

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

MINUTES OF THE  
ADMINISTRATIVE COMMITTEE MEETING

April 12, 2010  
8:00 a.m.

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Chairperson McDonald called the Administrative Committee Meeting to order at 8:00 a.m. All present stood for the pledge of allegiance, led by Chairperson McDonald.

ADMINISTRATIVE COMMITTEE MEMBERS PRESENT:

Melody McDonald, Chairperson  
Clare Henry Day, Director  
Arnold Wright, Director

STAFF PRESENT:

R. Robert Neufeld, General Manager  
Claud Seal, District Engineer  
Samantha Brown, Finance Supervisor

GUESTS 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. APPROVE MINUTES FROM MEETING OF OCTOBER 2, 2009  
APPROVE MINUTES FROM MEETING OF NOVEMBER 4, 2009  
APPROVE MINUTES FROM MEETING OF FEBRUARY 3, 2010

**It was moved by Director Day and seconded by Director Wright to approve the minutes of the Administrative Committee meetings from October 2, 2009, November 4, 2009 and February 3, 2010. The motion carried unanimously.**

4. REVIEW PROPOSED BUDGET FOR FISCAL YEAR 2010-2011 AND POSSIBLE RECOMMENDATION TO THE BOARD

Robert Neufeld announced that this year's budget process will include format enhancements differing from that of previous years. Mr. Neufeld referenced the materials distributed to the Committee, indicating the actual amounts of money in each account expended in 2008-2009, and the revised adopted budget for 2009-2010, including quarterly revisions. He summarized staff's options for the proposed budget for fiscal year 2010-2011, including quarterly budget revisions. Chairperson McDonald inquired on the subject of the security system and the changes made with regard to the Redlands Plaza budget. Samantha Brown, Finance Supervisor stated that during the semi-annual budget process for the General Administration Fund, the security system was transferred to the newly created Redlands Plaza budget. Chairperson McDonald directed staff to clearly indicate significant changes to the budget for future reference. Staff led a lengthy discussion reviewing each budgeted line item and staff's suggested changes to the budget.

With regard to the proposed overtime salary increase, Ms. Brown said the increase is based on one field operator, who is on call 24 hours per day, accruing overtime hours due to working alone in Randy Carlisle's absence. In addition, approximately two hours of overtime is paid monthly to office personnel. Director Day asked whether the District pays Mr. Carlisle's full salary. Ms. Brown said the Association of California Water Agencies' Joint Powers Authority (ACWA/JPIA) pays worker's compensation disability benefits, and the District pays approximately 20% of the total cost of Mr. Carlisle's salary. All benefits, including medical, dental and Calpers retirement benefits, continue to be paid for by the District. Director Wright expressed concerns regarding the potential hazard regarding Manuel Colunga working alone in the field. Mr. Neufeld said staff is also concerned, resulting from communications with ACWA/JPIA regarding Mr. Carlisle's eminent return to work. Mr. Neufeld said if Mr. Carlisle cannot return to work with a 100% doctor's release, the District does not have a comparable position to offer him. As a result, staff has been discussing creating a field superintendent position that will oversee field operations, communications with Bear Valley Mutual Water Company and other entities, and supervising existing and additional field persons. Ms. Brown said the reality of Mr. Carlisle obtaining a doctor's release to return to 100% of his current job functions is high and will more than likely result in the reoccurrence of his previous injuries. A discussion ensued regarding the potential liability regarding Mr. Carlisle returning to work at full capacity within his current job description, and the potential modifications to the job description reflecting the absence of physical duties and the implementation of a supervisory role.

Staff and Committee members continued reviewing each line item within the proposed budget. Mr. Neufeld summarized previous Board meeting discussions regarding a list of options generated by staff, indicating revenue generating opportunities regarding the continued operation of the organization. Mr. Neufeld said there needs to be a commitment on the part of the Board to consider some of the options presented by staff. If it is determined by the Board that staff's suggestions are not viable, consideration of significant cuts to the organization need to be looked at to determine ways to reduce the expense categories in the budgets by a half million dollars. Mr. Neufeld said the District will only have a year of reserves left to survive if substantial cuts are not made. Director Day suggested that staff add to the agenda, an Action Item entitled, "*Revenue Producing Activities*," to future Board meeting agendas, itemizing General Manager,

Board member and outside agency suggestions to be listed by priority relative to staff activity, support and direction. Subsequently, a cost benefit analysis can be completed on the budgets and presented to the full Board for action. Director Day said that the full Board can make decisions when items are indicated on the meeting agendas, as they are policy makers, not managers. With regard to Capital Projects, Claud Seal said staff is conducting a cost analysis based on what was spent year-to-date, at the suggestion of legal counsel which includes associated labor to allocate the those costs based on the agricultural areas of the basin versus non-agricultural. Staff needs to justify increases regarding the groundwater production charge for the ensuing year. A discussion ensued regarding a presentation made by Mr. Seal to the Upper Santa Ana Water Resources Association (USAWRA) regarding agricultural versus non-agricultural production charges and corresponding data indicated in the 2010 Engineering Investigation (EI) Report, and a letter being sent to the producers regarding estimated charges for the ensuing year based on their groundwater production from the previous year.

The budget review continued. Ms. Brown pointed out that under land and buildings, the building line item is for the proposed Seven Oaks Dam (SOD) building acquisition, and the estimates for the Mentone property, including the Mentone shop upgrades are also items within the proposed budget. Director Day requested the status of the proposed SOD acquisition between the District and the Orange County Flood Control District (OCFCD) and the likelihood of the deal being executed. Mr. Neufeld said the OCFCD is not interested in the initial deal proposed by staff, as they would like to remain in the building to conduct their annual meetings. Mr. Neufeld said staff is negotiating a counter-offer, which will include that option. A discussion ensued.

After discussion, Mr. Neufeld said that without significant cuts to the budget, and significant enhancements to our revenue stream, the District is facing a \$1 million deficit to the budget next year. Mr. Neufeld said that the adoption of the budget is anticipated for the end of June, and he would like to put together an additional list of staff recommendations to bring back to the committee. Director Day asked if Item 5, “*Review Revisions to Directors’ Compensated Meetings Policy*,” on the agenda was previously discussed. Mr. Neufeld said the item was previously discussed, and no further discussions were needed at this time.

The Committee recapped a list of items staff is directed to bring back to the Board and Committee for consideration:

- Budget options indicating no reductions from the District’s reserves
- Add to the regular Board meeting agendas the “Revenue Producing Activities” item
- Future financial reports indicating negative balances of reserves when borrowing

## 5. ADJOURN

The meeting adjourned to be continued on Thursday, April 22, 2010, at 2:00 p.m.