

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING

January 14, 2013
10:00 A.M.

Chairperson McDonald called the Administrative Committee Meeting to order at 10:00 a.m. All present stood for the pledge of allegiance, led by Chairperson McDonald.

ADMINISTRATIVE COMMITTEE MEMBERS PRESENT:

Melody McDonald, Chairperson
David Raley, Director
Clare Henry Day, Director

ADMINISTRATIVE COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Medina, Administrative Services Specialist
Angie Quiroga, Administrative Services Specialist

GUEST PRESENT:

None

1. PUBLIC PARTICIPATION

Chairperson McDonald announced this as the time for any persons present, who so desire, to make an oral petition to the Administrative Committee. Hearing none, the meeting proceeded with the published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

3. APPROVAL OF MINUTES FROM THE MAY 23, 2012, MEETING

It was moved by Director Raley and seconded by Director Day to approve the minutes of the May 23, 2012. The motion carried unanimously.

4. FINANCIAL QUARTERLY REVIEW

Daniel Cozad, General Manager presented this item for discussion. He reviewed page 54 of the Administrative package with the Committee which included a graph of bi-annual expenditures budget versus actual. Mr. Cozad briefly explained the costs included in GL 4055 SBVMWD Spreading Agreement Reimbursement. He indicated that this agreement has been replaced by the Collaborative Agreement and the remaining monies owed for the Spreading Agreement have been paid. The payment for the Collaborative Agreement should be received in the near future. Director Raley asked if the unpaid groundwater assessments are accrued each fiscal year. Mr. Cozad stated they are accrued under accounts receivable. Director Raley stated that he would like to see the following items at quarterly review: total budget for the year, what we have spent to date and a forecast of what the District is going to spend for the fiscal year. In that manner it should clearly state what was allocated, spent and remainder per GL and would allow for the Board to adjust GL's as necessary. Mr. Cozad stated that this is being done bi-annually, but he can perform this task quarterly. Director McDonald reviewed the current financial reports being presented against the quarterly financials that will be reviewed. Discussion ensued.

Mr. Cozad stated back billing for spreading agreement is considered to be groundwater revenue. He also indicated that as requested by Director Raley included in the financials is a Cash Status summary for July 2012 and December 2012; 2012 year end is \$1.5 million. Mr. Cozad stated that in dry years revenue for the District increases by 30-40%. Director McDonald reviewed past practices of rate increases and identified that in the past producers have requested that if they are to receive rate increases that it be incremental and not a lump sum. She asked if the District would be able to perform multi-year rate increases or create a stabilization fund. Mr. Cozad responded that a multi-year rate increase is not feasible for the District. He said that essentially there is a stabilization clause built into the Reserve Policy for the District. Director Day said that Board Members want to know if we have enough revenue to operate and if we are spending money efficiently. He noted that the District needs to be able to make a clarifying statement pertaining to the groundwater assessment charge and the affect that the new basins will have on it. Discussion ensued. Mr. Cozad stated that the Reserve Policy will be revisited as to assure proper allocation of funds per enterprise. He stated that he will bring back minor Reserve Policy revisions for Committee review and estimates of financials from now through end of year. Additionally, Mr. Cozad stated that he does not see the need for a groundwater increase this year and the Committee concurred.

5. BOARD POLICY MANUAL REVIEW AND POTENTIAL UPDATES

The Committee reviewed in depth the Board Policy Manual including suggested Staff recommendations that were provided as a handout. The following are results of discussion:

1. 1000 Purpose of Board Policies: Director McDonald stated that she would like to see the ordinance setting the limit of meetings and resolution back to next meeting.
2. Director Raley suggested that a policy be added to identify what action the Board may take in the event the General Manager was to become incapacitated. Director Day stated that habitual tardiness to board meetings is a concern.
3. 4020 Attendance at Meetings: Director McDonald stated that on other committees that she is on there is a placeholder on the agenda to request excusal of absences as a way of recording. Mr. Cozad suggested that the issue of tardiness be deferred to the Board President. He also stated that we will record unexcused absences and requests for excusal.
4. 4025 Director Expense Policy: Mr. Cozad drew attention to item (d) "Meeting Definition" for the Committee to review and advise of any changes they would like to make if any. There were no changes recommended. Also, related to this section, the Committee discussed Appendix "C" regarding the attendance at chamber of commerce meetings. The Committee suggested removing "by division" since it falls under Director Selected so that any board member may attend. Director McDonald stated that with more emphasis going on now with outreach presentations it is clearly a benefit to the District when Board Members make presentations in the community to further define what we are about, the importance of what we do and believes these should be a District Requested meeting. Discussion ensued and that was not supported. Director McDonald discussed removing the restriction on District Requested that only the primary can attend and receive compensation. She indicated that it is beneficial to the District for both members to attend and both should receive compensation. Director Raley reviewed policies for other boards in comparison to the District's current reimbursement policy. Discussion ensued. Mr. Cozad forecasts an approximate \$15,000 increase in Director's Fees if the primary and alternate are able to attend. Director Raley stated that he will support for both members to attend for any meeting where the District has a vote. Additionally, specific Committee Assignments were discussed in detail with requests from the January 9th Board meeting being identified.

It was moved by Director Day and seconded by Director Raley to submit for Approval the policy revisions to the Board and Staff's and Committee suggested revisions with it noted that this item will be brought back to the Committee for Finalization. The motion carried unanimously.

6. ADJOURN

It was moved by Director Day and seconded by Director Raley to adjourn. The motion carried unanimously.

There being no further business, the meeting adjourned at 1:06 p.m.