

**MINUTES OF AUGUST 10, 2004**  
**A REGULAR MEETING OF THE FINANCE COMMITTEE**  
**OF THE BOARD OF DIRECTORS**  
**WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**  
**12621 E. 166<sup>th</sup> STREET, CERRITOS, CALIFORNIA 90703**

A meeting of the Finance Committee of the Board of Directors of the Water Replenishment District of Southern California was held on August 10, 2004 at 9:35 a.m. at the District office, 12621 E. 166<sup>th</sup> Street, Cerritos, California. Director Robert Goldsworthy called the meeting to order and presided thereover and Deputy Secretary Abigail C. Andom recorded the minutes.

**I. DETERMINATION OF A QUORUM**

Attendees at the meeting were as follows:

Committee: Directors Robert Goldsworthy and Pat Acosta  
Staff: Scott Ota, Laura Doud, Yen Bui

**II. PUBLIC COMMENT**

None.

**III. MINUTES OF THE REGULAR FINANCE COMMITTEE MEETING OF JULY 13, 2004**

The minutes were approved as submitted.

**IV. DEMANDS AND CONTRACTS**

The Committee sought clarification on check numbers 16409, 16441, 16419, 16428, 16435, 16457, 16466, 16481, and 16493.

Director Acosta requested that a separate demands list on lobbyists and attorneys year-to-date be presented at the next meeting.

Director Goldsworthy asked that staff review the PARS contract and to research other companies that may provide a more reasonable fee structure.

The Committee approved the demands and recommended that they be submitted to the Board for approval.

**V. FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2004**

Chief Financial Officer Scott Ota gave an overview of the balance sheet and income statements. Some highlights included an increase in cash due to the District receiving an \$8,000,000 check from the California Department of Transportation for the Caltrans 105 Freeway Dewatering Project, unappropriated cash balance totaled \$3.1 million, accounts

receivable decreased due to timing of collections, and accounts payable increased due to the timing of demand payments.

The Committee approved the financial statements and recommended that they be submitted to the Board for approval.

**VI. INVESTMENT REPORT FOR THE PERIOD ENDED JUNE 30, 2004**

The Committee recommended that the Investment Report be placed on the Board agenda for approval.

**VII. STATE AUDIT UPDATE**

Assistant Controller Laura Doud stated that the response to the State Auditor's recommendations have been sent and that the District has implemented nine of the 14 recommendations, and is making progress on the additional five. The State Auditor made three recommendations relating to proposed revisions to the District's Administrative Code.

Recommendation #10 required board members and staff to consistently use the business expense form to document the public purpose of any out-of-pocket expenses. Discussion followed and the Committee recommended the use of the Business Expense Form and that the following language be added to the Administrative Code:

"Claims shall be submitted on forms supplied by the District. Such forms must include a description of the expense, names (if appropriate), date incurred, and a description of the business purpose of the expense."

The Committee also recommended that the Administrative Committee review this item and that staff present the Finance Committee's recommendation.

Recommendation #12 asked that the District reassess its use of public funds for such purposes as award dinners, catered meals, high cost airfares and lodging for local conferences, and revise the Administrative Code to limit or prohibit such costs. Ms. Doud noted that Section 13-2 and 13-4 of the Administrative Code addressed these issues. Discussion followed and the Committee recommended that the District felt that such expenses are appropriate and serve a public purpose. The Committee also recommended that the Administrative Committee review this item and that staff present the Finance Committee's recommendation.

Recommendation #13 asked that the Administrative Code be amended to provide better guidance for 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. Discussion followed and the Committee recommended that travel for directors and staff to conferences be limited to 12 a year. In the case of conferences held at multiple sites, attendance at local sites will be recommended, and sound judgment shall be exercised to ensure the

lowest overall reasonable cost to the District. The Committee also recommended that the Administrative Committee review this item and that staff present the Finance Committee's recommendation.

**VIII. DEBT FINANCING UPDATE**

Mr. Ota stated that things are progressing well and that the process was moving fairly quickly. An all-hands debt financing meeting was held July 14, 2004. He noted that staff and the District's financial advisors, Fieldman, Rolapp and Associates, will be reviewing the draft documents.

The Committee recommended that the financial advisors provide a more thorough presentation at the next Board meeting, including a discussion on the schedule of activities, responsibilities of each of the team members, and items that will require Board approval.

**VIII. CONSIDERATION OF RESOLUTION NO. 04- 714 –  
A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF LOS ANGELES, 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  
PROJECT NO. 39-304 (PARCEL MAP 26927) TO COUNTY LIGHTING  
MAINTENANCE DISTRICT 1687**

The Committee recommended that the Board adopt Resolution No. 04-714.

**X. DIRECTORS EXPENSES**

Directors' expenses were reviewed and the Committee recommended that this item be submitted to the Board for approval.

**XI. ADJOURNMENT**

With no further business for the Committee, the meeting was adjourned at 11:00 a.m.

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Chairperson

ATTEST:

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Director