

**SPECIAL MEETING OF THE FINANCE/AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BLVD., LAKEWOOD, CALIFORNIA 90712
2:00 P.M., SEPTEMBER 21, 2016**

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 A QUORUM**
- 2. PUBLIC COMMENT**
Pursuant to Government Code Section 54954.3
- 3. MINUTES OF THE MEETINGS OF JULY 11, 2016**
Staff Recommendation: Approve as submitted.
- 4. DIRECTORS EXPENSES**
Staff Recommendation: Approve Directors' expenses.
- 5. DEMANDS – MAY 2016**
Staff Recommendation: The Finance/Audit Committee recommends that the Board of Directors receive and file the demands for May 2016.
- 6. DEMANDS – JUNE 2016**
Staff Recommendation: The Finance/Audit Committee recommends that the Board of Directors receive and file the demands for June 2016.
- 7. FINANCIAL STATEMENTS – MAY 31, 2016**
Staff Recommendation: The Finance/Audit Committee recommends that the Board of Directors approve the financial statements for May 2016.
- 8. FINANCIAL STATEMENTS – JUNE 30, 2016**
Staff Recommendation: The Finance/Audit Committee recommends that the Board of Directors approve the financial statements for June 2016.
- 9. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING MAY 31, 2016**
Staff Recommendation: The Finance/Audit Committee recommends that the Board of Directors approve the Reserves, Cash and Investment Report.

10. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING JUNE 30, 2016

Staff Recommendation: The Finance/Audit Committee recommends that the Board of Directors approve the Reserves, Cash and Investment Report.

11. TRUST FUND REPORT FOR THE PERIOD ENDING MAY 31, 2016

Staff Recommendation: The Finance/Audit Committee recommends that the Board of Directors approve the Trust Fund Report.

12. TRUST FUND REPORT FOR THE PERIOD ENDING JUNE 30, 2016

Staff Recommendation: The Finance/Audit Committee recommends that the Board of Directors approve the Trust Fund Report.

13. REIMBURSEMENTS OVER \$100 FOR FISCAL YEAR 2015-16

Staff Recommendation: The Finance/Audit Committee recommends that the Board of Directors receive and file the list of reimbursed expenses over \$100 and make available for public inspection in accordance with California Government Code §53065.5.

14. GOVINVEST PRESENTATION

Staff Recommendation: For discussion and possible action.

15. DIRECTORS REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF

16. ADJOURNMENT

Due to the Columbus Day Holiday, the next regular Finance/Audit Committee meeting currently scheduled on October 10, 2016 will be rescheduled.

Agenda posted by Sherri Brown, Senior Administrative Specialist on September 20, 2016. In compliance with ADA requirements, this document can be made available in alternative formats upon request.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the meeting, please contact Senior Administrative Specialist Sherri Brown 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.

EXHAUSTION OF ADMINISTRATIVE REMEDIES – If you challenge a District action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Deputy Secretary at, or prior to, the public hearing. Any written correspondence delivered to the District office before the District's final action on a matter will become a part of the administrative record.

**MEETING OF THE FINANCE/AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BLVD., LAKEWOOD, CALIFORNIA 90712
12:30 P.M., MONDAY, JULY 11, 2016**

A special meeting of the Finance/Audit Committee of the Board of Directors of the Water Replenishment District of Southern California was held on Monday, July 11, 2016 at 2:19 p.m., at the District Office, 4040 Paramount Boulevard, Lakewood, California 90712. Committee Chair Albert Robles called the meeting to order and presided thereafter. Acting Deputy Secretary Sherri Brown recorded the minutes.

1. DETERMINATION OF A QUORUM

A quorum was present.

Directors: Committee Chair Albert Robles;
Director Sergio Calderon (alternate)

Staff: Scott Ota

2. PUBLIC COMMENT

None.

3. MINUTES OF THE SPECIAL MEETINGS OF APRIL 11, 2016 AND MAY 5, 2016 AND THE REGULAR MEETING OF JUNE 13, 2016

The minutes were unanimously approved as submitted.

4. DIRECTORS EXPENSES

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

5. DEMANDS – APRIL 2016

Chief Financial Officer Scott Ota provided a report. He stated there was approximately \$9M in water payments and \$1M to J. F. Shea for construction services. Mr. Ota said he will report back to the Committee with a breakdown of the \$1M paid to J. F. Shea.

The Committee unanimously recommended the Board receive and file the Demands list for April 2016.

6. FINANCIAL STATEMENTS – APRIL 2016

The Committee unanimously recommended that the Board approve the April 2016 Financial Statements.

7. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING APRIL 30, 2016

Mr. Ota reported that as of April 30th, the District has \$12M in unreserved funds.

The Committee unanimously recommended the Board approve the Reserves, Cash and Investment report for the period ending April 30, 2016.

8. TRUST FUND REPORT FOR THE PERIOD ENDING APRIL 30, 2016

The Committee unanimously recommended the Board approve the Reserves, Cash and Investment report for the period ending April 30, 2016.

9. GOVINVEST PRESENTATION

Mr. Ota stated that the presenters were unable to attend the meeting to provide the presentation; therefore, this item will move to the Finance/Audit Committee meeting scheduled for August 8, 2016.

10. DIRECTORS REPORTS, INQUIRIES, AND FOLLOW-UP OF DIRECTIONS TO STAFF

Committee Chair Robles requested a department report from Mr. Ota, who addressed a previous Committee inquiry regarding banks. He referenced a list of various banks that was provided in a report within this meeting. Mr. Ota detailed WRD's affiliation with each bank. Discussion followed.

11. ADJOURNMENT

With no further business to come before the Committee, the meeting was adjourned at 2:27 p.m.

Chair

ATTEST:

Member

Approved in minutes of:



MEMORANDUM

ITEM NO. 5

DATE: SEPTEMBER 21, 2016

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: DEMANDS – MAY 2016

SUMMARY

The demands for the time period of May 1, 2016 through May 31, 2016 were \$3,806,185.80 and are presented in the attached document.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Finance/Audit Committee recommends that the Board of Directors receive and file the demands for May 2016.



DIRECTORS
 WILLARD H. MURRAY, JR, PRESIDENT
 ROB KATHERMAN, VICE PRESIDENT
 JOHN D.S. ALLEN, SECRETARY
 ALBERT ROBLES, TREASURER
 SERGIO CALDERON, DIRECTOR

ROBB WHITAKER, P.E., GENERAL MANAGER

September 10, 2016

Submitted herewith for action by the Board of Directors are the following demands for the period ending May 31, 2016.

Check #	Payee	Description	Total
DCOMP160510	PRUDENTIAL INSURANCE	STAFF DCOMP PAYMENT	\$ 18,357.61
DCOMP160524	PRUDENTIAL INSURANCE	STAFF DCOMP PAYMENT	15,842.61
DIRDCOMP160505	PRUDENTIAL INSURANCE	DIR DCOMP PAYMENT	6,332.16
5			
VARIOUS	PAYROLL	Pay Date: 5/10/2016	88,882.60
VARIOUS	PAYROLL	Pay Date: 5/24/2016	81,818.98
DIREDD160505	EDD	DIR EDD PAYMENT	192.23
EDD160510	EDD	STAFF EDD PAYMENT	6,368.11
EDD160524	EDD	STAFF EDD PAYMENT	5,831.63
DIRIRS160505	IRS	DIR FEDERAL TAX DEPOSIT	3,137.07
IRS160510	IRS	STAFF FEDERAL TAX DEPOSIT	38,718.06
IRS160524	IRS	STAFF FEDERAL TAX DEPOSIT	35,582.75
DIRPARS160505	PARS	DIR PARS PAYMENT	1,852.72
DIRPERS160505	PERS	DIR PERS PAYMENT	602.69
PERS160510	PERS	STAFF PERS PAYMENT	26,992.06
PERS160524	PERS	STAFF PERS PAYMENT	26,706.39
NBS160505	NAVIA BENEFIT SOLUTIONS	HRA REIMBURSEMENTS	14,873.61
NBS160505-1	NAVIA BENEFIT SOLUTIONS	FSA REIMBURSEMENT	700.00
NBS160513	NAVIA BENEFIT SOLUTIONS	HRA REIMBURSEMENT	6,384.34
NBS160519	NAVIA BENEFIT SOLUTIONS	HRA REIMBURSEMENT	5,431.57
NBS160527	NAVIA BENEFIT SOLUTIONS	HRA REIMBURSEMENT	6,411.75
NBS160531	NAVIA BENEFIT SOLUTIONS	MONTHLY SERVICE CHARGES AND FEES	801.00
UNION160510	AFSCME LOCAL 1902 UNION	STAFF UNION DUES PAYMENT	540.20
UNION160524	AFSCME LOCAL 1902 UNION	STAFF UNION DUES PAYMENT	518.80
P0717	ALBERT ROBLES	04/2016 DIRECTOR COMPENSATION PART 2	1,784.41
P0718	ALBERT ROBLES	05/2016 DIRECTOR COMPENSATION PART 1	898.33
P0719	VOID	VOID	-
P0720	VOID	VOID	-
P0721	VOID	VOID	-
P0722	VOID	VOID	-
P0723	ROBERT E. KATHERMAN	04/2016 EXPENSE REIMBURSEMENT	575.52
P0724	JOHN D. S. ALLEN	04/2016 DIRECTOR COMPENSATION PART 1	677.22
V6484	VOID	VOID	-
V6485	WILLARD H. MURRAY, JR	04/2016 DIRECTOR COMPENSATION PART 1	375.49
V6486	ROBERT E. KATHERMAN	04/2016 DIRECTOR COMPENSATION PART 1	617.27
V6487	SERGIO J. CALDERON	04/2016 DIRECTOR COMPENSATION PART 2	1,004.74
V6488	VOID	VOID	-
10684	NICOLAY CONSULTING GROUP	VOID	(4,200.00)
11061	AMERICAN TRANSPORTATION SYSTEMS	05/07/16 PROJ WET WORKSHOP TOUR TO LJVWTF	403.51
11062	JENNA SHAUNESSY FOR WRD	PETTY CASH EXPENSES	2,166.08
11063	3673 INDUSTRY AVENUE	COMMON AREA MAINTENANCE	3,538.58
11064	ACWA JOINT POWERS INSURANCE AUTHORITY	WORKERS' COMP PROGRAM	7,071.00
11065	AMERICAN OFFICE PRODUCTS	OFFICE SUPPLIES	1,056.38
11066	CITY CLERKS ASSOCIATION OF CALIFORNIA	2012 CITY CLERK'S HANDBOOK	40.00
11067	SUPPLYWORKS	GENERAL SUPPLIES	210.57
11068	VOID	VOID	-
11069	PITNEY BOWES	POSTAGE METER SUPPLIES	1,087.33
11070	ALSTON & BIRD	LEGAL SERVICES	23,168.37
11071	VOID	VOID	-
11072	VOID	VOID	-
11073	VOID	VOID	-
11074	VOID	VOID	-
11075	CHAMELEON BEVERAGE	WRD LABELED BOTTLED WATER	2,982.00

