

**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., MONDAY, JANUARY 22, 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 MEETING OF JANUARY 8, 2018**  
Staff Recommendation: The Finance/Audit Committee approve the minutes as submitted.
- 4. WORKSHOP #1 17/18 MIDYEAR AND 18/19 BUDGET DISCUSSION**  
Staff Recommendation: The Finance/Audit Committee receive and file the report.
- 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 February 12, 2018 at 10:30 a.m.

Agenda posted by Sherri Brown, Senior Administrative Specialist on January 19, 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](http://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: JANUARY 22, 2018**

**TO: FINANCE/AUDIT COMMITTEE**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: APPROVE MINUTES OF JANUARY 8, 2018**

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**MINUTES OF JANUARY 8, 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 January 8, 2018 at 10:50 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

Public: Michael Engelbrecht - Wells Fargo; Danny Kim - Nixon Peabody;  
Willard H. Murray, Jr. - WRD

**2. PUBLIC COMMENT**

*Pursuant to Government Code Section 54954.3*

None.

**3. APPROVE MINUTES OF THE MEETING OF DECEMBER 11, 2017**

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

**4. DIRECTORS' EXPENSES**

The Finance/Audit Committee unanimously approved Directors' expenses.

**5. DEMANDS FOR OCTOBER 2017**

The Finance/Audit Committee unanimously recommended that the Board of Directors receive and file the Demands.

**6. TRUST FUND REPORT FOR THE PERIOD ENDING OCTOBER 2017**

The Finance/Audit Committee unanimously recommended that the Board of Directors approve the monthly Trust Fund Report.

**7. RESERVES, CASH AND INVESTMENT REPORT FOR OCTOBER 2017**

The Finance/Audit Committee unanimously recommended that the Board of Directors approve the Reserves, Cash and Investment Report.

**8. FINANCIAL STATEMENTS FOR OCTOBER 2017**

The Finance/Audit Committee unanimously recommended that the Board of Directors approve the Financial Statements.

**9. COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Chief Financial Officer Scott Ota presented the final report, which he said has been submitted for the Government Finance Officers Association award for their annual Certificate of Achievement for Excellence in Financial Reporting Program. Discussion followed.

Mr. Ota asked for direction from the Finance/Audit Committee regarding the RFP that was approved by the Board of Directors about six months ago for a one year agreement with financial auditors Vasquez and Company. The term with Vasquez and Company has concluded; therefore, staff would like direction from the Committee to send out a new RFP or submit one previously used. Mr. Ota will have a conversation with Vasquez and Company to get more details regarding their status and bring information back to the Committee.

The Finance/Audit Committee unanimously received and filed the Comprehensive Annual Financial Report.

Committee Chair Robles requested that the financial auditors attend the next Finance/Audit Committee meeting.

**10. BOND TEAM**

Mr. Ota stated that the Finance/Audit Committee had asked that Michael Engelbrecht of Wells Fargo and Danny Kim of Nixon Peabody attend the meeting to discuss a potential Bond Issuance. Discussion followed.

The Finance/Audit Committee recommended that the Board of Directors approve the bond financing professionals which includes the underwriter syndicate with Wells Fargo as the senior manager and lead underwriter with Cabrera Capital and FTN Financial Capital Markets as the other members of the syndicate. The Committee also recommends that the Board of Directors approve Nixon Peabody as the District's Bond and Disclosure Counsel.

This will be a regular item on the agenda of the Board of Directors meeting scheduled for January 18<sup>th</sup>.

**11. DEPARTMENT REPORT**

None.

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

None.

**13. ADJOURNMENT**

There being no further business to come before the Committee, the meeting was adjourned at 11:03 A.M.

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Chair

ATTEST:

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Member

Approved in minutes of:

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