

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

MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING

October 14, 2013
1:00 P.M.

Chairperson McDonald called the Administrative Committee Meeting to order at 1:00 p.m.

ADMINISTRATIVE COMMITTEE MEMBERS PRESENT:

Melody McDonald, Chairperson
David Raley, Director (1:10 p.m. arrival)
Clare Henry Day, Director

ADMINISTRATIVE COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Medina, 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 AUGUST 26, 2013, MEETING

It was moved by Director Day and seconded by Chairperson McDonald to approve the minutes of the August 26, 2013. The motion carried 2-0 with Director Raley noted absent from the vote.

4. 1ST QUARTER FINANCIALS REVIEW FOR FY 2013-2014

Mr. Cozad presented a written policy for the calculation of overhead. This policy was approved at the October 9th Board Meeting and will correspond with the budget amendment. Originally overhead was calculated at approximately 30% but Director Raley pointed out with salary **and** benefits, it is 22%. Mr. Cozad stated this change has been made and we will review again with the budget amendment. The budget to actual spreadsheet presented in today's packet will be the new amendment. Mr. Cozad pointed out the Wash Plan Enterprise has been added to the budget spreadsheet noting items from Land Resources Enterprise were moved to the Wash Plan Enterprise. No net change occurred from these moves. New columns were added to the report: expended/received to date, expected remaining costs and projected annual costs with changes/modifications noted in yellow. Groundwater income is higher than expected. Redlands Plaza expense is higher because we plan to charge the District rent which is noted in the spreadsheet. Mr. Cozad stated this is purely an accounting activity to keep more accurate totals for Redlands Plaza. He reported the lease agreement with SBVMWD is higher because Staff added in COLA when we billed them but this took place after the budget. The Regional HCP contribution contract that was Board approved has been added to the budget. Wash Plan District contribution is now separated out into its own general ledger (GL) line. Mr. Cozad is forecasting legal expenses to be lower and the office lease payment of \$59,724 is broken up amongst the different enterprises costing approximately \$5,000 per month.

Mr. Cozad continued with explaining the projected GL's that are over or under budget such as the increased educational reimbursement for staff due to more interest/use than in the past. He noted some benefits increased and one decreased due to better allocation with medical insurance and workers compensation being a little higher than expected. The Document Imaging intern budget increased to continue making steady progress with District archives. Director Raley inquired about the format the District is using to maintain these documents. Mr. Cozad and Ms. Medina explained the benefits and formatting of Laserfiche. Mr. Cozad mentioned some additional adjustments: general liability has been paid and was lower than budgeted; the \$100,000 budgeted for elections were not expensed. Mr. Cozad attended the CSDA conference and will attend the ACWA conference therefore administrative costs will be slightly higher.

Mr. Cozad stated GL 7150 Mill Creek maintenance permitting is new. This item is not currently in the Wash Plan but may be included at a later time. Director Raley stated it should be under capital and Mr. Cozad confirmed that it is. The District will now need permits from FWS to maintain the basins for divergence of the river that were not previously required for incidental take of wildlife. Director Day asked if the permits will be needed from federal or state and Mr. Cozad stated from both. Discussion ensued. Mr. Cozad stated GL 7230 Field Equipment/Vehicles was increased to purchase a new tractor loader. The Resources Committee has agreed it is needed this fiscal year. The District has the majority of funds needed to purchase the tractor but it will be amortized. Director Raley inquired about the current tractor. Mr. Cozad explained that it has been fully depreciated. Director Day and Director Raley recommended the new tractor have a bucket with teeth.