Check #	Payee	Description	Total
11076	JENNA SHAUNESSY FOR WRD	PETTY CASH EXPENSES	980.02
11077	NICOLAY CONSULTING GROUP	ACTUARIAL VALUATION - OPEB PRG	4,200.00
11078	DJ SMOOVE	GROUNDWATER FESTIVAL EVENT	600.00
11079	APPLIANCES REPAIR TEAM	REFRIGERATOR REPAIR SERVICE	59.99
11080	ARC	PRINTING SERVICES	37.69
11081	ARCADIS	PROFESSIONAL SERVICES	34,514.00
11082	ASBURY ENVIRONMENTAL SERVICES	FIELD SUPPLIES/MATERIALS	888.00
11083	BNI BUILDING NEWS	2016 GENERAL CONSTRUCTION COSTBOOK	118.20
11084	CH2M HILL	PROFESSIONAL SERVICES	16,949.85
11085	CIVIC RESOURCE GROUP	PROFESSIONAL SERVICES	12,187.50
11086	CONTROLLED KEY SYSTEM	VIDEO INTERCOM SYSTEM REPLACEMENT	1,626.50
11087	DJ SMOOVE	GROUNDWATER FESTIVAL EVENT	-
11088	ENRIQUE'S MEXICAN RESTAURANT	CATERING SERVICES	530.43
11089	ENVIRONMENTAL MAGIC SHOW	GROUNDWATER FESTIVAL EVENT	696.00
11090	FARM FRIENDZ	GROUNDWATER FESTIVAL EVENT	700.00
11091	FASTSIGNS OF LONG BEACH	PRINTING SERVICE	555.37
11092	FEDERAL EXPRESS CORPORATION	FEDEX SERVICES	400.08
11093	GEIGER WEST MONROVIA	EVENT SUPPLIES	1,471.84
11094	IN-SITU INC.	FIELD SUPPLIES/EQUIPMENT	4,209.48
11095	INTERA INCORPORATED	PROFESSIONAL SERVICES	10,211.00
11096	JAN-PRO	JANITORIAL SERVICES	1,896.96
11097-11098	LEAL & TREJO	LEGAL SERVICES	83,780.00
11099	LONG BEACH, CITY OF	WATER PURCHASES	181,746.05
11100	MNS ENGINEERS	PROFESSIONAL SERVICES	42,311.42
11101	MOORE PHOTO VIDEO BOOTHS	GROUNDWATER FESTIVAL EVENT	1,550.00
11102	RINCON CONSULTANTS	PROFESSIONAL SERVICES	21,494.42
11103	ROBERT E. BUSH	PROFESSIONAL SERVICES	3,000.00
11104	ROBERT HALF	TEMP SERVICES	1,674.01
11105	ROBERT HALF	TEMP SERVICES	6,576.43
11106	ROBERT HALF	TEMP SERVICES	4,752.51
11107	SYSTEMS SOURCE	OFFICE SUPPLIES/EQUIPMENT	1,078.97
11108	TETRA TECH	PROFESSIONAL SERVICES	7,069.11
11109	THE HOUSE OF PRINTING	PRINTING SERVICES	2,923.97
11110	WECK LABORATORIES	LABORATORY SERVICES	5,158.40
11111	ALSTON & BIRD	LEGAL SERVICES	30,210.39
11112	XEROX CORPORATION	COPIER & PRINTING SERVICES	6,169.61
11113	GEIGER WEST MONROVIA	GROUNDWATER FESTIVAL EVENT	7,647.76
11114	IN-N-OUT BURGER	GROUNDWATER FESTIVAL EVENT	5,778.40
11115	SCOTT OTA FOR WRD	GROUNDWATER FESTIVAL EVENT	5,000.00
11116	L.A. RESTAURANT MANAGEMENT	GROUNDWATER FESTIVAL EVENT	6,976.00
11117	LEO'S SILK SCREEN	GROUNDWATER FESTIVAL EVENT	2,577.85
11118	McCUNE ANAHEIM	GROUNDWATER FESTIVAL EVENT	2,868.25
11119	TODD HEARD	PROFESSIONAL SERVICES	2,500.00
11120	AMERICAN WRECKING	CONSTRUCTION SERVICES	181,376.46
11121	VOID	VOID	-
11122	ARLENE GARCIA	GROUNDWATER FESTIVAL EVENT	278.00
11123	CALIFORNIA CONSULTING	PROFESSIONAL SERVICES	4,750.00
11124	CAROLLO ENGINEERS	PROFESSIONAL SERVICES	24,980.16
11125	CITY OF PICO RIVERA	PERMIT - CONS LAYDOWN AREA	410.00
11126	COUNTY OF LOS ANGELES DPH	WELL PERMITS	1,038.00
11127	ENVIRONMENTAL SCIENCE ASSOCIATES	PROFESSIONAL SERVICES	13,644.93
11128	GHD	PROFESSIONAL SERVICES	347,181.44
11129	IN-SITU	FIELD SUPPLIES & REPAIR SERVICES	926.76
11130	JONATHAN MARAVILLAS	GROUNDWATER FESTIVAL EVENT	278.00
11131	KATHERINE LIZETTE MARTINEZ	GROUNDWATER FESTIVAL EVENT	278.00
11132	LESLIE PRECIADO	GROUNDWATER FESTIVAL EVENT	278.00
11133	LONG BEACH, CITY OF	O & M SERVICES	100,000.00
11134	MATRIX AUDIO VISUAL DESIGNS	OFFICE AV SYSTEM UPGRADES	24,831.76
11135	McMASTER-CARR	FIELD SUPPLIES	169.80
11136	MIKE PRILICH AND SONS	WATER LEAK INVESTIGATION & REPAIR SERVICES	56,610.78
11137	EUROFINS EATON ANALYTICAL	LABORATORY SERVICES	69,894.00
11138	ROBERT HALF	TEMP SERVICES	296.66
11139	ROBERT HALF	TEMP SERVICES	2,362.70
11140	SEPARATION PROCESSES	PROFESSIONAL SERVICES	195.00
11141	SHIMMICK CONSTRUCTION COMPANY	CONSTRUCTION SERVICES	755,402.47
11142	THIENES ENGINEERING	RECORD DATA BOUNDARY REPORT	6,500.00
11143	US COLO @ 800 HOPE	COLOCATION SERVICES	551.36
11144	MARIA A. MACIAS	GROUNDWATER FESTIVAL EVENT	3,275.00

Check #	Payee	Description	Total
11145	FRONTIER COMMUNICATIONS	ENGINEERING STUDY	1,000.00
11146	LADIES TKO	EVENT SPONSORSHIPS	1,000.00
11147	3673 INDUSTRY AVENUE	GRNDWTR MONITORING FACILITY LEASE	3,538.58
11148	ACWA/JPIA	MEDICAL INSURANCE PREMIUM	61,328.76
11149	AMERICAN OFFICE PRODUCTS	OFFICE SUPPLIES	377.39
11150	ARC	PRINTING SERVICES	604.30
11151	ASBURY ENVIRONMENTAL SERVICES	VACUMM/DISPOSAL SERVICES	1,318.75
11152	BACKFLOW APPARATUS & VALVE	BACKFLOW VALVE INSPECTION	143.00
11153	CAPITOL ENQUIRY	2016 POCKET DIRECTORY	612.13
11154	SUPPLYWORKS	SUPPLIES	43.32
11155	DAKOTA COMMUNICATION	PROFESSIONAL SERVICES	26,311.25
11156	EASTSIDE WINDOW CLEANING	CLEANING/PRESSURE WASH SERVICES	2,770.00
11157	EGOSCUE LAW GROUP	PROFESSIONAL SERVICES	4,153.42
11158	ERHART'S CATERING	GROUNDWATER FESTIVAL EVENT	588.60
11159	GOVERNMENT FINANCE OFFICERS ASSC.	MEMBERSHIP RENEWAL	160.00
11160	GHD	PROFESSIONAL SERVICES	266,910.00
11161	KENNEDY COMMUNICATIONS	PROFESSIONAL SERVICES	5,250.00
11162	LEAL & TREJO	LEGAL SERVICES	9,324.91
11163	LONG BEACH, CITY OF	WATER PURCHASES	310,873.00
11164	LOS ANGELES TIMES	NEWSPAPER SUBSCRIPTION	345.52
11165	NANCY WHELAN	MEDICAL INSURANCE PREMIUM	739.84
11166	MITEL NETSOLUTIONS	MONTHLY PHONE SERVICES	992.23
11167	MR ROOTER PLUMBING	MAINTENANCE SERVICES	298.50
11168	PACIFIC ATLANTIC PARTNERS	PROFESSIONAL SERVICES	15,000.00
11169	PARS	REP FEES	500.00
11170	PEPSI-COLA	SUPPLIES	188.76
11171	REEB GOVERNMENT RELATIONS	PROFESSIONAL SERVICES	15,000.00
11172	ROBERT HALF	TEMP SERVICES	7,419.74
11173	ROBERT HALF	TEMP SERVICES	9,464.59
11174	ROBERT HALF	TEMP SERVICES	7,345.42
11175	SOUTHERN CALIFORNIA MAIL SERVICE	MAIL SERVICES	140.00
11176	SO CAL IMMEDIATE MEDICAL CENTER	PRE-EMPLOYMENT PHYSICAL EXAM	60.00
11177	SOUTH WEST PUMP & DRILLING	002: 04/16 CONS SERVICES	204,157.47
11178	STANDARD INSURANCE	DISABILITY INSURANCE PREMIUM	2,052.98
11179	SYSTEMS SOURCE	OFFICE RECONFIGURATION	4,275.53
11180	TETRA TECH	PROFESSIONAL SERVICES	12,723.90
11181	THE HOUSE OF PRINTING	PRINTING SERVICES	215.06
11182	U.S. GEOLOGICAL SURVEY	PROFESSIONAL SERVICES	25,387.28
11183	VALLEY CREST LANDSCAPE MAINTENANCE	LANDSCAPE SERVICES	1,875.00
ACH160501-1	CHEVRON AND TEXACO CARD SERVICES	MONTHLY FUEL CHARGES	216.33
ACH160501-2	PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	880.55
ACH160502	WEX BANK	MONTHLY FUEL CHARGES	81.46
ACH160502-1	FRONTIER COMMUNICATIONS	MONTHLY PHONE SERVICES	753.25
ACH160502-2	SOUTHERN CALIFORNIA EDISON	ENERGY USAGE	79.90
ACH160502-3	THE GAS COMPANY	GAS CHARGES	32.18
ACH160503	CALIFORNIA WATER SERVICE	WATER USAGE	37.12
ACH160503	CALIFORNIA WATER SERVICE	WATER USAGE	37.12
ACH160505-1	PROMERICA BANK	CREDIT CARD CHARGES	24,239.03
ACH160505-2	PROMERICA BANK	CREDIT CARD CHARGES	3,708.95
ACH160513-1	AT&T	MONTHLY PHONE SERVICES	356.44
ACH160513-2	FRONTIER COMMUNICATIONS	MONTHLY PHONE SERVICES	173.95
ACH160513-3	LAKEWOOD, CITY OF	WATER USAGE	90.53
ACH160513-3	LAKEWOOD, CITY OF	WATER USAGE	100.30
ACH160513-3	LAKEWOOD, CITY OF	WATER USAGE	157.98
ACH160513-4	SPARKLETT'S	FILTRATION SYSTEM SUPPLIES	673.22
ACH160513-5	TIME WARNER CABLE	INTERNET SERVICES	1,700.00
ACH160513-6	VERIZON WIRELESS	MONTHLY PHONE SERVICES	272.96
ACH160513-7	WESTERN EXTERMINATOR COMPANY	PESTICIDE SERVICES	112.50
ACH160520-1	FRONTIER COMMUNICATIONS	MONTHLY PHONE SERVICES	792.38
ACH160520-2	SOUTHERN CALIFORNIA EDISON	ENERGY USAGE	5,815.84
ACH160520-2	SOUTHERN CALIFORNIA EDISON	ENERGY USAGE	3,483.00
ACH160531-1	EDCO WASTE SERVICES	LOCK LIDS/WASTE SERVICES	139.17
ACH160531-1	EDCO WASTE SERVICES	RECYCLE/WASTE SERVICES	163.60
ACH160531-2	SOUTHERN CALIFORNIA EDISON	ENERGY USAGE	77.33
ICE160513	INTERNATIONAL CITY ESCROW	ESCROW FEES - LAKEWOOD PROPERTY	200,000.00
			<u>\$ 3,806,185.80</u>



MEMORANDUM

ITEM NO. 6

DATE: SEPTEMBER 21, 2016

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: DEMANDS – JUNE 2016

SUMMARY

The demands for the time period of June 1, 2016 through June 30, 2016 were \$5,678,096.73 and are presented in the attached document.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Finance/Audit Committee recommends that the Board of Directors receive and file the demands for June 2016.



