



MEETING	TIME & DATE	LOCATION
Administration & Finance Committee	10:00 A.M. Thursday September 12, 2019	1 st Floor Board Hearing Room # 106

6252 Telegraph Road, Commerce, CA 90040-2512

AGENDA

ATTENDANCE Committee Members: John Oskoui __ Robert Apodaca __ Phillip Hawkins __
Alternate Member: Arturo Chacon __

ALSO PRESENT Kevin Hunt __ Cecilia Pulido __ Dina Hidalgo __
Sharon Kumar __ Andrew Hamilton __ Dorrett Lambey __
Peggy Williams __ Joseph Legaspi __ Albert Plimpton __
Angel Nguyen __ Tammy Hierlihy __

*The Central Basin Municipal Water District Administration Committee meeting is noticed as a committee meeting for the purpose of compliance with the Brown Act. Three Board members are assigned as members of this Committee and one as an alternate. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Administration Committee may attend, but may not participate or vote on matters before the Committee.

COMMUNICATIONS

1. **Call to Order.**
 - **Certification by the Board Secretary to the Board of Directors that the Agenda was posted in Accordance with the Brown Act.**
2. **Public Comment.**
3. **Items too late to be agendized:** Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the District subsequent to the posting of the agenda.

CONSENT CALENDAR

4. **Action on Minutes** – August 16, 2019 (Special) meeting of the Board of Directors
5. **Financial Report**
 - A. Demands
 - B. Investment Report, Liquidity and Day’s Cash Evaluation – Handout
6. **Fiscal Year 2019 Budget Performance Report at July 31, 2019 – Handout**

ACTION CALENDAR

7. **Approval of Voluntary Employee Roth with CalPERS VOYA 457(b) Plan and Two-Loan Provision with Nationwide 457(B) Plan**

RECOMMENDED ACTION: That the Board authorizes the General Manager to sign amendments to the Plan documents to add a Roth 457(b) provision under CalPERS VOYA and a two-loan provision under Nationwide 457(b) Plan service offerings.

INFORMATION CALENDAR FOR DISCUSSION

None.

COMMITTEE INFORMATION ONLY

None.

CLOSED SESSION

7. Conference with Legal Counsel regarding anticipated litigation pursuant to Government Code Section 54956.9(d)(2) – One Item

Closed Session Note: The Brown Act prohibits the disclosure of confidential information acquired in a closed session by any person present and offers various remedies to address willful breaches of confidentiality. These include injunctive relief, disciplinary action against an employee, and referral of a member of the legislative body to the grand jury. It is incumbent upon all those attending lawful closed sessions to protect the confidentiality of those discussions. Only the legislative body acting as a body may agree to divulge confidential closed session information; regarding attorney/client privileged communications, the entire body is the holder of the privilege and only a majority vote of the entire body can authorize the waiver of the privilege.

COMMUNICATIONS

8. General Manager's Comments.

9. Directors' Comments.

ADJOURNMENT.

Note: At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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Committee Agendas and complete Committee Agenda Packets (including staff reports and exhibits related to each item) are posted on the Central Basin Municipal Water District's ("District") Internet Web Site (www.centralbasin.org). These are also available for public review prior to a meeting in the Board Secretary's Office. Any public writings distributed to at least a majority of the Board regarding any items on this regular meeting Committee agenda will also be made available at the Board Secretary's Office at the District's headquarters located at 6252 Telegraph Road, Commerce, California, 90040-2512 – during normal business hours. In addition, the District may also post such documents on the District's Web Site at www.centralbasin.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the Board Secretary's Office at (323) 201-5527 at least 48 hours prior to the meeting.

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL BASIN MUNICIPAL WATER DISTRICT
August 16, 2019

A special meeting of the Board of Directors of Central Basin Municipal Water District was held on Friday, August 16, 2019 at 10:00 a.m., at 6252 Telegraph Road, Commerce, California.

President Apodaca called the meeting to order at 10:01 a.m. and presided thereover.

1. ROLL CALL. The following Directors were present: Chacon, Arrighi, Hawkins, Vasquez and President Apodaca; Directors Heldman, Oskoui and Camacho-Rodriguez arrived later in the meeting. Also present was General Manager Hunt.

– **INVOCATION.** Director Hawkins delivered the invocation.

– **PLEDGE OF ALLEGIANCE.** Director Chacon led the Pledge.

– **CERTIFICATION BY THE BOARD SECRETARY TO THE BOARD OF DIRECTORS THAT THE AGENDA WAS POSTED IN ACCORDANCE WITH THE BROWN ACT.** The Deputy Board Secretary confirmed the agenda had been posted in accordance with the Brown Act.

2. PUBLIC COMMENT AND PRESENTATIONS-

(Members of the public are invited to present comments to the Board on matters within the District's jurisdiction but not on the agenda. The public may present comments on agenda items when the matter is called. There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the Board of Directors.) **None.**

Before the Board entered into closed session General Manager Hunt briefly went over the procurement process that was done to conduct the interview for General Counsel.

Director Oskoui arrived at 10:03 a.m.

General Manager Hunt stated that on Monday, August 12, [the District] had received an email from the lawfirm Atkinson, Andelson, Loya Rudd & Romo stating they had discovered several significant potential conflicts that could arise in the future between their current clients and the District if they got selected, therefore they had precluded themselves from continuing with the District's interview process.

Director Vasquez asked what those conflicts were.

General Manager Hunt stated they had simply said they had found several significant potential conflicts and they had not defined them.

Director Chacon asked for any documentation from anyone withdrawing or why they were not part of the process. He stated they needed it in writing for all of the Directors.

Director Heldman arrived at 10:10 a.m.

General Manager Hunt stated they had a formal letter from Atkinson about their withdrawal. He stated he would get them the reason why the other two were disqualified, primarily geography as one was located in Palm Springs and the other in Sacramento.

CLOSED SESSION

General Manager Hunt stated the Board would meet in closed session to consider candidates for appointment to the position of General Counsel pursuant to Government Code Section 54957.

The Board then recessed into closed session.

