvement Plan) (the “Certificates”), evidencing direct, undivided fractional interests in the Installment Payments, and the interest thereon, payable under the Installment Purchase Agreement;

WHEREAS, the District has determined that securing the timely payment of the principal and interest evidenced by the Certificates by obtaining a municipal bond insurance policy with respect thereto could be economically advantageous to the District;

WHEREAS, E. J. De La Rosa & Co., Inc. (the “Underwriter”) has submitted to the District a proposal to purchase the Certificates pursuant to a Purchase Agreement (such Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Agreement”);

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Certificates, the underwriter thereof must have reasonably determined that the District has undertaken in a written agreement or contract for the benefit of the holders of the Certificates to provide disclosure of certain financial information and certain material events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the District desires to enter into a Continuing Disclosure Agreement with the Trustee (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Agreement”);

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Certificates has been prepared (such Preliminary Official Statement in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

WHEREAS, the Board of Directors of the District (the “Board”) has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Water Replenishment District of Southern California, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. The Master Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The President of the Board-(the “President”) and the Secretary of the Board (the “Secretary”) are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Master Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the President and the Secretary may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Master Agreement by the President and the Secretary.

Section 3. The Installment Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The President and the Secretary are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Installment Purchase Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the President and the Secretary may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Installment Purchase Agreement by the President and the Secretary; provided, however, that such changes, insertions and omissions shall not result in an aggregate principal amount of Installment Payments in excess of \$ _____, shall not result in a true interest cost for the Installment Payments in excess of ___% and shall not result in a final Installment Payment later than August 1, 2035.

Section 4. The Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The President and the Secretary are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Trust Agreement in the form presented to this meeting, with such changes, insertions and omissions as the President and the Secretary may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by the President and the Secretary.

Section 5. The execution and delivery of Certificates evidencing principal in an aggregate amount of not to exceed \$ _____, payable in the years and in the amounts, and evidencing interest on the Installment Payments as specified in the Trust Agreement as finally executed, are hereby authorized and approved.

Section 6. The Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The President and the Secretary are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions and omissions as the President and the Secretary may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Agreement by the President and the Secretary;

provided, however, that the underwriter's discount (not including any original issue discount) for the sale of the Certificates shall not exceed ___% of the aggregate amount of principal evidenced by the Certificates.

Section 7. The Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The President and the Secretary are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and omissions as the President and the Secretary may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the President and the Secretary.

Section 8. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by the President and the Secretary, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Certificates is hereby authorized and approved. The President and the Secretary are each hereby authorized to certify on behalf of the District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 9. The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Certificates, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by the President and the Secretary, such approval to be conclusively evidenced by the execution and delivery thereof. The President and the Secretary are, and each of them is, hereby authorized and directed to execute the final Official Statement and any amendment or supplement thereto, for and in the name of the District and thereupon to cause the final Official Statement and any such amendment or supplement to be delivered to the Underwriter.

Section 10. The officers of the District are each hereby authorized and directed to apply for municipal bond insurance for the Certificates and to obtain such insurance if the present value cost of such insurance is less than the present value of the estimated savings with respect to interest evidenced by the Certificates resulting from the purchase of such insurance. The President and the Secretary are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a contract for such insurance if such contract is deemed by the President and the Secretary to be in the best interests of the District, such determination to be conclusively evidenced by the President's and the Secretary's execution and delivery of such contract.

Section 11. The President and the Secretary are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments, and the officers of the District are, and each of them hereby is, authorized and directed to do and cause to be done any and all acts and things, necessary or proper for carrying out the execution and

delivery of the Certificates and the transactions contemplated by the agreements or documents referenced in this Resolution.

Section 12. All actions heretofore taken by the officers and employees of the District with respect to the execution, delivery and sale of the Certificates, or in connection with or related to any of the agreements or documents referenced in this Resolution, are hereby approved, confirmed and ratified.

Section 13. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED by the Board of Directors of the Water Replenishment District of Southern California on October 6, 2004.

President

ATTEST:

Secretary

CERTIFICATE OF SECRETARY

I, **Albert Robles**, Secretary of the Board of Directors of the Water Replenishment District of Southern California, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Directors duly and regularly held on the 6th day of October, 2004, of which meeting all of the members of said Board had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

An agenda of said meeting was posted at least 72 hours before said meeting at 12621 East 166th Street, Cerritos, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2004

Secretary