DIRECTORS
 WILLARD H. MURRAY, JR, PRESIDENT
 ROB KATHERMAN, VICE PRESIDENT
 JOHN D.S. ALLEN, SECRETARY
 ALBERT ROBLES, TREASURER
 SERGIO CALDERON, DIRECTOR

ROBB WHITAKER, P.E., GENERAL MANAGER

September 10, 2016

Submitted herewith for action by the Board of Directors are the following demands for the period ending June 30, 2016.

Check #	Payee	Description	Total
DCOMP160607	PRUDENTIAL INSURANCE	STAFF DCOMP PAYMENT	\$ 15,842.61
DCOMP160621	PRUDENTIAL INSURANCE	STAFF PAYROLL DCOMP PAYMENT	17,845.11
DIRDCOMP16061	PRUDENTIAL INSURANCE	DIRECTOR DCOMP PAYMENT	7,486.41
VARIOUS	PAYROLL	Pay Date: 6/7/2016	84,933.78
VARIOUS	PAYROLL	Pay Date: 6/21/2016	91,688.14
DIREDD160613	EDD	DIRECTOR EDD PAYMENT	179.21
EDD160607	EDD	STAFF EDD PAYMENT	6,083.59
EDD160621	EDD	STAFF PAYROLL EDD PAYMENT	6,447.90
DIRIRS160613	IRS	DIRECTOR FEDERAL TAX DEPOSIT	3,715.87
IRS160607	IRS	STAFF FEDERAL TAX DEPOSIT	36,090.14
IRS160621	IRS	STAFF PAYROLL FEDERAL TAX DEPOSIT	37,785.90
DIRPARS160613	PARS	DIRECTOR PARS PAYMENT	2,514.41
DIRPERS160613	PERS	DIRECTOR PERS PAYMENT	602.69
PERS160607	PERS	STAFF PERS PAYMENT	27,736.80
PERS160621	PERS	STAFF PAYROLL PERS PAYMENT	28,548.97
NBS160602	NAVIA BENEFIT SOLUTIONS	HRA REIMBURSEMENT	4,337.97
NBS160609	NAVIA BENEFIT SOLUTIONS	HRA REIMBURSEMENT	6,967.59
NBS160616	NAVIA BENEFIT SOLUTIONS	HRA REIMBURSEMENT	10,562.75
NBS160623	NAVIA BENEFIT SOLUTIONS	05/2016 SERVICE CHARGES	386.00
NBS160623-1	NAVIA BENEFIT SOLUTIONS	HRA REIMBURSEMENT	10,545.55
NBS160630	NAVIA BENEFIT SOLUTIONS	FSA REIMBURSEMENT	700.00
NBS160630-1	NAVIA BENEFIT SOLUTIONS	HRA REIMBURSEMENT	5,525.23
P0733	ALBERT ROBLES	05/2016 DIRECTORS COMPENSATION PART 2	898.34
P0734	ALBERT ROBLES	06/2016 DIRECTORS COMPENSATION PART 1	1,784.41
P0735	VOID	VOID	-
P0736	SERGIO J. CALDERON	05/2016 DIRECTORS COMPENSATION PART 1	1,208.78
P0737	SERGIO J. CALDERON	06/2016 DIRECTORS COMPENSATION PART 1	868.09
P0738	JOHN D. S. ALLEN	05/2016 DIRECTORS COMPENSATION PART 1	677.22
P0739	ROBERT E. KATHERMAN	05/2016 EXPENSE REIMBURSEMENT	1,712.36
UNION160607	AFSCME LOCAL 1902 UNION	STAFF UNION DUES PAYMENT	573.60
UNION160621	AFSCME LOCAL 1902 UNION	STAFF PAYROLL UNION DUES PAYMENT	595.00
V6599	WILLARD H. MURRAY, JR	05/2016 DIRECTORS COMPENSATION PART 1	730.92
V6600	ROBERT E. KATHERMAN	05/2016 DIRECTORS COMPENSATION PART 1	617.26
11184	ARC	COST OF SERVICE REPORT	1,534.48
11185	BIGG TAZZ CARPET & CLEANING SERVICE	CARPET CLEANING SERVICES	1,215.00
11186	CAROLLO ENGINEERS	PROFESSIONAL SERVICES	54,555.80
11187	CENTRAL BASIN WATER ASSOC.	QUARTERLY MEETING	50.00
11188	COAST PARTY RENTALS	GROUNDWATER FESTIVAL EVENT	10,986.36
11189	ENVIRONMENTAL SCIENCE ASSOC.	PROFESSIONAL SERVICES	35,977.63
11190	FASTSIGNS OF LONG BEACH	PRINTING SERVICES	637.60
11191	FEDERAL EXPRESS	FEDEX SERVICES	212.97
11192	IN-SITU	REPAIR SERVICES	353.17
11193	INNOVATIVE CONSTRUCTION SOLUTIONS	CONSTRUCTION SERVICES	3,820.00
11194	LBACC	2016 INAUGURAL EVENT	995.00
11195	LONG BEACH, CITY OF	RECLAIMED WATER PURCHASES	5,900.00
11196	McMASTER-CARR SUPPLY	FIELD SUPPLIES	78.26
11197	MEDIBAG CO	PRINTING SERVICES	1,095.00
11198	POSTAGE BY PHONE	POSTAGE DEPOSIT	3,000.00
11199	ROBERT HALF	TEMP SERVICES	7,453.07
11200	ROBERT HALF	TEMP SERVICES	3,579.76
11201	SAN GABRIEL VALLEY PROTECTIVE ASSOC.	MEMBERSHIP DUES	27,407.40
11202	STAPLES	OFFICE SUPPLIES	146.83
11203	SYSTEMS SOURCE	OFFICE RECONFIGURATION	758.75
11204	TETRA TECH	PROFESSIONAL SERVICES	3,747.43
11205	THE COFFEE BEAN & TEA LEAF	GROUNDWATER FESTIVAL EVENT	1,465.10
11206	THE HOUSE OF PRINTING	PRINTING SERVICES	214.94
11207	TORRANCE, CITY OF	O & M SERVICES AND PLANT SITE RENT	31,140.92
11208	WEST BASIN MUNICIPAL WATER DISTRICT	WATER PURCHASES	1,201,624.78

Check #	Payee	Description	Total
DCOMP160607	PRUDENTIAL INSURANCE	STAFF DCOMP PAYMENT	\$ 15,842.61
11209	ALSTON & BIRD	LEGAL SERVICES	24,647.27
11210	XEROX CORPORATION	COPIER & PRINTING SERVICES	5,941.52
11211	XO COMMUNICATIONS SERVICES	MONTHLY PHONE SERVICES	114.67
11212	ACWA JOINT POWERS INSURANCE AUTHORITY	PROPERTY INSURANCE PREMIUM ADJ	4,693.00
11213	AMERICAN SECURITY FORCE	GROUNDWATER FESTIVAL EVENT	2,376.04
11214	ARC	2016 ESR REPORT	2,899.72
11215	BELL GARDENS CHAMBER OF COMMERCE	ANNUAL MEMBERSHIP DUES	250.00
11216	CALIFORNIA CONSULTING	PROFESSIONAL SERVICES	4,750.00
11217	CERRITOS CHAMBER OF COMMERCE	ANNUAL MEMBERSHIP DUES	405.00
11218	DAKOTA COMMUNICATION	PROFESSIONAL SERVICES	26,875.63
11219	DOWNEY CHAMBER OF COMMERCE	MEMBERSHIP DUES	287.00
11220	FEDERAL EXPRESS	FEDEX SERVICES	176.72
11221	FRANCHISE TAX BOARD	COD PAYMENT	418.63
11222	GARDENA VALLEY CHAMBER OF COMMERCE	ANNUAL MEMBERSHIP DUES	400.00
11223	DAUM COMMERCIAL REAL ESTATE SERVICES	ANNUAL SITE ACCESS FEES	600.00
11224	GREATER HUNTINGTON PARK CHAMBER OF COMME	MEMBERSHIP DUES	300.00
11225	HARBOR CITY/HARBOR GATEWAY CHAMBER	MEMBERSHIP DUES	175.00
11226	HAWTHORNE CHAMBER OF COMMERCE	MEMBERSHIP DUES	300.00
11227	HERMOSA BEACH CHAMBER OF COMMERCE	ANNUAL MEMBERSHIP DUES	300.00
11228	JOHN SCHWADA	PROFESSIONAL SERVICES	4,363.75
11229	LAKEWOOD CHAMBER OF COMMERCE	MEMBERSHIP DUES	430.00
11230	LA MIRADA CHAMBER OF COMMERCE	ANNUAL MEMBERSHIP DUES	300.00
11231	LAX COASTAL AREA CHAMBER OF COMMERCE	ANNUAL MEMBERSHIP DUES	680.00
11232	LOMITA CHAMBER OF COMMERCE	MEMBERSHIP DUES	420.00
11233	MANHATTAN BEACH CHAMBER OF COMMERCE	ANNUAL MEMBERSHIP DUES	580.00
11234	McMASTER-CARR SUPPLY COMPANY	FIELD SUPPLIES	224.83
11235	MONTEBELLO CHAMBER OF COMMERCE	ANNUAL MEMBERSHIP DUES	399.00
11236	NORWALK CHAMBER OF COMMERCE	MEMBERSHIP DUES	390.00
11237	PACIFIC ATLANTIC PARTNERS	PROFESSIONAL SERVICES	15,000.00
11238	PARAMOUNT CHAMBER OF COMMERCE	MEMBERSHIP DUES	324.00
11239	PEPSI-COLA	SUPPLIES	249.16
11240	REDONDO BEACH CHAMBER OF COMMERCE	MEMBERSHIP DUES	560.00
11241	ROBERT HALF	TEMP SERVICES	3,524.82
11242	ROBERT HALF	TEMP SERVICES	1,550.20
11243	ROBERT HALF	TEMP SERVICES	4,481.42
11244	SANTA FE SPRINGS CHAMBER OF COMMERCE	MEMBERSHIP DUES	240.00
11245	EVOQUA WATER TECHNOLOGIES	FIELD SUPPLIES/MATERIALS	1,102.58
11246	THE SOURCE	SCREENING SERVICES	282.00
11247	TORRANCE AREA CHAMBER OF COMMERCE	MEMBERSHIP DUES	245.00
11248	UNUM LIFE INSURANCE COMPANY OF AMERICA	LONGTERM CARE INSURANCE PREMIUM	2,492.66
11249	VASQUEZ & COMPANY	FINANCIAL AUDIT SERVICES	9,235.00
11250	VERNON CHAMBER OF COMMERCE	MEMBERSHIP DUES	703.00
11251	WHITTIER AREA CHAMBER OF COMMERCE	MEMBERSHIP DUES	505.00
11252	WILMINGTON CHAMBER OF COMMERCE	MEMBERSHIP DUES	340.00
11253	ERHART'S CATERING	CATERING SERVICES	433.74
11254	API KIRK CONTAINERS	PROMOTIONAL ITEMS	5,929.65
11255	CITY OF PICO RIVERA	PLAN CHECK/BUILDING PERMIT	-
11256	RAY RUSSELL	OFFICE MAINTENANCE SERVICES	2,786.00
11257	AIRA	MEMBERSHIP DUES	395.00
11258	AMERICAN WRECKING	CONSTRUCTION SERVICES	392,963.79
11259	AQUILOGIC	PROFESSIONAL SERVICES	3,549.60
11260	ARC	PRINTING SERVICES	329.87
11261	ARCADIS U.S.	PROFESSIONAL SERVICES	26,276.74
11262	CDM SMITH	PROFESSIONAL SERVICES	11,552.89
11263	CDW GOVERNMENT	BACKUP SOFTWARE	1,845.00
11264	SUPPLYWORKS	GENERAL SUPPLIES	679.34
11266	GEOTECH ENVIRONMENTAL EQUIPMENT	FIELD SUPPLIES	1,641.39
11267	GHD	PROFESSIONAL SERVICES	271,420.26
11268	HIGH RISE GLASS AND DOOR	OFFICE MAINTENANCE SERVICES	1,599.00
11269	IN-SITU	REPAIR SERVICES	454.56
11270	INTERA INCORPORATED	PROFESSIONAL SERVICES	10,725.50
11271	JAN-PRO CLEANING	JANITORIAL SERVICE	1,896.96
11272	KEH & ASSOCIATES	PROFESSIONAL SERVICES	1,304.00
11273	KINDEL GAGAN	PROFESSIONAL SERVICES	10,000.00
11274	KONE	MAINTENANCE SERVICES	223.23
11275	LEAL & TREJO	LEGAL SERVICES	79,508.00
11276	LONG BEACH, CITY OF	O & M SERVICES AND RECLAIMED WATER PURCHASES	129,930.00
11277	MILAGRO STRATEGY GROUP	MEDIA SKILLS TRAINING SESSION	5,500.00
11278	NELLOR ENVIRONMENTAL ASSOC.	PROFESSIONAL SERVICES	1,140.00
11279	PARS	REP FEES	500.00