Mr. Cozad continued his review stating the projected over/under budget column shows about \$84,000 under budget mostly due to the unused \$100,000 for election fees and additional revenue of about \$132,000; \$60,000 coming from District rent. Some funds are just being moved between enterprises; however the financial situation is better. The District is spending \$538,000 in General Fund and receiving \$377,000 in revenue. Overhead has been increased to allow addition funding for the General Fund enterprise from the other enterprises. Contributions from reserves may be used since there is still a small negative in General Fund. The District will be using \$95,000 in capital for equipment. Mr. Cozad stated we had a balanced budget when it was approved and it is now a little better than balanced due to Director Election expenses being zero. Chairperson McDonald asked about the reserve for General fund. Mr. Cozad explained we took from the existing reserves because we had over allocated to Land Resources and not enough in General fund. Director Day asked if overhead has a specific direction in which it will be calculated. Mr. Cozad stated it will be reconciled and calculated before the end of the year. We are considering calculating overhead on a quarterly basis. Director Day believes once a year is sufficient but to understand that overhead is a variable, not a fixed number. Discussion ensued. Mr. Cozad stated from the direction of the Admin Committee, he has written up the policy for overhead and it will be proposed in the next budget. Director Raley suggested that a summary of each item discussed should be explained in a memo to present to the Board. Mr. Cozad confirmed we will present committee's recommendations and put the policy with it as part of the budget. Director Raley asked about the number of logoed apparel each member is allocated per year. Mr. Cozad stated about 1-2 items a year is what we suggest but there is not an actual policy since no one has taken advantage of it. Discussion ensued. It was the consensus of the Committee to present the Quarterly Financials to the Board of Directors at the next scheduled Board meeting.

5. BOARD POLICY HANDBOOK

Mr. Cozad provided a clarified copy of section 4025 1.1D under mileage which states "the District will pay the lesser cost of mileage reimbursement described above or the lowest reasonable airfare to the travel location". Director Raley stated he thought the airfare should include associated costs such as the trip into town if a rental car is needed. Mr. Cozad stated "reasonable" gives us room for those additional costs. Director Day stated that in the 18 years that he has been with the District directors have not taken advantage of travel expenses. Chairperson McDonald asked if doing travel cost comparisons for the Directors is too time consuming for staff and staff stated it is not. Mr. Cozad mentioned he learned of Cal Travel at the CSDA conference and that Staff will look into their rates to see if they can offer any cost savings to the District. Discussion ensued.

Mr. Cozad presented Item E-Board Meeting Reports. The policy states Directors must submit a written report from the listed meetings in order to receive compensation for that meeting. Directors may submit their reports with their expenditure sheets or they may present them at the Board meeting. Some exceptions do apply to allow for verbal reports. Appendix C shows a list of meetings that will require reports based on what he thought seemed appropriate and on some of President Corneille's recommendations. This list is up for discussion. Director Day believes both ACWA and JPIA meetings should be included in the required written report list. Chairperson McDonald stated the District does not pay for JPIA meetings because JPIA pays her

for being on their Executive Committee. Discussion ensued. Chairperson McDonald wanted clarity on being paid for meetings that do not require a written report. Mr. Cozad and Director Raley explained that Directors will be compensated for meetings that do not require a written report with their expense report even if an oral report has not been made yet. Staff will not keep track of oral reports, only required written reports. It is the responsibility of the Director to make any oral reports. Director Raley requested Chairperson McDonald to voluntarily write a report for JPIA meetings that she attends. Director Day inquired about payment on special presentations. Mr. Cozad clarified Directors are only paid for one special presentation per month. Discussion ensued. Mr. Cozad stated he will clarify payments for reporting in the Board Policy Manual.

Mr. Cozad next presented item F-Service Day which states “A director may claim and be paid a per diem one travel day to or from a District requested multi-day meeting or event which requires travel 200 miles or more from the District office or as approved by the Board”. Director Day stated that if it takes more than four hours to reach the meeting destination then that should be considered a full day’s pay. Chairperson McDonald stated she does not feel it should be determined by distance or the amount of hours it takes to get there. Discussion ensued. Chairperson McDonald believes the policy should state “... meeting or event with where an overnight stay is required...”should pay a per diem considered as one day of travel. Director Raley agreed and asked about local mileage reimbursement. Chairperson McDonald stated mileage is not paid within District boundaries. Discussion ensued. It was determined that mileage is paid to some meetings within District boundaries. Director Raley suggested there should be a definitive policy whether this mileage is paid or not. All members agreed the policy should state that mileage is not paid within District boundaries. It was the consensus of the Committee to present their Board Policy Manual suggested changes to the Board of Directors at the next scheduled Board meeting.

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 2:47 p.m.