



**SPECIAL MEETING OF THE FINANCE/AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BLVD., LAKEWOOD, CALIFORNIA 90712
10:30 A.M., WEDNESDAY, MARCH 21, 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 THE SPECIAL MEETING OF MARCH 7, 2018**
Staff Recommendation: The Finance/Audit Committee approve the minutes as submitted.
- 4. 2018/19 BUDGET PRESENTATION**
Staff Recommendation: For information.
- 5. DEPARTMENT REPORT**
- 6. DIRECTORS REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF**
- 7. 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 20, 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 21, 2018

TO: FINANCE/AUDIT COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: APPROVE MINUTES OF THE SPECIAL MEETING OF MARCH 7, 2018

**MINUTES OF MARCH 7, 2018
SPECIAL MEETING OF THE FINANCE/AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A special meeting of the Finance/Audit Committee of the Board of Directors of the Water Replenishment District of Southern California was held on March 7, 2018 at 10:27 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: Scott Ota; Jenna Shaunessy; Willard H. Murray, Jr.

2. PUBLIC COMMENT

Pursuant to Government Code Section 54954.3

None.

3. APPROVE MINUTES OF FEBRUARY 12, 2018

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

4. DIRECTORS' EXPENSES

The Finance/Audit Committee approved Directors' Expenses.

5. 2018/19 BUDGET PRESENTATION

Chief Financial Officer Scott Ota and Manager of Finance and Administration Jenna Shaunessy presented the 2018/19 draft budget. Mr. Ota stated that previously, the

Finance/Audit Committee recommended that the maximum possible increase to the Replenishment Assessment for the purposes of the Proposition 218 notice to the public be no higher than 10.1%.

The District paid \$3.1 million related to the increased discharge due to the expansion of this project which was previously being paid on a monthly basis over the next three years. This decreased the expenses related to the Goldsworthy Desalter to a maximum increase of 8.2% leaving all other budget assumptions the same. Discussion followed.

Mr. Ota reported that two Special Budget Advisory Committee (BAC) meetings have been held, and they are awaiting a final recommendation from the WRD Finance/Audit Committee. The BAC will meet again on March 14th. Discussion followed.

The Committee unanimously recommended that the revised increase to the Replenishment Assessment be changed from 10.1% or \$350.00 per acre-foot to 8.2% or \$344.00 per acre-foot, and that this recommendation be taken to the BAC for their consideration. Discussion followed.

6. DEPARTMENT REPORT

Ms. Shaunessy reported that production reporting will be delayed one additional month to coordinate with the upcoming OnBase agenda management system that is being configured for the District. Discussion followed.

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

None.

8. ADJOURNMENT

A Special Finance/Audit Committee meeting will be scheduled for Wednesday, March 21st at 10:30 A.M.

There being no further business to come before the Committee, the meeting was adjourned at 10:43 A.M.

Chair

ATTEST:

Member

Approved in minutes of:



MEMORANDUM

ITEM NO. 4

DATE: MARCH 21, 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. 5

DATE: MARCH 21, 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.