President Apodaca recessed to Closed Session at 10:10 a.m. without objection.

CLOSED SESSION

3. Pursuant to Government Code Section:

54957 Public Employment/Public Employee Appointment

Title: General Counsel to the Central Basin Municipal Water District

During closed session the Board took a break at 11:18 a.m. and reconvened at 11:22 a.m.

It should be noted that Director Camacho-Rodriguez arrived at the meeting at 11:25 a.m. during the interview process in closed session.

The Board took an additional break during closed session at 12:13 p.m. and reconvened at 12:19 p.m.

President Apodaca reconvened the Board meeting at 1:27 p.m.

In the absence of General Counsel, General Manager Hunt reported that the Board met in closed session to consider candidates for the appointment in the position of General Counsel and there was no reportable action. He stated that the Board would discuss the matter at their August 26, 2019 Board meeting in open session.

COMMENTS

4. **GENERAL COUNSEL'S REPORT.** None.
5. **GENERAL MANAGER'S REPORT ON DISTRICT ACTIVITIES.** None.
6. **DIRECTORS' COMMENTS AND FUTURE AGENDA ITEMS.** None.

ADJOURNMENT: There being no further business to come before the Board, President Apodaca adjourned the meeting at 1:28 p.m.

ATTEST:

President

Secretary

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Submitted herewith to receive and file the following demands on the General and Bond Fund accounts for the period ended August 31, 2019

<u>CHECKS</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>TOTAL</u>
22461	ANTHEM BLUE CROSS LIFE & HEALTH	Cobra Medical Insurance Premium - August 2019	2,237.71
22462	AT&T	Monthly Phone Service - Rio Hondo Pump Station/SCADA - 07/07/19 - 08/06/19	138.59
22463	CAFÉ N STUFF	Meeting Expense - Purveyor Workshop - 07/17/19	246.35
22464	CB&T/ACWA-JPIA	Monthly Dental Insurance Payment - July 2019	3,961.85
22465	CENTRAL BASIN WATER ASSOCIATION	Annual Membership Dues - FY 2019-2020	52.33
22466	CITY OF CERRITOS	Cerritos Pump Station RW - CB's Portion for O & M and Capital - FY 2017-2018	55,265.11
22467	CITY OF WHITTIER	Annual Lease and Agreement Payment - RHPS - Jan. 2019 - Dec. 2019	103,356.00
22468	COUNTY SANITATION DIST. OF L.A.	Recycled Water Purchased - 04/01/19 - 06/30/19	105,185.47
22469	FIDELITY SECURITY LIFE INSURANCE	Eyemed - Monthly Vision Insurance - July 2019 and August 2019	1,352.72
22470	FIRST CHOICE SERVICES	Kitchen Supplies - 07/24/19	210.88
22471	FRONTIER	Monthly Telephone Expense - SCADA/WQPP - 07/25/19 - 08/24/19	123.17
22472	HOUSE OF WINNERS, INC.	Award - Plaque for LACSD General Manager	110.25
22473	INFRAMARK, LLC	RW - Operations & Maintenance - June 2019 (58,230.05) RW - Customer Development - June 2019 (5,343.13)	63,573.18
22474	MAILFINANCE, INC.	Lease - CB Postage Meter	1,034.42
22475	RINCON CONSULTANTS, INC.	Prof Services - RW Pipeline Project - Montebello Hills - CEQA - June 2019	8,450.52
22476	SHRED-IT	Monthly Shredding Service - 06/21/19	70.45
22477	SO CAL SANITATION LLC	Porta Potty & Maintenance Services - RHPS - 07/03/19, 07/23/19 - 08/19/19	71.54
22478	TASC	FSA/HRA Administrative Fee - June 2019	284.00
22479	THE LINCOLN NAT'L LIFE INS CO.	Monthly Disability and Life Premium - July 2019 and August 2019	3,310.34
22480	ZWEIBACK, FISET & COLEMAN	Legal Services - Qui Tam - June 2019	311.00
22481	PAYROLL	Employee Payroll Payment	58,453.54
22482	AQUA SIERRA CONTROLS, INC.	Service Maintenance - SCADA Radio Testing - Spare Radio Replacement	4,486.57
22483	CB&T/ACWA-JPIA	Monthly Dental Insurance Payment - August 2019 and September 2019	7,923.68
22484	FEDERAL EXPRESS	Courier Services - Directors and General - June 26th July 2019 and August 3rd	222.38
22485	GARDEN OF EATING LLC	Meeting Expense - Board Meeting - 07/22/19	187.79
22486	GOVERNMENT FINANCE OFFICERS	Annual Membership Dues - 09/01/19 - 08/31/20	160.00
22487	HANSON BRIDGETT LLP	Prof Services - Rate Study Opinion - through June 30, 2019	2,965.00
22488	LONNIE CURTIS	Refund - CA State Franchise Board	883.35
22489	L.A. COUNTY AUDITOR-CONTROLLER	LAFCO Annual Allocation of Net Operating Costs FY 2019-2020	18,971.68
22490	LOS ANGELES COUNTY FIRE DEPT.	Permit Fees - RHPS - Hazmat Disclosure Program - State Service Charge	773.00
22491	OFFICE DEPOT	Office Supplies - 4/23/19, 5/23/19 and 09/18/19	419.75
22492	A & G FIRE EXTINGUISHER	Maintenance - Recharge Fire Extinguishers	150.00
22493	CALIFORNIA WATER SERVICE CO.	Monthly Water Service - Water - 06/22/19 - 07/22/19 (175.05) Monthly Water Service - Fire - July 2019 (34.42) & August 2019 (34.42)	243.89
22494	CINTAS	Janitorial Services - Bathroom Sanitation & Supplies - July 2019 and August 2019	1,852.78
22495	GARDEN OF EATING LLC	Meeting Expense - Special Board Meeting - 08/16/19	187.79
22496	HAWK SECURITY SYSTEMS	Service Maintenance - Security and Fire Alarm	285.00
22497	TERMINIX PROCESSING CENTER	Pest Control Maintenance - 7/11/19, 07/23/19 and 08/02/19	280.50
22498	VERIZON WIRELESS	Monthly Cell and Wireless Data Services - 06/22/19 - 07/21/19	2,059.51
22499	WILLIAMS DATA MANAGEMENT	Offsite Data Storage - July 2019	88.58
22500	ABSOLUTE INTERNATIONAL SECURITY	Security Services - July 2019	2,079.00
22501	AM CONSERVATION GROUP, INC.	Conservation - Girl Scout Program - Conservation Kits	2,087.59
22502	ANTHEM BLUE CROSS LIFE & HEALTH	Cobra Medical Insurance Premium - September 2019	1,721.31
22503	ANTHEM BLUE CROSS LIFE & HEALTH	Cobra Medical Insurance Premium - September 2019	2,237.71
22504	AQUA SIERRA CONTROLS, INC.	Service Maintenance - RHPS - 07/19/19	959.65
22505	AT&T	Monthly Phone Service - Rio Hondo Pump Station/SCADA - 08/07/19 - 09/06/19	138.59
22506	CALIFORNIA WATER SERVICE CO.	Monthly Water Service - Water - 07/23/19 - 08/21/19	165.06
22507	CHAMELEON BEVERAGE CO., INC.	Bottled Water Program - 08/22/19	2,461.20
22508	CINTAS - FIRST AID	Monthly First Aid Kit Refill - 07/29/19 and 08/26/19	136.75
22509	CITY OF PICO RIVERA	Monthly RHPS Water Service - 07/08/19 - 08/05/19	27.59
22510	F & S FOOD SERVICES, INC.	Purveyor Workshop Luncheon - 08/15/19	388.73
22511	FEDERAL EXPRESS	Courier Services - Directors and General - August 2019	132.39
22512	FIDELITY SECURITY LIFE INSURANCE	Eyemed - Monthly Vision Insurance - September 2019	676.36
22513	FIRST CHOICE SERVICES	Kitchen Supplies - 08/21/19	226.99
22514	FRONTIER	Monthly Telephone Expense - RHPS - 08/10/19 - 09/09/19	60.64
22515	GARDEN OF EATING LLC	Meeting Expense - Board Meeting - 08/26/19	231.92
22516	GHD INC.	Professional Services - Proposition 1 IRWP Funding - Through 07/27/19	1,121.25
22517	GREGORIO'S LAWN SERVICE	Monthly Landscape Services - July 2019	550.00
22518	INFRAMARK, LLC	RW - Operations & Maintenance - July 2019 (58,230.05) RW - Customer Development - July 2019 (5,600.63)	63,830.68
22519	KEY DISPOSAL INC.	Monthly Trash Services - July 2019 and August 2019	481.46
22520	MUFG, UNION BANK, N.A.	Monthly Administration Fee - Investment Custody - July 2019	508.00