Check #	Payee	Description	Total
DCOMP160607	PRUDENTIAL INSURANCE	STAFF DCOMP PAYMENT	\$ 15,842.61
11280	ROBERT E. BUSH	PROFESSIONAL SERVICES	3,000.00
11281	ROBERT HALF	TEMP SERVICES	339.04
11282	ROBERT HALF	TEMP SERVICES	5,044.94
11283	ROBERT HALF	TEMP SERVICES	2,655.68
11284	SEPARATION PROCESSES	PROFESSIONAL SERVICES	1,290.50
11285	SHEPPARD MULLIN RICHTER & HAMPTON	PROFESSIONAL SERVICES	14,722.50
11286	SO CAL IMMEDIATE MEDICAL CENTER	PRE-EMPLOYMENT PHYSICAL EXAMS	120.00
11287	STANLEY CONVERGENT SECURITY SOLUTIONS	MONITORING CHARGES	466.02
11288	TETRA TECH	PROFESSIONAL SERVICES	5,530.34
11289	TORRANCE, CITY OF	O & M SERVICES AND PLANT SITE RENT	23,577.55
11290	VALLEY CREST LANDSCAPE MAINTENANCE	LANDSCAPE SERVICES	1,875.00
11291	WATER EDUCATION FOUNDATION	MEMBERSHIP RENEWAL	1,757.00
11292	VOID	VOID	-
11293	ACWA/JPIA	MEDICAL INSURANCE PREMIUMS	65,026.74
11294	AMERICAN OFFICE PRODUCTS	OFFICE SUPPLIES	951.13
11295	CH2M HILL	PROFESSIONAL SERVICES	63,672.80
11296	COUNTY SANITATION DISTRICT 2	WATER PURCHASES	379,917.72
11297	DMJ CONSULTING GROUP	PROFESSIONAL SERVICES	4,019.58
11298	ENVIRONMENTAL SCIENCE ASSOC.	PROFESSIONAL SERVICES	2,834.70
11299	FASTSIGNS OF LONG BEACH	GROUNDWATER FESTIVAL EVENT	68.73
11300	FEDERAL EXPRESS	FEDEX SERVICES	303.24
11301	GEOTECH ENVIRONMENTAL EQUIPMENT	FIELD SUPPLIES	403.26
11302	GILLIS + PANICHAPAN ARCHITECTS	ARCHITECT SERVICES	10,295.00
11303	INTERA	PROFESSIONAL SERVICES	6,553.00
11304	LAKEWOOD SELF STORAGE	STORAGE RENTAL FEES	4,248.00
11305	LONG BEACH, CITY OF	WATER PURCHASES	202,863.20
11306	LOS ANGELES, CITY OF DWP	WATER PURCHASES	577,372.62
11307	NANCY WHELAN	MEDICAL INS COVERAGE	739.84
11308	MITEL NETSOLUTIONS	MONTHLY PHONE SERVICES	971.99
11309	ROBERT HALF	TEMP SERVICES	4,376.92
11310	SOUTHERN CALIFORNIA MAIL SERVICE	MAIL SERVICES	140.00
11311	STANDARD INSURANCE	DISABILITY INSURANCE PREMIUM	2,095.74
11312	US COLO @ 800 HOPE	COLOCATION SERVICES	1,102.72
11313	WAVELENGTH AUTOMATION	LEGISLATIVE TRACKING SERVICES	1,908.00
11314	WEST BASIN MUNICIPAL WATER DISTRICT	WATER PURCHASES	1,360,352.92
11315	XO COMMUNICATIONS SERVICES	MONTHLY PHONE SERVICES	114.26
11316	FRONTIER COMMUNICATIONS	ENGINEERING STUDY	9,154.00
ACH160601-1	WEX BANK	MONTHLY FUEL CHARGES	151.26
ACH160601-2	THE GAS COMPANY	GAS CHARGES	1,107.14
ACH160608	CALIFORNIA WATER SERVICE	WATER USAGE	74.24
ACH160610-1	EDCO WASTE SERVICES	RECYCLE/WASTE SERVICES	360.89
ACH160610-2	FRONTIER COMMUNICATIONS	MONTHLY PHONE SERVICES	89.45
ACH160610-3	SOUTHERN CALIFORNIA EDISON	ENERGY USAGE	3,832.40
ACH160615-1	AT&T	MONTHLY PHONE SERVICES	376.95
ACH160615-2	CHEVRON AND TEXACO CARD SERVICES	MONTHLY FUEL CHARGES	218.36
ACH160615-3	FRONTIER COMMUNICATIONS	MONTHLY PHONE SERVICES	720.23
ACH160615-4	SOUTHERN CALIFORNIA EDISON	ENERGY USAGE	7,660.55
ACH160615-5	SPARKLETTES	MONTHLY FILTRATION SYSTEM RENTAL	141.35
ACH160615-6	TIME WARNER CABLE	MONTHLY INTERNET SERVICES	1,700.00
ACH160615-7	WESTERN EXTERMINATOR	PESTICIDE SERVICES	112.50
ACH160630	THE GAS COMPANY	GAS CHARGES	426.74
			<u>\$ 5,678,096.73</u>



MEMORANDUM

ITEM NO. 7

DATE: SEPTEMBER 21, 2016
TO: FINANCE/AUDIT COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: FINANCIAL STATEMENTS – MAY 31, 2016

The attached financial statements include the Statement of Net Assets (Balance Sheet) as of May 1, 2016 and the Statement of Revenues, Expenditures and Changes in Net Assets (Income Statement) for the month ending May 31, 2016. Explanation of selected account balances are as follows:

Statement of Net Assets

ASSETS

Cash and Cash Equivalents – The increase in cash reflects outstanding payments related to construction of the Groundwater Reliability Improvement Program (GRIP) Advanced Water Treatment Facility (AWTF) and the Goldsworthy Desalter (see Accounts Payable below).

Construction-In-Progress – The construction of the Groundwater Reliability Improvement Project (GRIP) Advanced Water Treatment Facility (AWTF) and the expansion of the Robert W. Goldsworthy Desalter are projects under the District's 5 Year Capital Improvement Plan. The increase is due to related expenses to these construction projects.

LIABILITIES

Accounts Payable – The District is undergoing the constructions of the Groundwater Reliability Improvement Project (GRIP) Advanced Water Treatment Facility (AWTF) and the Robert W. Goldsworthy Desalter Expansion. The increase in Accounts Payable are expenses mostly related to these construction projects.

Interests Payable – The increase of \$322,000 is mainly due to the monthly accrual of 2015 Replenishment Assessment Revenue Bond interest for the District's outstanding debt that are paid semi-annually in February and August each year.

NET ASSETS

Invested in Capital Assets – This is a formula and related to the changes in all capital asset accounts:

<u>Accounts</u>	<u>Change</u>
Plant & Equipment	\$ 200,000
Restricted Cash	(7)
Construction-In-Progress	1,393,363
Accumulated Depreciation	(409,891)
Total	<u>\$1,183,465</u>

Unrestricted – The Change/Variance of Total Assets, Total Liabilities and Invested in Capital Assets from April to May is \$850,220.

Statement of Revenues, Expenditures and Changes in Net Assets

REVENUES

Operating Revenues – No significant fluctuation noted.

EXPENSES

Cost of Spreading Water – The water deliveries for recycled spreading water for the month of April and May were received and recorded in May 2016.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Finance/Audit Committee recommends that the Board of Directors approve the Financial Statements for May 2016.

Water Replenishment District of Southern California
Statement of Net Assets
May 31, 2016

Assets	Total	Prior Month Total	Variance
Current Assets			
Cash and Cash Equivalents	\$ 47,514,740	\$ 45,970,394	1,544,346
Restricted Cash	13,506,400	13,506,407	(7)
Accounts Receivable	16,822,590	16,593,503	229,088
Interest Receivable	-	-	-
Prepaid Expenses	106,463	125,563	(19,100)
Total Current Assets	\$ 77,950,193	\$ 76,195,867	1,754,327
Noncurrent Assets			
Notes Receivable, Noncurrent	\$ 1,542,261	\$ 1,542,261	-
Plant & Equipment	112,262,503	112,262,503	-
Land	13,065,693	12,865,693	200,000
Construction-In-Progress	41,233,219	39,839,856	1,393,363
Deferred Charges	1	1	-
Accumulated Depreciation	(31,566,246)	(31,156,355)	(409,891)
Total Noncurrent Assets	\$ 136,537,431	\$ 135,353,959	1,183,472
Deferred Outflows of Resources	\$ 1,062,375	\$ 1,062,375	\$ -
Total Assets	\$ 215,549,999	\$ 212,612,201	\$ 2,937,799
Liabilities			
Current Liabilities			
Accounts Payable	\$ 4,613,529	\$ 4,049,259	564,270
Interest Payable - Bond	3,475,803	3,154,257	321,546
Accrued Payroll	2,591	-	2,591
Accrued Employee Benefits	2,568	(7,451)	10,018
Accrued Postemployment Benefits	(300,266)	(300,266)	-
Deferred Compensation	5,689	-	5,689
Deferred Revenue - RA	13,867,470	13,867,470	-
Cal Trans 0690	5,271,017	5,271,017	-
Long term Debt - Bond Payable	96,425,852	96,425,852	-
Other Liabilities	-	-	-
Total Current Liabilities	\$ 123,364,253	\$ 122,460,139	904,114
Noncurrent Liabilities			
Compensated Absences	\$ 368,168	\$ 368,168	\$ -
Pension Liability	2,752,916	2,752,916	-
Total Noncurrent Liabilities	\$ 3,121,084	\$ 3,121,084	\$ -
Deferred Inflows of Resources	\$ 1,135,335	\$ 1,135,335	\$ -
Total Liabilities	\$ 127,620,672	\$ 126,716,558	\$ 904,114
Net Assets			
Invested in Capital Assets, Net of Related Deb	\$ 48,346,961	\$ 47,163,496	1,183,465
Unrestricted	39,582,367	38,732,148	850,220
Total Net Assets	\$ 87,929,328	\$ 85,895,643	2,033,685
Total Liabilities & Net Assets	\$ 215,549,999	\$ 212,612,201	2,937,799

Water Replenishment District of Southern California
Statement of Revenues, Expenditures and Changes in Net Assets
For the Month of May 31, 2016

