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.
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:
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.
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 agendized and require no action on the part of the Committee.

FISCAL IMPACT
None.

STAFF RECOMMENDATION
The Finance/Audit Committee receive and file the report.