



**SPECIAL MEETING OF THE
BUDGET ADVISORY COMMITTEE (BAC)
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712
1:00 P.M., WEDNESDAY, MARCH 14, 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 FEBRUARY 22, 2018**
Staff Recommendation: Approve the minutes as submitted.
- 4. APPROVE MINUTES OF THE SPECIAL MEETING OF FEBRUARY 28, 2018**
Staff Recommendation: Approve the minutes as submitted.
- 5. 2018-19 DRAFT BUDGET**
Staff Recommendation: For discussion.
- 6. ADJOURNMENT**
The Committee will adjourn to its next meeting to be determined.

Agenda posted by Senior Administrative Specialist Sherri Brown on March 13, 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 District office 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 14, 2018
TO: BUDGET ADVISORY COMMITTEE (BAC)
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: APPROVE MINUTES OF FEBRUARY 22, 2018

**MINUTES OF FEBRUARY 22, 2018
SPECIAL MEETING OF THE BUDGET ADVISORY COMMITTEE (BAC) OF
THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A special meeting of the Budget Advisory Committee of the Board of Directors of the Water Replenishment District of Southern California was held on February 22, 2018 at 1:13 p.m. at the District Office, 4040 Paramount Boulevard, Lakewood, California 90712. Committee Chair Rob Beste called the meeting to order and presided thereafter. Senior Administrative Specialist Sherri Brown recorded the minutes.

1. DETERMINATION OF A QUORUM

Committee Chair Rob Beste of the City of Torrance announced the presence of a quorum, which in addition to himself included Mark Andersen, City of Lomita; Anatole Falagan, Long Beach Water Department; Frank M. Heldman and Gabriel Gomez, Liberty Utilities; Rafael Villegas, City of Los Angeles (DWP); Jason Wen, City of Lakewood. James Crawford of California Water Services Company was excused.

WRD included: Robb Whitaker, Scott Ota and WRD President John D. S. Allen.

2. PUBLIC COMMENT

Pursuant to Government Code Section 54954.3

No public comment. The Budget Advisory Committee members each introduced themselves and identified the agencies they represented. WRD General Manager Robb Whitaker provided the Budget Advisory Committee background and purpose to the new Committee members.

3. ELECTION OF OFFICERS

The Budget Advisory Committee (BAC) members elected Chair and Co-Chair of the latest installation of the BAC.

Upon a motion duly made by Jason Wen, seconded by Anatole Falagan, and unanimously approved, with James Crawford absent, it was

RESOLVED: That the Budget Advisory Committee (BAC) elected Rob Beste as Chair of the BAC.

Upon a motion duly made by Jason Wen, seconded by Rob Beste, and unanimously approved, with James Crawford absent, it was

RESOLVED: That the Budget Advisory Committee (BAC) elected Anatole Falagan as Co-Chair of the BAC.

4. 2018-19 DRAFT BUDGET

Mr. Whitaker provided an overview of the July-June fiscal year budget; and highlighted information about Alamitos, Dominguez and West Coast Barriers to the BAC. Chief Financial Officer Scott Ota reviewed the 2017/18 midyear budget and the 2018/19 draft budget. He provided key calendar dates for actions to be taken regarding the 2018/19 budget, Public and Prop 218 Hearings, and Rate Assessment adoption. Discussion followed.

Mr. Ota stated that he would be going over the draft budget line-by-line at the next BAC meeting, particularly the expenses that make up the summary line.

Mr. Ota reviewed the budget assumptions, revenue and expenses. Discussion followed.

When discussing prior year's 5-year forecast, the Committee requested that Mr. Ota provide an explanation of the differences between prior year's 2018/19 forecasted increase of 4.1% to the replenishment assessment and the current year's upper limit of 10.1%. The Committee also asked for the staffing increases over the past two years. Discussion followed. No action was taken.

5. NEXT MEETING

The Committee unanimously agreed to meet on Wednesday, February 28th at 8:00 a.m., and Wednesday, March 14th at 1:00 p.m.

6. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:04 P.M.



**MEMORANDUM
ITEM NO. 4**

DATE: MARCH 14, 2018
TO: BUDGET ADVISORY COMMITTEE (BAC)
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: APPROVE MINUTES OF FEBRUARY 28, 2018

**MINUTES OF FEBRUARY 28, 2018
SPECIAL MEETING OF THE BUDGET ADVISORY COMMITTEE (BAC) OF
THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A special meeting of the Budget Advisory Committee of the Board of Directors of the Water Replenishment District of Southern California was held on Wednesday, February 28, 2018 at 8:30 a.m. at the District Office, 4040 Paramount Boulevard, Lakewood, California 90712. Committee Chair Rob Beste called the meeting to order and presided thereafter. Senior Administrative Specialist Sherri Brown recorded the minutes.

1. DETERMINATION OF A QUORUM

Committee Chair Rob Beste of the City of Torrance announced the presence of a quorum, which in addition to himself included Anatole Falagan, Long Beach Water Department; Gabriel Gomez, Liberty Utilities; James Crawford, California Water Services Company; Chris Repp, City of Los Angeles (DWP); Toyasha Sebbag, City of Lakewood. Mark Andersen, City of Lomita was excused.

WRD included: Robb Whitaker, Ken Ortega, Scott Ota and WRD President John D. S. Allen.

2. PUBLIC COMMENT

Pursuant to Government Code Section 54954.3

None.

3. APPROVE MINUTES OF THE SPECIAL MEETING OF MARCH 14, 2017

Due to a lack of quorum by members at the final 2017 meeting, the current Budget Advisory Committee approved the minutes be accepted into the record, received and filed.

4. 2018-19 DRAFT BUDGET

General Manager Robb Whitaker and Chief Financial Officer Scott Ota provided an overview of important dates regarding the implementation of the 2018/19 budget, details related to the State Revolving Fund loan covenants, budget assumptions and items within each category, and various information affecting the replenishment assessment. Discussion followed.

The Committee requested that information be provided at the next scheduled meeting that will show labor allocations for the last three years. They asked that it include total headcounts and reallocation.

Mr. Ota stated that public notices disclosing the maximum possible increase to the replenishment assessment for the ensuing year had been mailed out. Other topics reviewed by Mr. Whitaker and Mr. Ota included the prior 5-year forecast and debt service requirements. The Committee asked that pumping concepts in the 5-year forecast be bracketed in the report with low/high going forward. Mr. Ota restated important dates. Discussion followed. No action was taken.

5. ADJOURNMENT

The next meeting is scheduled for March 14th at 1:00 p.m. There being no further business to come before the Committee, the meeting was adjourned at 9:26 A.M.