	Total	Prior Month Total	Variance
Revenues			
Operating Revenues			
Water Replenishment Assessments	5,173,843	4,968,031	205,812
Late Payment Penalties			-
MWD Subsidy	1,606	4,965	(3,359)
OCWD Recycled Water Product	-	-	-
Desalter Revenue	19,525	6,888	12,638
Title 22 Monitoring Program	67,413	-	67,413
Total Operating Revenues	5,262,387	4,979,884	282,503
Operating Expenses			
Cost of Water			
Spreading	379,918	-	379,918
Injected	1,561,929	1,462,394	99,535
In-Lieu	-	-	-
Connection Fees	63,431	75,036	(11,605)
Total Cost of Water	2,005,277	1,537,430	467,847
General & Administrative			
Salaries, Taxes & Benefits	417,033	380,097	36,936
Postemployment Benefits	-	-	-
Conference & Travel	6,948	1,908	5,040
Office Expenses	106,438	16,604	89,835
Utilities	17,830	17,385	445
Rents & Leases	10,379	11,635	(1,257)
Repairs & Maintenance	26,236	78,060	(51,824)
Material & Equipment	40,923	39,705	1,219
General Liability Insurance	23,793	(12,854)	36,648
Professional Fees	442,075	404,156	37,919
Other General & Administrative	6,734	2,242	4,492
Total General & Administrative	1,098,388	938,937	159,452
Depreciation	409,891	409,891	-
Total Operating Expenses	3,513,557	2,886,258	627,299
Operating Income (Loss)	1,748,830	2,093,626	(344,796)
Non-Operating Revenues (Expenses)			
Revenues			
Property Taxes	66,604	152,627	(86,023)
Election Expenses	-	-	-
Investment Earnings	10,988	19,979	(8,991)
Miscellaneous	5,138	-	5,138
Total Revenues	82,729	172,606	(89,877)
Expenses			
Interest Expenses	-	-	-
Non-RA Related Expenses	(26,179)	(27,238)	1,058
Total Expenses	(26,179)	(27,238)	1,058
Total Non-Operating Revenues (Expenses)	56,550	145,368	(88,818)
Income (Loss) Before Contributions	1,805,380	2,238,994	(433,614)
Contributions			
Capital Contributions- Grant	227,957	444,294	(216,337)
CIP Expenses	(348)	-	(348)
Change in Net Assets	2,033,685	2,683,289	(649,604)



MEMORANDUM

ITEM NO. 8

DATE: SEPTEMBER 21, 2016

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: FINANCIAL STATEMENTS – JUNE 30, 2016

The attached UNAUDITED financial statements include the Statement of Net Assets (Balance Sheet) as of June 30, 2016 and the Statement of Revenues, Expenditures and Changes in Net Assets (Income Statement) for the month ending June 30, 2016. These financial statements are currently being audited by an independent financial auditor and are preliminary unaudited. The District is making accounting changes which will impact the final presentation of these statements; these changes will be explained in the Notes to the Financial Statements in the Comprehensive Annual Financial Audit.

The District's 2015 Replenishment Assessment Revenue Bonds will be recorded during the audit process.

Explanation of selected account balances are as follows:

Statement of Net Assets

ASSETS

Accounts Receivable – There is an increase of about \$580,000 due to timing of payments from pumpers related to the pumping of groundwater.

Construction-In-Progress – The construction of the Groundwater Reliability Improvement Project (GRIP) Advanced Water Treatment Facility (AWTF) and the expansion of the Robert W. Goldsworthy Desalter are projects under the District's 5 Year Capital Improvement Plan. The increase is due to related expenses to these construction projects.

LIABILITIES

Accounts Payable – The District is undergoing the constructions of the Groundwater Reliability Improvement Project (GRIP) Advanced Water Treatment Facility (AWTF) and the Robert W. Goldsworthy Desalter Expansion. The increase in Accounts Payable is related to the construction in progress and will be paid from the District's 2015 Replenishment Assessment Revenue Bonds.

Interests Payable – The increase of \$322,000 is mainly due to the monthly accrual of 2015 Replenishment Assessment Revenue Bond interest for the District’s outstanding debt that are paid semi-annually in February and August each year..

NET ASSETS

Invested in Capital Assets – This is a formula and related to the changes in all capital asset accounts:

<u>Accounts</u>	<u>Change</u>
Notes Receivable	\$(308,460)
Restricted Cash	(0)
Construction-In-Progress	5,955,900
Accumulated Depreciation	<u>(409,891)</u>
Total	<u>\$5,237,549</u>

Unrestricted – The Change/Variance of Total Assets, Total Liabilities and Invested in Capital Assets from May to June is (\$4,557,691).

Statement of Revenues, Expenditures and Changes in Net Assets

REVENUES

Operating Revenues – No significant fluctuation noted.

EXPENSES

Cost of Injected Water – The increase to the injected water cost is due to invoices received from Los Angeles City Department of Water and Power for the recycled water injected at the Dominguez Gap Barrier in the month of March to June 2016.

Post-Employment Benefits – The District provides a postemployment healthcare benefits to its qualified employees. The increase is due to the Annual Required Contribution (ARC) payment to the District’s irrevocable Other Post-Employment Benefit (OPEB) Trust account.

Material & Equipment – Each year, as part of the operating contract with the Long Beach Water Department, the District semi-annually reconciles, the material and equipment for Leo J. Vander Lans Advanced Water Treatment Facility. The increase to material and equipment is primarily due to the “true-up” cost for January to June 2016.

Professional Fees – Each year, as part of the operating contract with the Long Beach Water Department, the District semi-annually reconciles, the Operating and Maintenance True-up Costs for Leo J. Vander Lans Advanced Water Treatment Facility. The increase to professional services is primarily due to the “true-up” cost for January to June 2016.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Finance/Audit Committee recommends that the Board of Directors approve the financial statements for June 2016

Water Replenishment District of Southern California
Statement of Net Assets
June 30, 2016

Assets	Total	Prior Month Total	Variance
Current Assets			
Cash and Cash Equivalents	\$ 47,602,468	\$ 47,517,895	84,573
Restricted Cash	13,479,251	13,506,401	(27,150)
Accounts Receivable	17,405,518	16,822,790	582,727
Interest Receivable	-	-	-
Prepaid Expenses	186,466	106,463	80,003
Total Current Assets	\$ 78,673,702	\$ 77,953,549	720,153
Noncurrent Assets			
Notes Receivable, Noncurrent	\$ 1,233,801	\$ 1,542,261	(308,460)
Plant & Equipment	112,262,503	112,262,503	-
Land	13,065,693	13,065,693	-
Construction-In-Progress	47,189,158	41,233,259	5,955,900
Deferred Charges	1	1	-
Accumulated Depreciation	(31,976,137)	(31,566,246)	(409,891)
Total Noncurrent Assets	\$ 141,775,019	\$ 136,537,471	5,237,548
Deferred Outflows of Resources	\$ 1,062,375	\$ 1,062,375	\$ -
Total Assets	\$ 221,511,096	\$ 215,553,395	\$ 5,957,701
Liabilities			
Current Liabilities			
Accounts Payable	\$ 9,592,740	\$ 4,612,472	4,980,268
Interest Payable - Bond	3,797,349	3,475,803	321,546
Accrued Payroll	-	-	-
Accrued Employee Benefits	(2,152)	(5,331)	3,179
Accrued Postemployment Benefits	(300,266)	(300,266)	-
Deferred Compensation	-	-	-
Deferred Revenue - RA	13,867,470	13,867,470	-
Cal Trans 0690	5,243,866	5,271,017	(27,151)
Long term Debt - Bond Payable	96,425,852	96,425,852	-
Other Liabilities	-	-	-
Total Current Liabilities	\$ 128,624,860	\$ 123,347,017	5,277,842
Noncurrent Liabilities			
Compensated Absences	\$ 368,168	\$ 368,168	\$ -
Pension Liability	2,752,916	2,752,916	-
Total Noncurrent Liabilities	\$ 3,121,084	\$ 3,121,084	\$ -
Deferred Inflows of Resources	\$ 1,135,335	\$ 1,135,335	\$ -
Total Liabilities	\$ 132,881,279	\$ 127,603,436	\$ 5,277,842
Net Assets			
Invested in Capital Assets, Net of Related Deb	\$ 53,584,551	\$ 48,347,002	5,237,549
Unrestricted	35,045,267	39,602,958	(4,557,691)
Total Net Assets	\$ 88,629,818	\$ 87,949,959	679,859
Total Liabilities & Net Assets	\$ 221,511,096	\$ 215,553,395	5,957,701

Water Replenishment District of Southern California
Statement of Revenues, Expenditures and Changes in Net Assets
For the Month of June 30, 2016

	Total	Prior Month Total	Variance
Revenues			
Operating Revenues			
Water Replenishment Assessments	5,244,819	5,173,843	70,976
Late Payment Penalties			-
MWD Subsidy	28,139	1,606	26,533
OCWD Recycled Water Product	271,547	-	271,547
Desalter Revenue	(131)	19,525	(19,656)
Title 22 Monitoring Program	-	67,413	(67,413)
Total Operating Revenues	<u>5,544,374</u>	<u>5,262,387</u>	<u>281,987</u>
Operating Expenses			
Cost of Water			
Spreading	210,140	379,918	(169,778)
Injected	2,335,861	1,561,929	773,932
In-Lieu	-	-	-
Connection Fees	116,485	63,431	53,054
Total Cost of Water	<u>2,662,485</u>	<u>2,005,277</u>	<u>657,208</u>
General & Administrative			
Salaries, Taxes & Benefits	392,168	398,078	(5,910)
Postemployment Benefits	408,000	-	408,000
Conference & Travel	19,157	6,450	12,707
Office Expenses	138,121	106,161	31,960
Utilities	18,810	16,930	1,880
Rents & Leases	15,233	10,379	4,855
Repairs & Maintenance	50,228	26,236	23,992
Material & Equipment	215,054	40,923	174,131
General Liability Insurance	19,997	23,793	(3,796)
Professional Fees	987,399	442,075	545,324
Other General & Administrative	-	6,734	(6,734)
Total General & Administrative	<u>2,264,167</u>	<u>1,077,758</u>	<u>1,186,409</u>
Depreciation	409,891	409,891	-
Total Operating Expenses	<u>5,336,543</u>	<u>3,492,926</u>	<u>1,843,617</u>
Operating Income (Loss)	<u>207,830</u>	<u>1,769,461</u>	<u>(1,561,630)</u>
Non-Operating Revenues (Expenses)			
Revenues			
Property Taxes	30,390	66,604	(36,214)
Election Expenses	-	-	-
Investment Earnings	7,420	10,988	(3,568)
Miscellaneous	374,778	5,138	369,641
Total Revenues	<u>412,588</u>	<u>82,729</u>	<u>329,859</u>
Expenses			
Interest Expenses	-	-	-
Non-RA Related Expenses	(29,424)	(26,179)	(3,244)
Total Expenses	<u>(29,424)</u>	<u>(26,179)</u>	<u>(3,244)</u>
Total Non-Operating Revenues (Expenses)	<u>383,164</u>	<u>56,550</u>	<u>326,614</u>
Income (Loss) Before Contributions	590,995	1,826,011	(1,235,016)
Contributions			
Capital Contributions- Grant	88,864	227,957	(139,093)
CIP Expenses	-	(348)	348
Change in Net Assets	<u>679,859</u>	<u>2,054,316</u>	<u>(1,374,457)</u>



MEMORANDUM

ITEM NO. 9

DATE: SEPTEMBER 21, 2016

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING MAY 31, 2016

Each month, the Finance Department reports the District's reserve balances as well as cash and investment activities to the Finance/Audit Committee for subsequent approval by the Board of Directors.

RESERVE BALANCE

Based on §60290 of the Water Code, the District may establish an annual reserve fund in an amount not to exceed ten million dollars (\$10,000,000). This ten million dollars may be adjusted for the percentage increase or decrease in the blended cost of water from district water supply sources on an annual basis. There has been a 149% increase in the blended cost of water from District supply sources based on the rolling average calculation from the 2001-02 base year and the 2015-16 budget year. When applied to the \$10,000,000 in §60290 of the California State Water Code the operating reserve increases to approximately \$24,800,000.

If for some reason, the District has more than \$24,800,000 (adjusted for the blended cost of water), §60328.1 states that the District shall apply the estimated fiscal year end balance in excess of the amount allowed in §60290 to a replenishment assessment rate reduction or to the purchase of water in the succeeding fiscal year. Additionally, §60291 also states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

As of May 31, 2016, the District has \$4,182,000 in operating reserve. The following pages provide specific breakdowns of the District cash and investments.

