

**SPECIAL MEETING OF THE
BUDGET ADVISORY COMMITTEE MEETING
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BLVD., LAKEWOOD, CA 90712
2:00 PM, WEDNESDAY, MARCH 25, 2020**

AGENDA

**SPECIAL NOTICE REGARDING PUBLIC PARTICIPATION AT THE WATER
REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA (WRD)
BUDGET ADVISORY COMMITTEE MEETING**

The President of the United States and the Governor of California have both declared a State of Emergency as a result of the threat of COVID-19 (the Coronavirus). The Governor issued Executive Order N-33-20 which orders all individuals to stay at home, and also Order N-25-20 which directs Californians to cancel all large gatherings and allows for teleconferencing of public meetings. Additionally, the County of Los Angeles Department of Public Health issued an order on March 19, 2020 prohibiting gatherings of 10 or more people. The health and wellbeing of the public and WRD staff is utmost importance. To that end, no members of the public will be allowed to attend this meeting in person. Instead, members of the public may teleconference into this meeting by following the information below.

To facilitate public participation and comment during this meeting, you may email any comments to board@wrdd.org no later than an hour before the meeting is scheduled to begin. You may also listen to the meeting and have the opportunity to provide public comment by calling toll free (800) 309-2350 and pressing 9215521# for the Conference ID. You will be muted on the call to listen but can press *5 during the Public Comment section to request the opportunity to be unmuted and to make a comment.

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 THE MINUTES OF JANUARY 29, 2020**
Staff Recommendation: The Budget Advisory Committee approves the minutes as submitted.

4. APPROVE THE MINUTES OF THE FEBRUARY 26, 2020 SPECIAL JOINT BOARD OF DIRECTORS/BUDGET ADVISORY COMMITTEE MEETING

Staff Recommendation: The Budget Advisory Committee approves the minutes of the February 26, 2020 Special Joint Board of Directors/Budget Advisory Committee Meeting as submitted.

5. FISCAL YEAR 2020-21 BUDGET DISCUSSION

Staff Recommendation: For discussion and possible action.

6. ADJOURNMENT

The Committee will adjourn to its next regular meeting.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the meeting, please contact Deputy Secretary 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 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.



MEMORANDUM
ITEM NO. 3

DATE: MARCH 25, 2020
TO: BUDGET ADVISORY COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: APPROVE THE MINUTES OF JANUARY 29, 2020

SUMMARY

A special meeting of the Budget Advisory Committee of the Water Replenishment District of Southern California was held on Wednesday, January 29, 2020 at 2:10 PM in the District Office located at 4040 Paramount Boulevard, Lakewood, California, 90712. Anatole Falagan of Long Beach Water Department called the meeting to order.

FISCAL IMPACT

None

STAFF RECOMMENDATION

The Budget Advisory Committee approves the minutes as submitted.

**MINUTES OF JANUARY 29, 2020
SPECIAL BUDGET ADVISORY COMMITTEE MEETING
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A special meeting of the Budget Advisory Committee of the Water Replenishment District of Southern California was held on Wednesday, January 29, 2020 at 2:10 PM in the District Office located at 4040 Paramount Boulevard, Lakewood, California, 90712. Anatole Falagan of Long Beach Water Department called the meeting to order.

1. DETERMINATION OF A QUORUM

Anatole Falagan announced the presence of a quorum, which in addition to himself, included Frank Heldman of Liberty Utilities, Mark Andersen of City of Lomita; James Crawford of California Water Services Company, Andy Darlak of City of Torrance, and Jason Wen of City of Lakewood. Rafael Villegas of Los Angeles Department of Water and Power arrived at 2:21 PM.

WRD: Rob Beste; Ted Johnson; Lawrence Chiu; Eric Owens; Diane Gatza; Dina Hidalgo; Tenisha Simeon

WRD Directors: President Vera Robles-DeWitt, John Allen, and Robert Katherman

2. PUBLIC COMMENT

Pursuant to Government Code Section 54954.3

None

3. APPROVE THE MINUTES OF THE SPECIAL MEETING OF JULY 9, 2019

Staff Recommendation: The Budget Advisory Committee approves the minutes as submitted.

Upon a motion made by Frank Heldman and seconded by Jason Wen, the Budget Advisory Committee approved the minutes of July 9, 2019.

4. FISCAL YEAR 2020-21 CIP BUDGET PREVIEW

Staff Recommendation: For discussion and possible action.

WRD Assistant General Manager/Chief Operating Officer Rob Beste opened discussion for the item. Mr. Beste provided a preview of the fiscal year 2020-21 budget, which encompassed an overview of the reserve fund as well as the 2018 bond issuance, state of funds, and the 2019 Budget Advisory Committee projections of the replenishment assessment. WRD Assistant General Manager/Chief Administrative Officer Ted Johnson discussed the excess of PFAs response levels and the subsequent notification process. Anatole Falagan of the Long Beach Water Department requested that the District forward to Committee members the formal language required by the State of California to notify customers of exceedance levels. Frank Heldman of Liberty Utilities inquired about the presence of a determined treatment process. Discussion followed.

Mr. Falagan requested that a copy of the presentation be sent to Committee members.

5. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 3:20 PM.

