

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
MINUTES OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING**

November 14, 2016
1:30 P.M.

Chairperson McDonald called the Finance & Administration Committee Meeting to order at 1:30 p.m.

FINANCE & ADMINISTRATION COMMITTEE MEMBERS PRESENT:

Melody McDonald, Chairperson
David E. Raley, Director

FINANCE & ADMINISTRATION COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Monge, Administrative Services Specialist

1. PUBLIC PARTICIPATION

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

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

3. APPROVAL OF MEETING MINUTES FROM JULY 20, 2016

It was moved by Director Raley and seconded by Chairperson McDonald to approve the minutes of the July 20, 2016 Finance & Administration Committee meeting. The motion carried with all members present voting in the affirmative.

Director Raley: Yes

Chairperson McDonald: Yes

4. FIRST QUARTER ANNUAL UNAUDITED FINANCIAL REVIEW FOR 2016-2017

Mr. Cozad introduced this item for review noting it begins on agenda package page 7. The columns have been rearranged as requested by the Committee. Groundwater revenue is lower than expected, but subject to slight change as revenues continue to come in. Mr. Cozad indicated that once the State releases agencies from mandatory drought restrictions and allows them to set their own targets, production will likely be higher. Director Raley requested that staff have the auditor review capital projects and verify whether they are categorized properly. He said that a capital item is something that the District should amortize versus maintenance which would be expensed. Director Raley requested a copy of the Balance Sheet for the Wash Plan to make sure all expenses for Wash Plan are being charged against that enterprise. Chairperson McDonald asked if staff is keeping track of hours worked for each project. Staff

showed them the timesheet and how it is allocated per enterprise with sub-categories. Mr. Cozad reviewed allocations and how overhead is calculated. He continued review of financials noting that in the notes section it gives the basis behind why a general ledger is either over or under budget. He indicated that professional services are estimated to be lower. Wash Plan professional services are estimated to be higher. The net contribution to reserves is allocated over several years for capital reserves. The total amount for Capital Projects in Groundwater Enterprise is \$831,309. Mr. Cozad provided handout of Quarterly Investment Report which will also move forward for Board review.

It was moved by Director Raley and seconded by Chairperson McDonald to move the First Quarter Unaudited Financials 2016-2017 forward to the Board for final approval. The motion carried with all members present voting in the affirmative.

**Director Raley: Yes
Chairperson McDonald: Yes**

5. TRANSITION, STAFFING AND SUCCESSION PLAN REVIEW 2016

Mr. Cozad presented this item for discussion. The Operations Committee reviewed the draft in great detail at their July 28th meeting and the Finance. The Finance and Administration Committee last reviewed it at their July 20th meeting with minor revisions suggested. All comments from both committees have been incorporated. Mr. Cozad reviewed Transition, Staffing and Succession Plan in detail. It is anticipated that additional field staff may be needed in 2018-2019. Valley Municipal is expecting to begin their Enhanced Recharge Project beginning next year and the remainder beginning once Wash Plan is fully implemented.

It was moved by Director Raley and seconded by Chairperson McDonald to move the Transition, Staffing and Succession Plan forward to the Board for final approval. The motion carried with all members present voting in the affirmative.

**Director Raley: Yes
Chairperson McDonald: Yes**

6. BOARD POLICY MANUAL APPENDIX C APPOINTMENTS

Mr. Cozad said that the external committee appointments will come before the Board in January 2017, but recommended that the Committee review them now. Chairperson McDonald suggested that Director Harrison be added as the alternate for JPIA, if he is interested. She indicated interest in being appointed the primary for Association of San Bernardino County Special Districts and Director Harrison as alternate. Chairperson McDonald recommended Director Harrison for the CSDA Legislative Days and possible President Corneille. Director Raley requested that he be appointed as the alternate for BTAC. Chairperson McDonald noted that USAWRA needs deleted off the list. She said that next to the two asterisks at the bottom of Organizations/Committee's "by the CSDA Board" should be deleted and two asterisks should be noted next to each organization/committee where a Director is appointed. The Committee suggested removing ACWA Communications Committee and CSDA Professional Development from the list since no Director is currently serving on these committees.

7. ANNUAL PER DIEM RESOLUTION REVIEW AND DISCUSSION

It was the consensus of the Committee to forego an increase in per diem for calendar year 2017 and make this recommendation to the Board.

8. PERSONNEL MANUAL SECTION REVISIONS

Mr. Cozad presented this item for discussion. The proposed revisions are included in a memo on agenda package pages 29-31. The first revision proposed is adding a category for three-quarter time employees. Director Raley asked for clarification to indicate the hours to be 1560 hours rather than 1000 hours for three quarter time employees. Mr. Cozad indicated that field staff requested to be placed on a 9/80 flex schedule. He indicated that it would be longer day which may reduce costs slightly. Their flex day would likely be alternating Fridays. Another revision concerns educational assistance which would allow for three-quarter time employees to utilize this benefit. And the last proposed revision is to allow for those employees eligible to utilize educational assistance the option of requesting the funds advanced to them at the discretion of the General Manager. It would require employees to enter into loan agreement with District and only requires payback if employee fails to successfully complete course.

It was moved by Director Raley and seconded by Chairperson McDonald to move the Personnel Manual Revisions forward to the Board for final approval with minor revisions. The motion carried with all members present voting in the affirmative.

Director Raley: Yes

Chairperson McDonald: Yes

9. MENDOZA TRUST PURCHASE

Mr. Cozad said that this item is informational and is on the agenda for November Board meeting. Mr. Cozad anticipates the Phase I Environmental Report in by the end of the day. If any issues arise it will be pulled from agenda.

10. ADJOURN

It was moved by Director Raley and seconded by Chairperson McDonald to adjourn. The motion carried with all members present voting in the affirmative.

Director Raley: Yes

Chairperson McDonald: Yes

There being no further business, the meeting adjourned at 2:33 p.m.