RESTRICTED FUNDS – Restricted by the Board of Directors to recognize future commitments of resources prior to the actual expense.

Restricted for Capital Projects – Funds committed to the Safe Drinking Water Program or set aside for long term capital replacement costs at the Leo J. Vander Lans Advanced Water Treatment Facility and the Robert W. Goldsworthy Desalter.

1. Safe Drinking Water Program

Source of Funds: *Replenishment Assessment*
Use of Funds: *Encumbered for Safe Drinking Water Projects*

Huntington Park Well #17 – Central Basin	\$ 40,000
Restricted for Safe Drinking Water Loan Program	<u>2,497,000</u>
	<u>\$ 2,537,000</u>

2. Capital Replacement / Construction

Source of Funds: *Replenishment Assessment*
Use of Funds: *Encumbered for Projects Below*

Leo J. Vander Lans Water Treatment Facility	\$ 1,987,000
Goldsworthy Desalter	<u>293,000</u>
	<u>\$ 2,280,000</u>

Total Restricted for Capital Projects **\$ 4,817,000**

Water Purchase Carryover Fund – This category of represents funds restricted by the Board of Directors as follows:

Source of Funds: *Replenishment Assessment*
Use of Funds: *Restricted for Water Purchases*

Restricted Balance in Account **\$ 29,711,000**

Debt Service Reserve Fund – Based on the rate covenant, pursuant to the District’s Master Agreement, the net revenues less payments made by the WRD for purchase and delivery of water, availability payments for water and In Lieu Payments made during the fiscal year is equal to a minimum of 120% of the Debt Service on Senior Obligations for the fiscal year.

These funds are reviewed by the Budget Advisory Committee each year during the rate setting process and are used to maintain the District’s AA+ rating. We have recently experienced the value of maintaining such a fund during the issuance of the District’s Series 2015 Water Revenue Bonds when the WRD obtained AAA pricing in the market due, in part, to its strong financial position.

Source of Funds: *Replenishment Assessment*
Use of Funds: *Restricted for Debt Service*

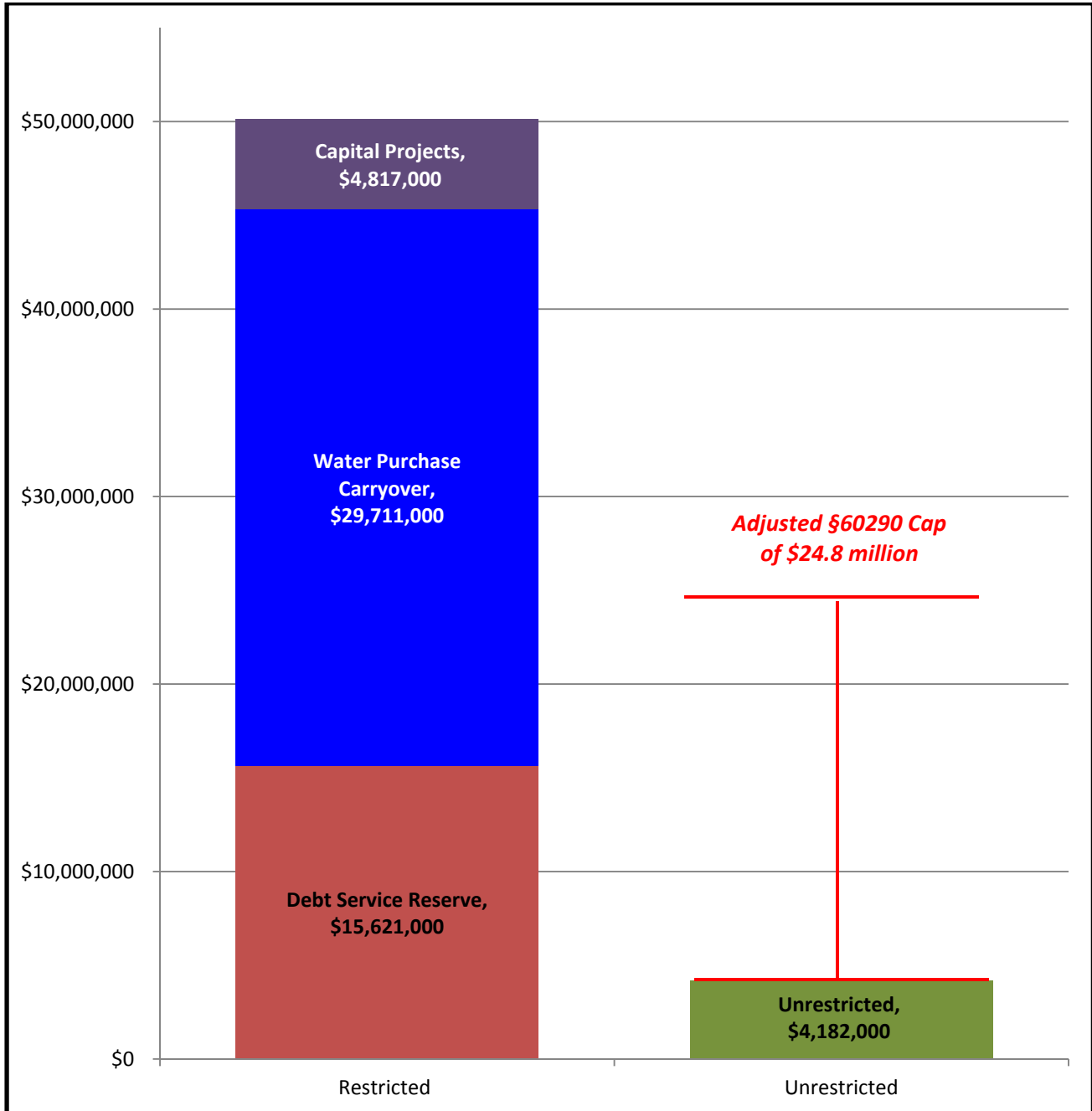
Restricted Debt Service Reserve	\$ 18,052,000
Restricted for August 2016 Bond Payment	5,774,000
Less: Funds applied to Prop 218 Expenses	<u>(8,205,000)</u>
Total Restricted for Debt Service	<u>\$ 15,621,000</u>

The District's reserve balances are presented as follows:

Restricted Funds:

Capital Projects	\$ 4,817,000
Water Purchase Carryover Fund	29,711,000
Debt Service Reserve Fund	<u>15,621,000</u>
Total Restricted Funds	<u>\$ 50,149,000</u>

Operating Reserve Fund	<u>\$ 4,182,000</u>
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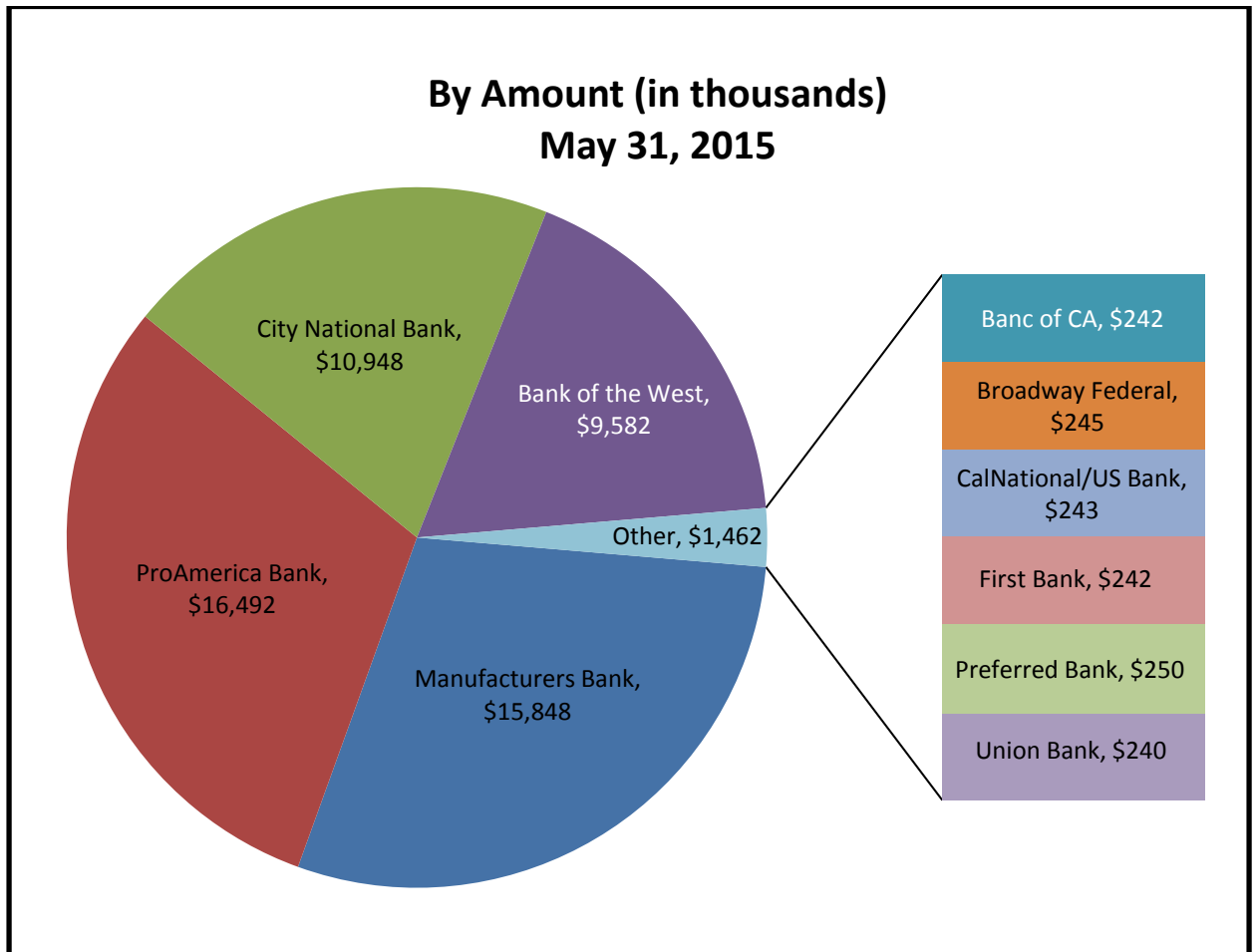


CASH AND INVESTMENTS

At the direction of the Board of Directors, on March 31, 2009 the District implemented its Community Banking Program and has invested in several community banks in addition to the Local Area Investment Fund (LAIF).

Cash and Investments By Institution
(Rounded to nearest thousand)

Cash and Investments:	
Manufacturers Bank ¹	\$15,848,000
Proamerica Bank ¹	16,492,000
City National Bank ¹	10,948,000
Bank of the West ¹	9,582,000
Banc of California (formally Beach Business Bank) ¹	242,000
Broadway Federal Bank ¹	245,000
US Bank (formerly CalNational Bank) ¹	243,000
First Bank ¹	242,000
Preferred Bank ¹	250,000
Union Bank ¹	240,000



Footnotes:

1 – Cash & Cash Equivalents and Certificates of Deposit: Amounts are either insured by the Federal Deposit Insurance Corporation (FDIC) or secured by the bank's assets. Funds are also held in Certificate of Deposit Account Registry Service (CDARS) and Insured Cash Sweep (ICS); a very safe way to invest funds while continuing to be FDIC insured.

Any slight differences are due to rounding. For presentation purposes, staff has rounded dollar values to the nearest thousand.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Finance/Audit Committee recommends that the Board of Directors approval of the monthly Reserves, Cash and Investment Report.