22521	NOSSAMAN LLP	Legal Services - General Counsel - June 2019 and July 2019	50,000.00
22522	OMNI ENTERPRISE, INC.	Janitorial - Supplies and Service - July 2019	1,350.00
22523	RINCON CONSULTANTS, INC.	Prof Services - RW Pipeline Project - Montebello Hills - CEQA - July 2019	1,366.58
22524	SEMA dba:CELL BUSINESS EQUIPMENT	Office Supplies and Printing Cost - 05/05/19 - 08/04/19	3,010.22
22525	SEMA dba:CELL BUSINESS EQUIPMENT	Copier Lease Charges - #X7400GX - 07/15/19 - 08/14/19	114.83
22526	SO CAL SANITATION LLC	Porta Potty & Maintenance Services - RHPS - 08/20/19 - 09/16/19	16.54
22527	TASC	FSA/HRA Administrative Fee - July 2019	284.00
22528	TELEPACIFIC COMMUNICATIONS	Monthly Phone, EOC and Data for CB HQ and RHPS - 06/16/19 - 07/15/19	5,385.39
22529	THE LINCOLN NAT'L LIFE INS CO.	Monthly Disability and Life Premium - September 2019	1,655.17
22530	UNDERGROUND SERVICE ALERT	Monthly Digalert Service and CA St Fee for Regulatory Costs - July 2019	513.56
22531	INFRAMARK, LLC	RW - Repair and Replacement - June 2019	41,254.03
22532	RAFTELIS FINANCIAL CONSULTANTS	Professional Services - Water Rate Study - May 2019 and June 2019	12,565.00

Total Checks: **647,678.86**

EFTs

Payroll

08/01/19	INTERNAL REVENUE SERVICE	Federal Payroll Taxes	20,091.91
08/01/19	INTERNAL REVENUE SERVICE	Federal Payroll Taxes	2,774.19
08/01/19	STATE OF CA FRANCHISE TAX BOARD	CA State Payroll Taxes	643.30
08/01/19	STATE OF CA FRANCHISE TAX BOARD	CA State Payroll Taxes	3,574.54
08/05/19	NATIONWIDE RETIREMENT SOLUTIONS	457b/Roth Payment	1,154.88
08/05/19	NATIONWIDE RETIREMENT SOLUTIONS	457b/Roth Payment	1,049.95
08/07/19	INTERNAL REVENUE SERVICE	Federal Payroll Taxes	30,552.59
08/07/19	STATE OF CA FRANCHISE TAX BOARD	CA State Payroll Taxes	6,015.04
08/08/19	PERS-CA PUBLIC EMP' RETIREMENT	PERS - Pension Payment	14,091.04
08/08/19	SIP-CA PUBLIC EMP' RETIREMENT SYS	457b Payment	921.79
08/14/19	NET PAYROLL - EMPLOYEES	08/14/19 - Payroll	58,006.65
08/15/19	INTERNAL REVENUE SERVICE	Federal Payroll Taxes	20,237.08
08/15/19	PERS-CA PUBLIC EMP' RETIREMENT	PERS - Pension Payment	13,210.89
08/15/19	STATE OF CA FRANCHISE TAX BOARD	CA State Payroll Taxes	3,590.09
08/16/19	SIP-CA PUBLIC EMP' RETIREMENT SYS	457b Payment	100.00
08/16/19	SIP-CA PUBLIC EMP' RETIREMENT SYS	457b Payment	1,010.42
08/21/19	NATIONWIDE RETIREMENT SOLUTIONS	457b/Roth Payment	1,154.88
08/21/19	PERS-CA PUBLIC EMP' RETIREMENT	PERS - Pension Payment	11,635.06
08/21/19	SIP-CA PUBLIC EMP' RETIREMENT SYS	457b Payment	812.36
08/27/19	INTERNAL REVENUE SERVICE	Federal Payroll Taxes	18,996.09
08/27/19	STATE OF CA FRANCHISE TAX BOARD	CA State Payroll Taxes	3,385.95
08/28/19	NET PAYROLL - EMPLOYEES	08/28/19 - Payroll	55,069.24
08/30/19	NATIONWIDE RETIREMENT SOLUTIONS	457b/Roth Payment	1,154.88
08/30/19	PERS-CA PUBLIC EMP' RETIREMENT	PERS - Pension Payment	11,642.48
08/30/19	SIP-CA PUBLIC EMP' RETIREMENT SYS	457b Payment	812.36

