

**SPECIAL MEETING OF THE FINANCE/AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BLVD., LAKEWOOD, CALIFORNIA 90712
10:00 A.M., WEDNESDAY, MARCH 7, 2018**

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. APPROVE MINUTES OF FEBRUARY 12, 2018**
Staff Recommendation: The Finance/Audit Committee approve the minutes as submitted.
- 4. DIRECTORS' EXPENSES**
Staff Recommendation: The Finance/Audit Committee approve Directors' Expenses.
- 5. 2018/19 BUDGET PRESENTATION**
Staff Recommendation: For information.
- 6. DEPARTMENT REPORT**
- 7. DIRECTORS REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF**
- 8. ADJOURNMENT**
The Finance/Audit Committee will adjourn to the next regular meeting currently scheduled on April 9, 2018 at 10:30 a.m.

Agenda posted by Senior Administrative Specialist Sherri Brown on March 6, 2018. 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 the Manager of Internal Services 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 Manager of Internal Services 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.



**MEMORANDUM
ITEM NO. 3**

DATE: MARCH 7, 2018

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: APPROVE MINUTES OF FEBRUARY 12, 2018

**MINUTES OF FEBRUARY 12, 2018
MEETING OF THE FINANCE/AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Finance/Audit Committee of the Board of Directors of the Water Replenishment District of Southern California was held on February 12, 2018 at 10:54 a.m., at the District Office, 4040 Paramount Boulevard, Lakewood, California 90712. Committee Chair Albert Robles called the meeting to order and presided thereafter. Senior Administrative Specialist Sherri Brown recorded the minutes.

1. DETERMINATION OF A QUORUM

A quorum was present, which included:

Committee: Committee Chair Albert Robles; Director Sergio Calderon
Staff: Robb Whitaker; Scott Ota; Jenna Shaunessy; Willard H. Murray, Jr.
Public: Gilbert Vasquez and Roger Martinez of Vasquez and Company

2. PUBLIC COMMENT

Pursuant to Government Code Section 54954.3

None.

3. APPROVE MINUTES OF THE MEETING OF JANUARY 22, 2018

The Finance/Audit Committee unanimously approved the minutes as submitted.

4. APPROVE MINUTES OF THE MEETING OF JANUARY 24, 2018

The Finance/Audit Committee unanimously approved the minutes as submitted.

5. DIRECTORS' EXPENSES

The Finance/Audit Committee unanimously approved Directors' expenses.

- 6. DEMANDS FOR NOVEMBER 2017**
The Finance/Audit Committee unanimously recommended that the Board of Directors receive and file the Demands.
- 7. TRUST FUND REPORT FOR NOVEMBER 2017**
The Finance/Audit Committee unanimously recommended that the Board of Directors approve the monthly Trust Fund Report.
- 8. RESERVES, CASH AND INVESTMENT REPORT FOR THE PERIOD ENDING NOVEMBER 2017**
The Finance/Audit Committee unanimously recommended that the Board of Directors approve the Reserves, Cash and Investment Report.
- 9. FINANCIAL STATEMENTS – NOVEMBER 2017**
The Finance/Audit Committee unanimously recommended that the Board of Directors approve the Financial Statements.
- 10. COMPREHENSIVE ANNUAL FINANCIAL AUDIT**
Chief Financial Officer Scott Ota presented the report regarding the District's audit that was finalized at the end of December 2017 and submitted to the GFOA for their award program. He stated that plans for the next audit need to be considered because the auditor's one-year contract ended on December 31.

Mr. Ota introduced auditors Gilbert Vasquez and Roger Martinez of Vasquez and Company to the Committee to answer questions regarding the audit or any other related questions. Discussion followed.

Mr. Rodriguez stated that the company will be sending to the District a letter of required communications with details of what will be needed to be discussed and brought to staff's attention on an annual basis. He said that in general, with regard to the audit, the auditors are rendering a clean and positive opinion with no material weaknesses or inefficiencies having been found during the audit.

Discussion followed. No action was taken
- 11. 2018/19 BUDGET WORKSHOP #2**
Mr. Ota and Manager of Finance and Administration Jenna Shaunessy presented the 2017/18 midyear budget review and the 2018/19 draft budget. Mr. Ota stated that public notices disclosing the maximum possible increase to the replenishment assessment for the ensuing year must be mailed out by Friday, February 16th in order to comply with Prop 218. A Special Board of Directors meeting will be held on Wednesday, February 14th for a recommendation by the Board to set this maximum rate increase amount. Discussion followed.

The Committee unanimously recommended that the Board of Directors set the maximum allowable increase to the Replenishment Assessment as \$350.00 or 10.1%.

Discussion followed.

12. DEPARTMENT REPORT

None.

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

None.

14. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:07 A.M.

Chair

ATTEST:

Member

Approved in minutes of:



MEMORANDUM

ITEM NO. 4

DATE: MARCH 7, 2018

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: DIRECTORS' EXPENSES

SUMMARY

As required by the District's Administrative Code section 7.3.1, the Finance/Audit Committee is responsible for approving Directors' monthly expenses.

FISCAL IMPACT

Directors' expenses are approved through the annual budgeting process and must adhere to the guidelines provided in the District's Administrative Code chapters six and seven.

STAFF RECOMMENDATION

The Finance/Audit Committee approve Directors' expenses.



MEMORANDUM

ITEM NO. 5

DATE: MARCH 7, 2018

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: 2018/19 BUDGET PRESENTATION

SUMMARY

Each year, the Finance Department prepares a midyear budget review which is designed to provide an update on the current year's activities when compared to the adopted budget. This is then used as a platform for the ensuing year's budget process. Staff will provide the Committee with a presentation on the draft 2018/19 budget at the Committee meeting.

FISCAL IMPACT

The budget and replenishment assessment has a direct fiscal impact to the District's operations in the ensuing fiscal year.

STAFF RECOMMENDATION

For information.



MEMORANDUM

ITEM NO. 6

DATE: MARCH 7, 2018
TO: FINANCE/AUDIT COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: DEPARTMENT REPORT

SUMMARY

Staff will report any significant department activities that are not agendaized and require no action on the part of the Committee.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Finance/Audit Committee receive and file the report.