Water Replenishment District of Southern California
Cash and Investment Report
May 31, 2016

<u>Banking Institution</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Interest Income</u>	<u>Disbursements</u>	<u>Ending Balance</u>
Bank of the West	\$9,580,714		\$1,217		\$9,581,932
Banc of California	241,970		42		242,013
Broadway Federal Bank	245,044		31		245,075
City National Bank	18,942,831		8,214	(8,002,719)	10,948,327
First Bank	241,442		71		241,513
Manufacturers Bank No.1	11,406,742		3,340		11,410,081
Manufacturers Bank No.2	4,469,153	30,253	1,179	(62,838)	4,437,746
Preferred Bank	250,114		201		250,315
ProAmerica Bank	15,051,402	13,679,751	307	(12,239,862)	16,491,598
Union Bank	240,000				240,000
US Bank	243,214				243,214
Deposit in Transit	0				0
	<u>\$60,912,626</u>	<u>\$13,710,004</u>	<u>\$14,603</u>	<u>(\$20,305,419)</u>	<u>\$54,331,814</u>

I hereby certify that all investment actions executed since the last report have been made in full compliance with the District's Investment Policy. As Treasurer of the Water Replenishment District of Southern California, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet estimated expenses.

Albert Robles, Treasurer

Date



MEMORANDUM

ITEM NO. 10

DATE: SEPTEMBER 21, 2016

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING JUNE 30, 2016

Each month, the Finance Department reports the District's reserve balances as well as cash and investment activities to the Finance/Audit Committee for subsequent approval by the Board of Directors.

RESERVE BALANCE

Based on §60290 of the Water Code, the District may establish an annual reserve fund in an amount not to exceed ten million dollars (\$10,000,000). This ten million dollars may be adjusted for the percentage increase or decrease in the blended cost of water from district water supply sources on an annual basis. There has been a 149% increase in the blended cost of water from District supply sources based on the rolling average calculation from the 2001-02 base year and the 2015-16 budget year. When applied to the \$10,000,000 in §60290 of the California State Water Code the operating reserve increases to approximately \$24,800,000.

If for some reason, the District has more than \$24,800,000 (adjusted for the blended cost of water), §60328.1 states that the District shall apply the estimated fiscal year end balance in excess of the amount allowed in §60290 to a replenishment assessment rate reduction or to the purchase of water in the succeeding fiscal year. Additionally, §60291 also states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

As of June 30, 2016, the District has \$9,315,000 in operating reserve. The following pages provide specific breakdowns of the District cash and investments.

RESTRICTED FUNDS – Restricted by the Board of Directors to recognize future commitments of resources prior to the actual expense.

Restricted for Capital Projects – Funds committed to the Safe Drinking Water Program or set aside for long term capital replacement costs at the Leo J. Vander Lans Advanced Water Treatment Facility and the Robert W. Goldsworthy Desalter.

1. Safe Drinking Water Program

Source of Funds: *Replenishment Assessment*
Use of Funds: *Encumbered for Safe Drinking Water Projects*

Huntington Park Well #17 – Central Basin	\$ 40,000
Restricted for Safe Drinking Water Loan Program	<u>2,497,000</u>
	<u>\$ 2,537,000</u>

2. Capital Replacement / Construction

Source of Funds: *Replenishment Assessment*
Use of Funds: *Encumbered for Projects Below*

Leo J. Vander Lans Water Treatment Facility	\$ 2,042,000
Goldsworthy Desalter	<u>300,000</u>
	<u>\$ 2,342,000</u>

Total Restricted for Capital Projects **\$ 4,879,000**

Water Purchase Carryover Fund – This category of represents funds restricted by the Board of Directors as follows:

Source of Funds: *Replenishment Assessment*
Use of Funds: *Restricted for Water Purchases*

Restricted Balance in Account **\$ 30,702,000**

Debt Service Reserve Fund – Based on the rate covenant, pursuant to the District’s Master Agreement, the net revenues less payments made by the WRD for purchase and delivery of water, availability payments for water and In Lieu Payments made during the fiscal year is equal to a minimum of 120% of the Debt Service on Senior Obligations for the fiscal year.

These funds are reviewed by the Budget Advisory Committee each year during the rate setting process and are used to maintain the District’s AA+ rating. We have recently experienced the value of maintaining such a fund during the issuance of the District’s Series 2015 Water Revenue Bonds when the WRD obtained AAA pricing in the market due, in part, to its strong financial position.

Source of Funds: *Replenishment Assessment*
Use of Funds: *Restricted for Debt Service*

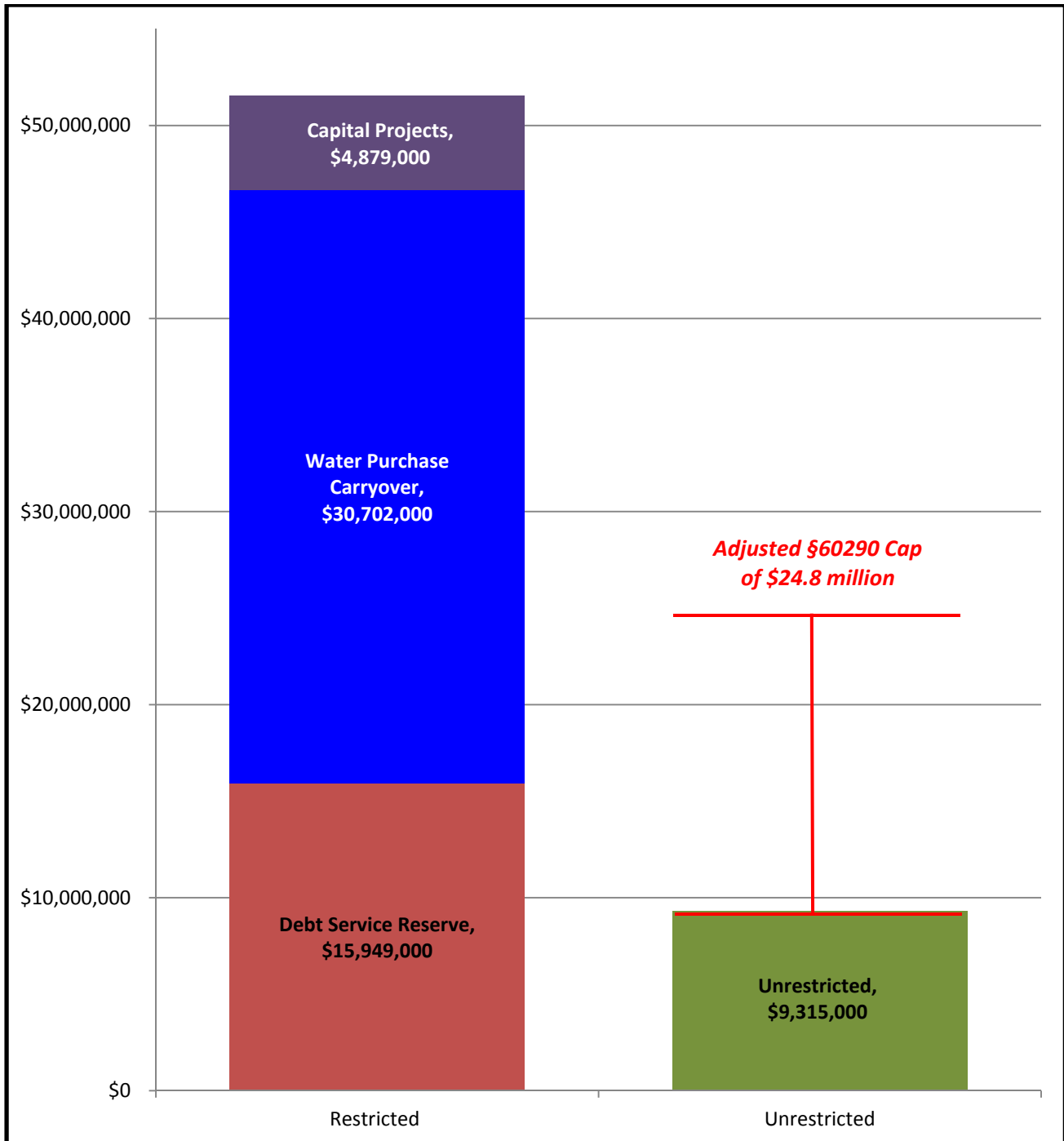
Restricted Debt Service Reserve	\$ 18,380,000
Restricted for August 2016 Bond Payment	5,774,000
Less: Funds applied to Prop 218 Expenses	<u>(8,205,000)</u>
Total Restricted for Debt Service	<u>\$ 15,949,000</u>

The District's reserve balances are presented as follows:

Restricted Funds:

Capital Projects	\$ 4,879,000
Water Purchase Carryover Fund	30,702,000
Debt Service Reserve Fund	<u>15,949,000</u>
Total Restricted Funds	<u>\$ 51,530,000</u>

Operating Reserve Fund	<u>\$ 9,315,000</u>
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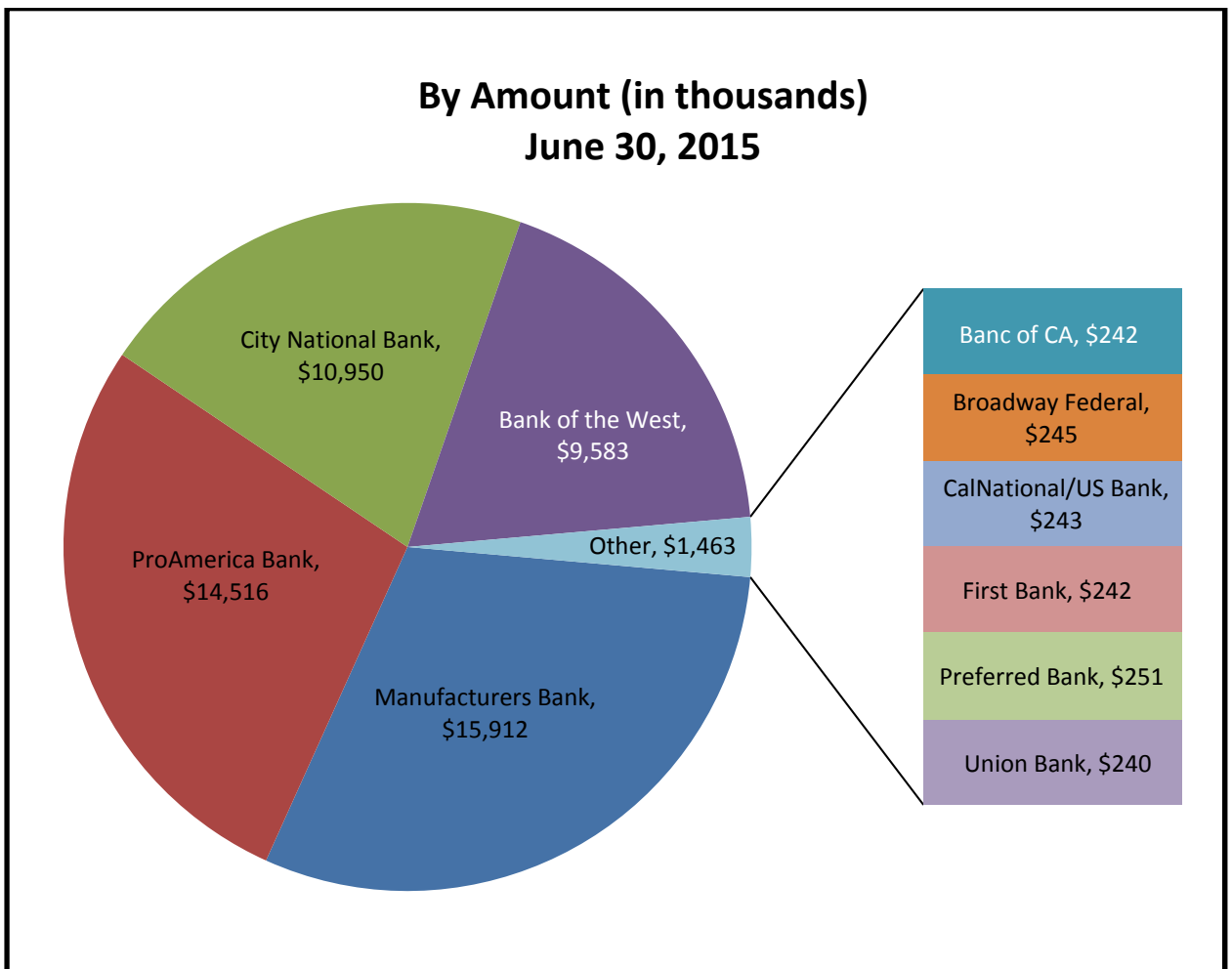


CASH AND INVESTMENTS

At the direction of the Board of Directors, on March 31, 2009 the District implemented its Community Banking Program and has invested in several community banks in addition to the Local Area Investment Fund (LAIF).