Total Payroll: **281,687.66**

***A State (3,589.31) and Federal (20,457.64) payment was made on 7/25/19 that was not included in the July 2019 demand list

Director's Demands

ROBERT O. APODACA	District Director's Expense - Monthly Auto Allowance	397.00	
	District Director's Expense - Communications Allowance	200.00	
	District Director's Meetings - Per Diem	1165.85	
	Payroll Taxes & Deductions - Period Ended 08/14/19	<u>(500.22)</u>	1,262.63
MARTHA CAMACHO-RODRIGUEZ	District Director's Expense - Monthly Auto Allowance	397.00	
	District Director's Expense - Communications Allowance	200.00	
	District Director's Meetings - Per Diem	932.68	
	Payroll Taxes & Deductions - Period Ended 08/14/19	<u>(129.80)</u>	1,399.88
ARTURO CHACON	District Director's Expense - Monthly Auto Allowance	397.00	
	District Director's Expense - Communications Allowance	200.00	
	District Director's Meetings - Per Diem	1632.19	
	Payroll Taxes & Deductions - Period Ended 08/14/19	<u>(733.24)</u>	1,495.95
PHILLIP HAWKINS	District Director's Expense - Monthly Auto Allowance	397.00	
	District Director's Expense - Communications Allowance	200.00	
	District Director's Meetings - Per Diem	1,165.85	
	Payroll Taxes & Deductions - Period Ended 08/14/19	<u>(594.80)</u>	1,168.05
LETICIA VASQUEZ	District Director's Expense - Monthly Auto Allowance	397.00	
	District Director's Expense - Communications Allowance	200.00	
	District Director's Meetings - Per Diem	699.51	
	Payroll Taxes & Deductions - Period Ended 08/14/19	<u>(431.84)</u>	864.67

ROBERT O. APODACA	District Director's Meetings - Per Diem	699.51	
	MET Director's Meetings - Per Diem	466.34	
	Payroll Taxes & Deductions - Period Ended 08/28/19	<u>(351.30)</u>	814.55
MARTHA E. CAMACHO-RODRIGUEZ	District Director's Meetings - Per Diem	932.68	
	Payroll Taxes & Deductions - Period Ended 08/28/19	<u>(71.35)</u>	861.33
PHILLIP HAWKINS	District Director's Meetings - Per Diem	932.68	
	Payroll Taxes & Deductions - Period Ended 08/28/19	<u>(372.76)</u>	559.92
LETICIA VASQUEZ	District Director's Meetings - Per Diem	1,165.85	
	Payroll Taxes & Deductions - Period Ended 08/28/19	<u>(166.79)</u>	999.06

Total Director's Demands: 9,426.04

District Expense Reimbursement Claims

08/05/19	JOEY LEGASPI	Employee Reimbursement	28.19
08/19/19	DONALD JONES	Employee Reimbursement	58.00
08/19/19	ANDREW HAMILTON	Employee Reimbursement	11.54
08/23/19	DONALD JONES	Employee Reimbursement	28.30
08/26/19	ALICE HELM	Retiree Health Insurance Premium Reimbursement - September 2019	388.03
08/26/19	ARTHUR AGUILAR	Retiree Health Insurance Premium Reimbursement - September 2019	782.86
08/26/19	DAVID HILL	Retiree Health Insurance Premium Reimbursement - September 2019	2,108.22
08/26/19	RACHEL ORTIZ	Retiree Health Insurance Premium Reimbursement - September 2019	388.03
08/26/19	GAIL SKERSICK	Retiree Health Insurance Premium Reimbursement - September 2019	782.86
08/26/19	BETTY MORSE	Retiree Health Insurance Premium Reimbursement - September 2019	388.03
08/26/19	LINDA ZASTROW	Retiree Health Insurance Premium Reimbursement - September 2019	353.61
08/26/19	RICHARD JAECKELS	Retiree Health Insurance Premium Reimbursement - September 2019	1,738.08
08/26/19	FRANK KROPACEK	Retiree Health Insurance Premium Reimbursement - September 2019	782.86
08/26/19	HONESTO NAVARRO	Retiree Health Insurance Premium Reimbursement - September 2019	350.64
08/26/19	SAMMY WESTRA	Retiree Health Insurance Premium Reimbursement - September 2019	350.64
08/26/19	ESTHER JOHAM	Retiree Health Insurance Premium Reimbursement - September 2019	1,295.32