Chair

ATTEST:

Member

Approved in minutes of:



MEMORANDUM
ITEM NO. 4

DATE: MARCH 25, 2020

TO: BUDGET ADVISORY COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: APPROVE THE MINUTES OF THE FEBRUARY 26, 2020 SPECIAL
JOINT BOARD OF DIRECTORS/BUDGET ADVISORY COMMITTEE
MEETING**

SUMMARY

A special joint meeting of the Board of Directors and Budget Advisory Committee of the Water Replenishment District of Southern California was held on Thursday, February 26, 2020 at 2:19 PM in the 4040 Paramount Boulevard, Lakewood, California 90712. President Vera Robles-DeWitt called the meeting to order and presided thereafter.

FISCAL IMPACT

None

STAFF RECOMMENDATION

Staff recommends that the Budget Advisory Committee approves the minutes of the February 26, 2020 Special Joint Board of Directors/Budget Advisory Committee Meeting as submitted.

**MINUTES OF FEBRUARY 26, 2020
SPECIAL JOINT MEETING OF THE BOARD OF DIRECTORS/BUDGET ADVISORY
COMMITTEE OF THE
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A special joint meeting of the Board of Directors and Budget Advisory Committee of the Water Replenishment District of Southern California was held on Thursday, February 26, 2020 at 2:19 PM in the 4040 Paramount Boulevard, Lakewood, California 90712. President Vera Robles-DeWitt called the meeting to order and presided thereafter.

1. DETERMINATION OF A QUORUM

Quorum Present: Yes

Meeting Attendees:

President DeWitt _____
Director Katherman _____
Director Allen _____
Director Murray _____
Director Calderon _____

Excused or Late Arrival Time:

PRESENT
PRESENT
2:19 Arrival
PRESENT
EXCUSED

Anatole Falagan, Frank Heldman of Liberty Utilities, Mark Andersen of City of Lomita; James Crawford of California Water Services Company, Andy Darlak of City of Torrance, and Jason Wen of City of Lakewood, Rafael Villegas of Los Angeles Department of Water and Power, Dan Armendariz of California Water Service

2. PLEDGE OF ALLEGIANCE

WRD Board President DeWitt led the Pledge of Allegiance.

3. INVOCATION

President Dewitt Gave the Invocation.

4. PUBLIC COMMENT

Pursuant to Government Code Section 54954.3
None

5. FISCAL YEAR 2020-21 BUDGET PREVIEW

Staff Recommendation: For discussion and possible action.

Assistant General Manager/Chief Operating Officer Rob Beste provided a presentation. Manager of Water Resources Diane Gatza also presented. Discussion followed.

Upon a motion made by Jason Wen of the City of Lakewood and seconded by Mark Anderson of the City of Lomita, the Budget Advisory Committee recommended that the upper limit be set at 5%.

6. ADJOURNMENT

There being no further business to come before the Board and Committee, the meeting was adjourned at 3:53 PM.

Chair

ATTEST:

Member

Approved in minutes of:

Unapproved Minutes



MEMORANDUM
ITEM NO. 5

DATE: MARCH 25, 2020
TO: BUDGET ADVISORY COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: FISCAL YEAR 2020-21 BUDGET DISCUSSION

SUMMARY

The District's annual budget is the basis for the Board of Directors setting the replenishment assessment each year. The California Water Code requires that the ensuing year's Replenishment Assessment (RA) be adopted no later than the second Tuesday in May following the opening and closing of a Water Code Public Hearing.

The District also currently follows a separate Pumper Notification process which has its own Public Hearing after mailing to all groundwater producers within the District the proposed upper limit being considered by the Board of Directors for the RA and information regarding the hearing, including protest information.

The District has started its budgeting process by presenting the current Fiscal Year 2019-20 mid-year budget projection and the draft ensuing Fiscal Year 2020-21 budget to the Budget Advisory Committee on January 29, 2020 and to the joint meeting of the WRD Board of Directors and the Budget Advisory Committee (BAC) on February 26, 2020.

On March 5, 2020, the Board of Directors accepted the BAC recommendation and approved the Fiscal Year 2020-21 RA upper limit of 5% for an increase of \$18.25 from \$365.00 per acre feet to \$383.25 per acre-foot, to provide on the Pumper Notification mailing on March 6, 2020.

Per the District's Administrative Code and the BAC meeting on March 22, 2019, the BAC shall make any recommendations to the Board on the proposed RA and/or Budget at least 10 days prior to the closing of the Water Code Public Hearing § 60307.

Based on the BAC recommendation on the Fiscal Year 2020-21 RA upper limit of 5%, the chart below shows two scenarios for discussion at the March 25, 2020 Special Budget Advisory Committee meeting on the potential Fiscal Year 2020-21 RA recommendation for the Board.

	1	2
FY 2020-21 Budget Scenarios	Status Quo Pumping	Increased Pumping
Cost to Provide Service	\$ 81,400,000	\$ 81,400,000
Pumping Estimate (AF)	213,000	215,000
Estimated RA	\$382	\$378
Dollar Increase from current RA Rate \$365/AF	\$17	\$13
Net % Increase from current RA Rate \$365/AF	4.7%	3.6%

The Water Code Public Hearing is scheduled to open at the April 2, 2020 Board of Directors meeting and likely closed at a Special Board of Directors meeting on April 23, 2020. The Pumper Notification Public Hearing is scheduled to open and close on April 23, 2020. The Fiscal Year 2020-21 budget may be adopted, and the RA set at the April 23, 2020 meeting.

FISCAL IMPACT

None

STAFF RECOMMENDATION

For discussion and possible action.