Cash and Investments By Institution
(Rounded to nearest thousand)

Cash and Investments:	
Manufacturers Bank ¹	\$15,912,000
Promerica Bank ¹	14,516,000
City National Bank ¹	10,950,000
Bank of the West ¹	9,583,000
Banc of California (formally Beach Business Bank) ¹	242,000
Broadway Federal Bank ¹	245,000
US Bank (formerly CalNational Bank) ¹	243,000
First Bank ¹	242,000
Preferred Bank ¹	251,000
Union Bank ¹	240,000



Footnotes:

1 – Cash & Cash Equivalents and Certificates of Deposit: Amounts are either insured by the Federal Deposit Insurance Corporation (FDIC) or secured by the bank's assets. Funds are also held in Certificate of Deposit Account Registry Service (CDARS) and Insured Cash Sweep (ICS); a very safe way to invest funds while continuing to be FDIC insured.

Any slight differences are due to rounding. For presentation purposes, staff has rounded dollar values to the nearest thousand.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Finance/Audit Committee recommends that the Board of Directors approval of the monthly Reserves, Cash and Investment Report.

Water Replenishment District of Southern California
Cash and Investment Report
June 30, 2016

<u>Banking Institution</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Interest Income</u>	<u>Disbursements</u>	<u>Ending Balance</u>
Bank of the West	\$9,581,932		\$1,178		\$9,583,110
Banc of California	242,013		40		242,053
Broadway Federal Bank	245,075		30		245,106
City National Bank	10,948,327	475	2,881	(1,231)	10,950,451
First Bank	241,513		40		241,553
Manufacturers Bank No.1	11,410,082		3,233		11,413,314
Manufacturers Bank No.2	4,437,746	59,754	1,141		4,498,641
Preferred Bank	250,315		201		250,516
ProAmerica Bank	16,491,598	6,131,756	301	(8,107,369)	14,516,285
Union Bank	240,000				240,000
US Bank	243,214				243,214
Deposit in Transit	8,420,526				8,420,526
	<u>\$62,752,339</u>	<u>\$6,191,985</u>	<u>\$9,044</u>	<u>(\$8,108,601)</u>	<u>\$60,844,768</u>

I hereby certify that all investment actions executed since the last report have been made in full compliance with the District's Investment Policy. As Treasurer of the Water Replenishment District of Southern California, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet estimated expenses.

Albert Robles, Treasurer

Date



MEMORANDUM

ITEM NO. 11

DATE: SEPTEMBER 21, 2016

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: TRUST FUND REPORT FOR THE PERIOD ENDING MAY 31, 2016

Each month, the Finance Department reports the District’s trust fund balances to the Finance Committee for subsequent approval by the Board of Directors.

TRUST FUNDS – A relationship whereby funds are legally held and managed by another party or organization for the benefit of another person or specific purpose.

The Water Replenishment District has a number of trust funds related to District’s capital improvement plan. The District’s Trustee, U.S. Bank, holds the majority of the funds which were received from the issuance of Certificates of Participation. The remaining amount relates to the funds received from the California Department of Transportation (CalTrans) settlement of \$8.0 million which was received in June 2004. Since that time, the District has been reimbursed for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering the freeway.

The balance of trust funds as of May 31, 2016 was as follows:

Restricted for Capital Projects – Funds held in trust with US Bank for use in accordance with the Official Statement and the Master Trust Agreement.

Proceeds from the 2011 and 2015 Debt Issuances

<u>Source of Funds:</u>	<i>2011 and 2015 Debt Issuances</i>
<u>Use of Funds:</u>	<i>Restricted for Capital Projects Only</i>

Total in Trust for Capital Projects	<u>\$ 69,616,000</u>
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Debt Service Reserve Fund – Based on the District’s Master Trust Agreement for the 2004, 2008 and 2011 Revenue Certificates of Participation (COP), the District must maintain a Reserve Fund, held by an independent Trustee to pay principal and interest in the event the WRD does not have the funds to properly pay its debt. These funds are unavailable to the District until the debt matures 30 years after issuance of the debt. *With the refinancing of all outstanding debt with the 2015 Water Revenue Bonds, the District is no longer*

required to keep these funds in trust and will be used to fund the District's 5-Year Capital Improvement Program as part of the 2015 bond issuance.

Source of Funds: 2004, 2008, 2011 Debt Issuance
Use of Funds: Restricted based on Master Trust Agreement

Total in Trust - Debt Service Reserve **\$ 2,000**

Cost of Issuance Fund – This fund relates to the cost of issuance for the 2015 Water Revenue Bonds.

Source of Funds: 2015 Debt Issuance
Use of Funds: Cost of Issuance

Total in Trust - Debt Service Reserve **\$ 10,000**

CalTrans Trust – These funds are held in trust by WRD as part of a settlement with the California Department of Transportation (CalTrans) for dewatering the 105 freeway.

Source of Funds: CalTrans Settlement
Use of Funds: Restricted for CalTrans Project and RA

Originally, the CalTrans settlement of \$8.0 million was received in June 2004. Since that time, the District has been reimbursed for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering the freeway.

In Trust for CalTrans Project **\$ 5,542,000**

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Finance/Audit Committee recommends that the Board of Directors approve the Trust Fund Report.

Water Replenishment District of Southern California
Trust Fund Report
May 31, 2016

<u>Fund Purpose</u>	<u>Beginning Balance</u>	<u>Inflows</u>	<u>Interest Income or Change in Net Investments</u>	<u>Disbursements</u>	<u>Deposit In Transit</u>	<u>Ending Balance</u>
COP Bonds - 2011 Project Fund	\$522	\$0	\$0	\$0	\$0	\$523
Revenue Bonds - 2015 Project Fund	69,615,000	0	0	0	0	69,615,000
Cost of Issuance Fund	10,115	0	0	0	0	10,115
Installment Payment Fund	90	0	0	0	0	90
Debt Service Reserve Fund	1,761	0	0	(2)	0	1,759
CalTrans Trust Fund	5,541,892	0	282	0	0	5,542,174
	<u>\$75,169,380</u>	<u>\$0</u>	<u>\$282</u>	<u>(2)</u>	<u>\$0</u>	<u>\$75,169,660</u>

I hereby certify that all investment actions executed since the last report have been made in full compliance with the District's Investment Policy. As Treasurer of the Water Replenishment District of Southern California, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet estimated expenses.

Albert Robles, Treasurer

Date



MEMORANDUM

ITEM NO. 12

DATE: AUGUST 21, 2016

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: TRUST FUND REPORT FOR THE PERIOD ENDING JUNE 30, 2016

Each month, the Finance Department reports the District's trust fund balances to the Finance Committee for subsequent approval by the Board of Directors.

TRUST FUNDS – A relationship whereby funds are legally held and managed by another party or organization for the benefit of another person or specific purpose.

The Water Replenishment District has a number of trust funds related to District's capital improvement plan. The District's Trustee, U.S. Bank, holds the majority of the funds which were received from the issuance of Certificates of Participation. The remaining amount relates to the funds received from the California Department of Transportation (CalTrans) settlement of \$8.0 million which was received in June 2004. Since that time, the District has been reimbursed for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering the freeway.

The balance of trust funds as of June 30, 2016 was as follows:

Restricted for Capital Projects – Funds held in trust with US Bank for use in accordance with the Official Statement and the Master Trust Agreement.

Proceeds from the 2011 and 2015 Debt Issuances

Source of Funds:

2011 and 2015 Debt Issuances

Use of Funds:

Restricted for Capital Projects Only

Total in Trust for Capital Projects (less: reimbursement in transit) \$ 61,195,000

Debt Service Reserve Fund – Based on the District's Master Trust Agreement for the 2004, 2008 and 2011 Revenue Certificates of Participation (COP), the District must maintain a Reserve Fund, held by an independent Trustee to pay principal and interest in the event the WRD does not have the funds to properly pay its debt. These funds are unavailable to the District until the debt matures 30 years after issuance of the debt. *With the refinancing of all outstanding debt with the 2015 Water Revenue Bonds, the District is no longer*

required to keep these funds in trust and will be used to fund the District's 5-Year Capital Improvement Program as part of the 2015 bond issuance.

Source of Funds: 2004, 2008, 2011 Debt Issuance
Use of Funds: Restricted based on Master Trust Agreement

Total in Trust - Debt Service Reserve **\$ 2,000**

Cost of Issuance Fund – This fund relates to the cost of issuance for the 2015 Water Revenue Bonds.

Source of Funds: 2015 Debt Issuance
Use of Funds: Cost of Issuance

Total in Trust - Debt Service Reserve **\$ 10,000**

CalTrans Trust – These funds are held in trust by WRD as part of a settlement with the California Department of Transportation (CalTrans) for dewatering the 105 freeway.

Source of Funds: CalTrans Settlement
Use of Funds: Restricted for CalTrans Project and RA

Originally, the CalTrans settlement of \$8.0 million was received in June 2004. Since that time, the District has been reimbursed for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering the freeway.

In Trust for CalTrans Project **\$ 5,542,000**

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Finance/Audit Committee recommends that the Board of Directors approve the Trust Fund Report.

Water Replenishment District of Southern California
Trust Fund Report
June 30, 2016

<u>Fund Purpose</u>	<u>Beginning Balance</u>	<u>Inflows</u>	<u>Interest Income or Change in Net Investments</u>	<u>Disbursements</u>	<u>Deposit In Transit</u>	<u>Ending Balance</u>
COP Bonds - 2011 Project Fund	\$523	\$0	\$0	\$0	\$0	\$523
Revenue Bonds - 2015 Project Fund	69,615,000	0	0	0	(8,420,526)	61,194,474
Cost of Issuance Fund	10,115	0	0	0	0	10,115
Installment Payment Fund	90	0	0	0	0	90
Debt Service Reserve Fund	1,761	0	0	0	0	1,761
CalTrans Trust Fund	5,542,174	0	273	0	0	5,542,446
	<u>\$75,169,662</u>	<u>\$0</u>	<u>\$273</u>	<u>\$0</u>	<u>(\$8,420,526)</u>	<u>\$66,749,409</u>

I hereby certify that all investment actions executed since the last report have been made in full compliance with the District's Investment Policy. As Treasurer of the Water Replenishment District of Southern California, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet estimated expenses.

Albert Robles, Treasurer

Date



MEMORANDUM

ITEM NO. 13

DATE: SEPTEMBER 21, 2016

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: REIMBURSEMENTS OVER \$100 FOR FISCAL YEAR 2015-16

SUMMARY

California Government Code §53065.5 states:

“Each special district, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the district. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that district and shall be made available for public inspection.”

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Receive and file the list of reimbursed expenses over \$100 and make available for public inspection in accordance with California Government Code §53065.5.



MEMORANDUM

ITEM NO. 14

DATE: SEPTEMBER 21, 2016

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: GOVINVEST PRESENTATION

SUMMARY

GovInvest provides government agencies the technical assistance to help agencies manage their unfunded pension liability through software solutions. They do this by taking key financial metrics to provide detailed analysis for more informed decision making.

GovInvest will also be expanding into the areas such as Other Post Employment Benefit (OPEB) liabilities and debt analysis. The result is the communication of complex actuarial information and data into much easier-to-understand reports for decision-makers, such as the Board of Directors, to analyze and understand.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For discussion and possible action.