Total District Expense Reimbursement Claims: 9,835.21

Other Payments

08/23/19	FIRST BANKCARD - CB FINANCE	District Credit Card Expenses - 07/31/19	1,007.69
08/23/19	FIRST BANKCARD - D. HIDALGO	District Credit Card Expenses - 07/31/19	755.06
08/23/19	FIRST BANKCARD - J. LEGASPI	District Credit Card Expenses - 07/31/19	129.99
08/23/19	FIRST BANKCARD - CB - DISTRICT	District Credit Card Expenses - 07/31/19	1,630.00
08/23/19	FIRST BANKCARD - J. KOONTZ	District Credit Card Expenses - 07/31/19	22.75
08/23/19	FIRST BANKCARD - T. HIERLIHY	District Credit Card Expenses - 07/31/19	78.71
08/23/19	FIRST BANKCARD - A. PLIMPTON	District Credit Card Expenses - 07/31/19	2,157.03
08/16/19	SO. CALIFORNIA EDISON	Monthly Electricity Cost - WQPP Well 1 - 06/20/19 - 07/18/19	6,982.24
08/16/19	SO. CALIFORNIA EDISON	Monthly Electricity Cost - WQPP Well 2 - 06/18/19 - 07/18/19	12,430.99
08/30/19	SO. CALIFORNIA EDISON	Monthly Electricity Cost - PRV - 07/15/19 - 08/13/19	19.75
08/29/19	SO. CALIFORNIA EDISON	Monthly Electricity Cost - Cudahy PS - 07/11/19 - 08/09/19	200.90
08/30/19	SO. CALIFORNIA EDISON	Monthly Electricity Cost - Hollydale PS - 07/16/19 - 08/14/19	1,932.34
08/20/19	SO. CALIFORNIA EDISON	Monthly Electricity Cost - District HQ - 06/24/19 - 07/24/19	3,799.94
08/30/19	METROPOLITAN WATER DIST. OF SO CA	June 2019 Production	<u>1,678,777.60</u>

Total Other Payments: 1,709,924.99

TOTAL CHECKS	647,678.86
TOTAL EFTs	2,001,447.86
TOTAL DEMANDS	2,649,126.72



SEPTEMBER 12, 2019 – Administration & Finance

Oskoui, Apodaca, Hawkins

SEPTEMBER 23, 2019 – Board Meeting

Prepared by: Dina Hidalgo, SPHR

Submitted by: Dina Hidalgo, SPHR

Approved by: Kevin P. Hunt, P.E.

ACTION CALENDAR

APPROVAL OF VOLUNTARY EMPLOYEE ROTH WITH CALPERS VOYA 457(B) PLAN AND TWO-LOAN PROVISION WITH NATIONWIDE 457(B) PLAN

SUMMARY:

Central Basin Municipal Water District offers two 457(b) deferred compensation plans. Participants may defer portions of their compensation on a pre-tax basis pursuant to the provisions of Section 457 of the Internal Revenue Code. The purpose of the Deferred Compensation Plan is to help provide funds for retirement. Participation in the plan is voluntary and the plan is funded solely by participants through payroll deductions. The District has two 457(b) carriers: CalPERS VOYA and Nationwide.

Employee Roth with CalPERS VOYA 457(b) Plan

The Nationwide 457(b) Plan offers a pretax and Roth 457(b) option for participants. The Roth 457(b) option is a provision that permits employees to irrevocably designate all or a portion of their 457(b) as an after-tax Roth contribution. Roth contributions do not lower a participant's taxable income. Earnings on contributions and Roth distributions upon retirement are tax-free. Participants have the option of designating pre-tax 457(b) contributions, Roth 457(b) contributions, or as a combination of the two. Total contributions cannot exceed the year's contribution limit set by the IRS every calendar year.

CalPERS VOYA now offers a Roth Plan option as well. Board action is needed to amend the CalPERS VOYA Plan document and add a Roth 457(b) provision, the same as the provisions allowed under the Nationwide 457(b) Plan. Attached as Exhibit "A" is the CalPERS 457 Plan Roth Adoption Form.

Two-Loan Provision with Nationwide 457(b) Plan

Nationwide as other 457 plans, allows participants to borrow from the 457(b) plan using their account balance as security for a loan from the Plan. Participant loans are non-taxable and are not treated as actual plan distributions, if certain conditions are met.

Currently, the Nationwide 457(b) Plan permits participants to have one active loan. Nationwide also offers the option for participants to have two loans under its 457(b) Plan. CalPERS VOYA 457(b) does not offer or two-loan provision. Board action is needed to amend the Nationwide 457(b) Plan to add a two-loan provision. Attached as Exhibit "B" is a revised Nationwide 457 Plan Loan Agreement.

CBMWD Board Memorandum
September 23, 2019

PROCUREMENT PROCESS:

Not applicable.

FISCAL IMPACTS:

There is no fiscal impact to adding a Roth provision to the CalPERS VOYA 457(b) Plan or a second-loan option in that the Plans are fully funded by participants.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item will be reviewed by the Administration & Finance Committee on September 12, 2019.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to sign amendments to the Plan documents to add a Roth 457(b) provision under CalPERS VOYA and a two-loan provision under Nationwide 457(b) Plan service offerings.

EXHIBITS:

Exhibit "A" – CalPERS 457 Plan Roth Adoption Form

Exhibit "B" – Nationwide 457 Plan Loan Agreement

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CaPERS 457 Plan Roth Adoption Form

Employer Election To Offer

- Roth Elective Deferrals
- In-Plan Roth Conversions

I. General Information

Agency/Employer Plan Number: **450214**

Central Basin Municipal Water District

Employer Name

Telephone #

Contact Name

Email Address

II. Adoption of CaPERS 457 Roth Plan Option

The Employer has previously adopted or is concurrently adopting the CaPERS Supplemental Income 457(b) Plan (Plan) and its employees are or will be eligible to participate in the Plan. The individual signing below hereby certifies that she or he is duly authorized to execute this form on behalf of the Employer and that all necessary action has been taken by the Employer to authorize and approve this action.

The Employer acknowledges that it has received and reviewed a copy of the CaPERS 457 Deferred Compensation Plan Document, including the following sections of the Plan:

- Roth Elective Deferrals (*definition*)
- Roth Elective Deferrals
- In-Plan Roth Conversions

The Employer hereby elects to include the following features/options in the Plan offered to its employees:

- Roth Elective Deferrals; and
- In-Plan Roth Conversions

The Employer understands and agrees as follows:

1. Employees will have the opportunity to defer their own compensation on an after-tax basis; Roth Elective Deferrals are taxable to employees in the year contributed.
2. The Employer must deduct Roth Elective Deferrals from Employees' pay and timely remit such amounts to the Plan, must withhold state and federal income taxes on amounts contributed as Roth Elective Deferrals and must properly report those amounts to taxing authorities.
3. Employees' pre-tax Deferrals and Roth Elective Deferrals are subject to a combined annual limit under the federal tax code. The Employer is responsible to ensure that individual Employees' deferrals do not exceed the applicable limit in effect for each year.

