

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING
(Continuation from Administrative Committee Meeting of April 12, 2010)
April 22, 2010
2:00 p.m.

Chairperson McDonald called the Administrative Committee Meeting to order at 2:00 p.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
Shanae Smith, Executive Assistant II

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. REVIEW PROPOSED BUDGET OPTIONS FOR FISCAL YEAR 2010-2011

Robert Neufeld led a discussion recapping the April 12, 2010 Administrative Committee meeting and direction to staff from the Committee regarding adjustments to staff's proposed budget options for fiscal year 2010-2011. Mr. Neufeld said staff received a request from Director Raley to present a balanced budget. Mr. Neufeld said staff is proposing a third budget option and that if the Board believes there is a need to adopt a balanced budget, major cuts will need to be made, including, consideration of staff lay-offs, salary cuts and the reduction of the amount of overall

expenses for Directors. The mid-range option gives the flexibility to borrow from the District's reserves. The option proposed combined revenues and income received.

Mr. Neufeld said there is also a need to identify Capital Projects in excess of revenue to justify the groundwater charge increase. Mr. Neufeld used the whiteboard as a visual aid to summarize the income category of the adopted 2008-2009 budget, relative to the groundwater charge. He said the increase for agricultural and non-agricultural purposes was based upon estimates projected as income anticipated during the budget process. Mr. Neufeld said that the actual numbers used for the findings in the Engineering Investigation (EI) Report have changed significantly based on additional information obtained from late reporting, in addition to calculations presented at today's meeting with the East Valley Water District (EVWD), and the revised EI calculations that showed the actual picture in the basin. He said data was not submitted in a timely manner. Mr. Neufeld reported that Lisa Pierce, GIS Coordinator, working in conjunction with Steve Luhn of the San Bernardino Valley Municipal Water District (SBVMWD) and Steve Mains of the Watermaster, located additional wells in the basin not previously identified. Director Day reported that legal counsel is conducting an in-depth study regarding the groundwater charge, as we are stressing our reserves. Mr. Neufeld said a combination of what we do to demonstrate fiscal responsibility regarding the budget, and what we need to do to generate sources of revenue, go hand in hand. Mr. Neufeld said that he would like to see the groundwater charge dissolved.

Mr. Neufeld reported that as part of collaborative process among the General Managers of the District, Western Municipal Water District (WWWD) and SBVMWD, the principles outline how we can supplement the District's revenues. If the District dissolved the groundwater charge, the District will be guaranteed a minimum of \$300,000 per year to utilize the District's facilities to spread water. If the minimum amount is exceeded, the dollar amount increases. A discussion ensued regarding the groundwater charge and the services provided by the District versus eliminating the groundwater charge and the political issues relative to the charge.

After discussion, Chairperson McDonald stated the Committee will make a recommendation to the Board to increase the groundwater charge, at the April 28, 2010 Board Meeting/Public Hearing regarding the groundwater charge.

4. ADJOURN

The meeting adjourned to be continued on Thursday, May 13, 2010, at 2:00 p.m.