4. Employees will be 100% vested in their Roth Elective Deferrals when those amounts are deducted from their pay.
5. Earnings on Roth Elective Deferrals and balances converted by In-Plan Roth Conversions will not be taxable if distributed in a Qualified Distribution with a distribution date that is at least five years after the Employee's initial Roth contribution and after:
 - The Employee attains age 59½ or becomes disabled, and the Employee has a severance from employment; or
 - The Employee's death.

If a distribution is not a Qualified Distribution, earnings on these balances will generally be taxed under the basis recovery rules found in Internal Revenue Code section 72.

6. A Participant's election to do an In-Plan Roth Conversion is irrevocable. The amount converted is subject to state and federal income tax in the year converted and will be reported as taxable income to the Participant. The Plan does not withhold any amounts for state or federal income taxes in connection with an In-Plan Roth Conversion; the Participant will be responsible to pay applicable income taxes even though there is no withholding.
7. Balances converted as an In-Plan Roth Conversion remain subject to any and all distribution restrictions that applied prior to the conversion.

CalPERS 457 Plan Roth Adoption Form

III. Signature

Name of Employer: Central Basin Municipal Water District

Authorized and Approved by:

Signature: _____

Print Name: _____

Title: _____

Date: _____

Accepted by CalPERS (or an agent duly appointed by the Board) on behalf of the Board of Administration of the California Public Employees' Retirement System.

Signature: _____

Print Name: _____

Title: _____

Date: _____

IV. Mail Instructions

Please return the signed, original form to CalPERS for processing:

CalPERS 457 Plan
P.O. Box 942713
Sacramento, CA 94229-2713



Nationwide Retirement Solutions Governmental 457(b) Plan Loan Procedures

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Plan Name:

Nationwide Retirement Solutions, Inc. ("NRS") agrees as the Administrative Service Provider to administer loans in accordance with the terms of these Plan Loan Procedures and the attached "**Plan Election Worksheet**" (see Addendum A) as approved by the Plan Sponsor of the Plan. The Plan Sponsor directs the Plan Administrator of the Plan to administer loans in accordance with this document. The Plan Sponsor or the Plan Administrator may amend these Plan Loan Procedures within any constraints placed by NRS. Any such amendments shall bind the Plan Sponsor and the Plan Administrator. The Plan Sponsor is encouraged to consult with legal advisors in determining whether the procedures identified herein are appropriate for the Plan.

The Plan Sponsor and Plan Administrator (collectively the "Client") acknowledge that NRS may need to make changes from time-to-time to the administrative procedures set forth herein and may request amendments to the Plan documents to maintain the Plan's Loan Program. In such a case, NRS will provide the Client with timely notice of such changes as they become necessary.

The following Plan Loan Procedures shall govern Participant loans offered in the Plan Sponsor's 457(b) Plan ("Plan"):

- 1. Loan Administration** - Client delegates to NRS certain administrative duties regarding the administration of loans from the Plan, which are set forth herein and which may be modified by NRS upon timely notice to and acceptance by the Plan Sponsor.
- 2. Loan Eligibility** - Any Plan Participant, who falls into one of the employee statuses that the Client has elected, is eligible for a loan from the Plan. Each Participant is entitled to outstanding loan from the Plan at any time. In addition, a Participant who has defaulted on a previous loan shall not be eligible for another loan from the Plan until all defaulted loans are repaid in full, including accrued interest.
- 3. Loan Initiation and Loan Application** - In order to receive a loan from the Plan, an eligible Participant must complete all required documents provided in the Loan Application and return them to NRS. Before a loan is issued, the Participant must enter into a legally enforceable Loan Agreement as provided by NRS in the Loan Application, on behalf of the Plan. A loan initiation fee will be deducted from the Participant's account(s) after the loan has been funded by the Participant's account(s).
- 4. Loan Security** - By accepting a loan, the Participant is giving the Plan a security interest in his or her vested Plan balance equal to the total loan amount, but not to exceed 50% of the Participant's vested Plan balance.
- 5. Loan Money Source** - A loan shall be modeled taking into account the Participant's entire Plan account balance. Loans shall be funded only from a Participant's available Plan account pre-tax money sources. To the extent that a Participant has a self-directed brokerage account, no funding from such self-directed brokerage account shall be permitted.
- 6. Minimum and Maximum Loan Term** - The minimum and maximum loan term over which a loan may be repaid is the term elected by the Client. Except as otherwise provided herein, the maximum loan term shall not exceed 5 years.
- 7. Minimum/Maximum Loan Amount** - The minimum loan amount permitted shall be the amount elected by the Client. The maximum amount of any loan permitted under the Plan shall comply with Section 72(p) of the Internal Revenue Code and (when added to the outstanding balance of all other loans from all plans sponsored by the same employer) is the lesser of (i) \$50,000, reduced by the excess (if any) of (A) the highest outstanding balance of loans from all plans sponsored by the same employer, during the one-year period ending on the day before the date on which the loan was made over (B) the outstanding balance of loans from all plans sponsored by the same employer, on the date on which the loan is made, or (ii) one half of the present value of the Participant's vested account balance.

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Plan Name:

8. Loan Amortization - Each loan shall be amortized with interest accruing immediately, with repayments beginning approximately 30 days from the date the loan is processed, in substantially equal repayments consisting of principal and interest during the term of the loan. Repayments of principal and interest shall be made in a manner and pursuant to the terms set forth in the Loan Agreement. The amount of the final payment may be higher or lower depending upon the Participant's repayment history.

9. Loan Repayment - Repayment of any loan made to a Participant shall be made in a manner and pursuant to the terms set forth in the Loan Agreement. Loans must be repaid according to the repayment method elected by the Client. The Participant receiving a loan shall be required to furnish the information and authorization necessary to effectuate the foregoing repayments prior to the commencement of a loan. In the event that a Participant elects to receive a distribution from the Plan that is less than 100% of his outstanding account balance at a time when such person has a loan outstanding, the Participant shall continue to make repayments on the loan.

10. Loan Prepayment - The entire amount of a loan, including outstanding principal and any accrued interest, may be paid without penalty prior to the end of the term of the loan in the manner prescribed by NRS.

11. Loan Overpayment - In the event that NRS receives a loan overpayment, any amount over the repayment amount due will be applied or refunded according to the administrative policies of NRS.

12. Cure Period - If a Participant fails to make a loan repayment when due, the missed repayment must be made within the cure period elected by the Client.

13. Default - If any repayment is not received by NRS by the end of the cure period, the entire amount of the loan will be defaulted and treated as a deemed distribution, effective as of the end of the cure period elected by the Client. A deemed distribution is treated as a distribution from the Plan for federal (and possibly state or local) income tax purposes; therefore amounts treated as a deemed distribution will be subject to federal, state and/or local income taxes, and certain excise taxes and penalties may apply. NRS will issue a Form 1099-R to the Participant reflecting the deemed distribution. Any payment made on a defaulted loan will be applied to the outstanding balance of the loan including accrued interest. Such repayment(s), following the date of default, will be treated as after tax amounts and the Participant will receive tax basis in his or her Plan account for such amounts.

The entire loan, including any accrued interest, will also be due and payable immediately in the event of the death of the Participant. The outstanding balance of the loan will be treated as a deemed distribution following the date of notification of such death provided such notification is in good order as determined by NRS.

14. Loans Offered from Other Administrative Service Providers - In the event the employer offers the Plan through multiple service providers, the Client and/or Participant and not NRS shall at all times remain responsible for ensuring that any loan received under the Plan is in accordance with the limits in Section 7. NRS shall apply the maximum loan amount limit and any other limits imposed under the Internal Revenue Code without regard to any other loans received by the Participant from any other administrative service provider(s) under this Plan or any other plan maintained by the Plan Sponsor.

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Plan Name:

15. Suspension of Loan Repayments.

a. **Military Leave of Absence** - A Participant's obligation to repay any loan under the Plan may be suspended as may be required by law, during the period in which the Participant is performing service in the United States military. The Participant must resume repayment of the loan upon his or her completion of military service and the outstanding loan balance, including any accrued interest and fees, must be repaid and may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations plus the period of the military service. While the Participant is on active duty in the United States military, the interest rate on the loan shall not exceed 6%, compounded annually unless the Participant elects in writing during or after his or her military leave of absence to have the loan's higher existing interest rate, if applicable, apply to the loan. The Plan Sponsor assumes responsibility to notify NRS when a Participant begins and returns from a military leave of absence.

b. **Non-Military Leave of Absence** - In addition, a Participant's obligation to repay any loan under the Plan may be suspended during the period (not to exceed one year) while the Participant is on an approved non-military leave of absence and the Participant provides requested documentation regarding the non-military leave of absence from his or her employer. The Participant must resume repayment of the loan upon the earlier of his or her return from non-military leave of absence, or one year of suspension. At such point the outstanding loan balance, including any accrued interest and fees, must be repaid or may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations. The Plan Sponsor assumes responsibility to notify NRS when a Participant begins and returns from a non military leave of absence.

16. **Loan Interest Rate** - The interest rates for a loan shall be commensurate with interest rates being charged by entities in the business of lending money under similar circumstances. The loan interest rate will be the Prime Rate plus an additional amount expressed as a percentage elected by the Client, plus any other administrative and/or asset fees, as applicable. The Prime Rate shall be the prime rate published by the Wall Street Journal two weeks prior to the end of the most current calendar-year quarter and the new rate will be effective on the first day of the new calendar quarter. The loan interest rate may be adjusted for Participants performing service in the United States military as may be required by law (See Provision 15a.)

17. **Fees** - Fees described in these loan procedures will appear as administrative charges on Participant statements. These fees are subject to change by NRS upon reasonable notice to the Plan Sponsor.

a. **Loan Initiation Fee** - A loan initiation fee of \$50 will be deducted from the Participant's account at the time the loan is funded.

b. **Annual Loan Maintenance Fee** - An annual loan maintenance fee of \$50 will be deducted from the Participant's account on the anniversary date of the original loan initiation, until the loan is repaid in full or the loan has defaulted. In the event that the loan defaults, the annual loan maintenance fee will no longer be assessed and the annual loan default fee described below (See Provision 17f) will be applied.

c. **Asset Fees** - The amount of the outstanding loan balance will be subject to the maximum asset fee, administrative charge or such other fees NRS is entitled to receive under its separate agreement with the Plan Sponsor.

d. **Insufficient Funds Fee** - If NRS is unable to process an ACH debit repayment or personal check on the date due, through no fault of NRS, a fee of \$25 will be deducted from the Participant's account.

e. **Loan Default Fee** - At the time a loan is treated as a deemed distribution, a \$50 fee will be deducted from the Participant's account.

f. **Annual Loan Default Fee** - An annual loan default fee of \$50 will be will be deducted from the Participant's account on the anniversary date of the original loan default until the loan is repaid in full or offset.

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Plan Name:

18. Loans for the Purchase of a Principal Residence - All loans issued by the Plan will be general purpose loans to be repaid in no more than five years unless the Client elects to offer loans for the purchase of the Participant's principal residence. If the Client elects to allow loans for the purchase of a principal residence, all of the provisions of this document will apply unless otherwise specified.

19. Loan Correction - In the event a loan correction becomes necessary, at the Plan Sponsor's direction, NRS may undertake methods prescribed by the IRS or through any IRS correction program.

20. Adoption of Plan Loan Procedures - The undersigned Plan Sponsor or Plan Administrator, as applicable, hereby adopt these Plan Loan Procedures effective for loans issued on or after the Effective Date set forth below, and instructs NRS to administer loans made to Plan Participants in accordance with these terms and the Client elections made on the attached "Plan Election Worksheet" (See Addendum A). Prior to implementing a loan program, the Plan Sponsor acknowledges or acknowledged the following: (i) that the Plan Sponsor has decided to offer loans under the Plan and the Plan Administrator is instructing NRS to administer loans under the Plan; (ii) that the Plan Sponsor understands that, as a result of offering loans under the Plan, the Plan Participants could be subject to adverse tax consequences upon default of the loan; (iii) that the Plan Sponsor has independently weighed these risks, and despite the risks has determined that offering loans under the Plan is in the best interest of Plan Participants; (iv) that any previous loan procedures or loan reference documents other than the Plan Document itself, are hereby superseded by these Plan Loan Procedures; and (v) NRS shall not be liable for any adverse tax consequences described in (ii), except as specifically stated under paragraph 14 herein, resulting from the Plan Sponsor's decision to offer loans under the Plan.

Plan Sponsor Name ("Sponsor"):
Street Address:
City, State, Zip Code:
Signer's Email Address:
Plan Name ("Plan"):
Plan Number:
Plan Sponsor or Plan Administrator Signature:
Title:
Date of Adoption*: * Unless otherwise indicated below, the Date of Adoption shall be the Effective Date.
Effective Date:

An executed copy of these Procedures (including the attached Addendum A - Plan Election Worksheet) should be returned to Nationwide Retirement Solutions.



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Addendum A - Plan Election Worksheet

The following provisions identify Plan elections which are incorporated and made a part of the attached "Plan Loan Procedures." In the event that an election is not made within any section, Nationwide Retirement Solutions ("NRS") will administer the loan program according to current NRS policies as listed under each provision below. The current NRS policies may be changed by NRS at any time. Unless otherwise specified, only one election is allowed per provision.

The elections contained herein apply solely to the Plan. Any provisions, including limitations, do not extend to any other plans offered by the Sponsor.

1. Loan Eligibility:

Plan elects to allow the following Participants the ability to initiate a loan under the Plan.

The Plan Sponsor is solely responsible for informing NRS of any future changes in the Participant's employment status (check all that apply).

- Employed
- Approved Non-military Leave of Absence (only available for ACH)
- Military Leave of Absence (only available for ACH)
- Disabled (only available for ACH)
- Retired (only available for ACH)
- Terminated (only available for ACH)

Current NRS Policy: All listed Participant employment statuses are eligible to initiate a loan if ACH is the elected repayment method (See Provision 4). If the repayment method elected is Payroll Deduction (See Provision 4), the only eligible Participant employment status is Employed.

2. General Purpose Loan Terms:

2(a). Minimum Loan Term

Plan elects the following minimum loan term:

- One year
- Other - Specify minimum loan term: _____ (not to be less than six months)

Current NRS Policy: The minimum loan term is one year.

2(b). Maximum Loan Term

Plan elects the following maximum loan term:

- Five years
- Other - Specify maximum loan term: _____ (not to exceed a term of five years)

Current NRS Policy: The maximum loan term is five years.

3. Minimum Loan Amount:

Plan elects to have a minimum loan amount of:

- \$1,000
- Other - Specify minimum loan amount: \$_____ (not to be less than \$500)

Current NRS Policy: The minimum loan amount is \$1,000.

4. Repayment Method:

Plan elects to provide Participants with one of the following loan repayment methods:

- Monthly Automated Clearing House ("ACH")
- Payroll Deduction (Plan Sponsor will be required to provide a payroll calendar.

(This repayment method is limited to Employed status - see Provision 1)

Current NRS Policy: Monthly ACH is the repayment method.

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Addendum A - Plan Election Worksheet

5. Cure Period:

If a Participant misses a scheduled loan repayment, the missed repayment must be received by the end of the specified cure period. Plan elects to apply a cure period with the following length:

31 Days

60 Days

90 Days

The quarter following the quarter in which the scheduled repayment was missed

Current NRS Policy: The cure period is 31 days when ACH is the elected repayment method (See Provision 4). The cure period is 60 days when the repayment method elected is Payroll Deduction (See Provision 4).

6. Loan Interest Rate:

Plan elects the following interest rate for Participant loans:

Prime Rate plus 1% plus applicable fees

Prime Rate plus 2% plus applicable fees

Prime Rate plus _____% (not to be lower than 0%) plus applicable fees

Current NRS Policy: Prime Rate plus 2% plus applicable fees.

7. Loans for the Purchase of a Principal Residence:

7(a). Plan elects to permit loans for the purchase of the Participant's principal residence:

Yes

No

In the event Plan elects to allow Principal Residence loans, only one Principal Residence loan outstanding at a time is permitted. The Principal Residence loan is included in the maximum number of outstanding loans (See Provision 2 of the Plan Loan Procedures). Additionally, the Participant will be required to sign a Principal Residence Certificate and provide NRS with sufficient additional documents to support the purchase of a principal residence. Internet initiation is not available for Principal Residence loans.

Current NRS Policy: Principal Residence loans are not allowed.

7(b). Minimum Loan Term: Plan elects to have a minimum loan term for Principal Residence loans of:

Five years

Other - Specify minimum loan term: _____ (not to be less than one year)

Current NRS Policy: Principal Residence loans have a minimum term of five years.

7(c). Maximum Loan Term: Plan elects to have a maximum loan term for Principal Residence loans of:

15 Years

Other - Specify maximum loan term: _____ (not to exceed a term of 30 years)

Current NRS Policy: Principal Residence loans have a maximum term of 15 years.

8. Internet Utilization:

Plan elects to allow Participants to use the internet for:

Only the modeling of loans

Both modeling and initiation of loans

Plan declines the use of the internet for either the modeling or initiation of loans

Current NRS Policy: Participants can use the internet for modeling and initiation of loans.

Loan initiation on the internet is limited to General Purpose loans. Principal Residence loans will not be initiated electronically. Additional limitations exist for particular repayment methods and employment statuses.