

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BUDGET WORKSHOP

MINUTES OF April 17, 2019
1:30 p.m.

President Corneille called the Workshop of the Board of Directors to order at 1:33 p.m.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
David E. Raley, Director
John Longville, Director (Arrival 1:44 p.m.)
Robert Stewart, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker

STAFF PRESENT:

Daniel Cozad, General Manager
Jeff Beehler, Land Resource Manager
Athena Monge, Administrative Services Specialist

GUESTS PRESENT:

Alan Dyer, West Valley Water District (retired)
Georg S. Krammar, Koff & Associates

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors. Alan Dyer, previous Board member of the West Valley Water District congratulated the members of the Board who were reelected.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. ACTION ITEMS

A. CONSIDER APPOINTMENT OF AN AD HOC AUDIT COMMITTEE

President Corneille appointed Director Raley and Director Stewart to the Ad Hoc Audit Committee. He also appointed himself and Director Longville to the Ad Hoc General Manager Evaluation Committee.

B. DRAFT CLASSIFICATION AND COMPENSATION STUDY

Mr. Cozad introduced this item for discussion noting that the draft report is included beginning on package page 3. Georg Krammar from Koff & Associates (Koff) presented a PowerPoint presentation on the Draft Classification and Compensation Study. A staff meeting was held to go over the study with employees and they filled out a Position Description Questionnaire (PDQ) for their position. The PDQ was then reviewed by the General Manager. Mr. Krammar indicated that staff had not had an opportunity to review the updated job descriptions yet. The employee and supervisor review of those descriptions are still pending. President Corneille stated that the Board feels that it is important for staff to concur with the revised job descriptions and to have an opportunity to review the draft report. Director Raley said that it is important for the job descriptions to reflect what the District asks of each employee. Mr. Krammar recommended changing Administrative Services Specialist to Administrative Specialist and recommended a reclassification of one Administrative Services Specialist to Administrative Analyst and for the Land Resources Manager to be reclassified to Assistant General Manager based on the scope and complexity of work performed.

Mr. Krammar reviewed the compensation structure and strategy development. Koff & Associates recommended a new rate structure and salary range based on the market study; there are 5% between ranges and 5% between steps and they are all connected by a formula within an Excel spreadsheet. Mr. Krammar said that the District should consider how it would like to implement the changes recommended. The survey was done so that the District can see its market position. The Districts' overall base salary market results average 1.1% above median; total compensation results average 8.1% above median due to benefits of water agencies compared to other government entities. Mr. Krammar reviewed steps involved in preparing the study. He also reviewed total compensation and results. Discussion ensued regarding total compensation. Mr. Krammar said that there are several positions that have a maximum above median range and he recommended adjustment of the range. For that, the District may want to consider freezing salaries until the market catches up. President Corneille asked how the District would know if the market caught up. Mr. Krammar said that the District could compare its salaries to those of the comparator agencies used in the study. He suggested performing a compensation study every three to five years. Mr. Cozad explained current salary management practices. Director Longville said that the study does not take into consideration the volume of work done by District staff, He believes they do a greater volume of work than in larger agencies because the District is leaner staffed. President Corneille asked for the Board to provide feedback on policy options. Director Stewart said that the market range percentage for total compensation, when you add all salaries together, is only over a few percent; he added that as a pool the District is in the range. He said that it would be a safe assumption to add the CPI-U to the budget. President Corneille recommended that the salaries below median be increased incrementally until they reach market rates and the salaries that are above should not be penalized. Mr. Cozad indicated the District could freeze the merit part of the salary for positions whose maximum is above median. In this case, the employee could

receive only a cost of living increase based on CPI-U. Director Longville spoke in support of basing salaries on the median salary of salary only and not the median of total compensation. He said that he is in support of slowing increases rather than stopping them. Director Raley asked what the fiscal impacts are on the District. President Corneille said that the District can also consider adjusting benefits. Director Stewart said that there are already multiple positions at the top of their range and that short of adding other benefits and programs and compensation options, adjusting benefits could have an adverse effect. Director Longville asked for staff to identify if there is any benefit that the District does not offer that they would be interested in. Director Raley asked for Mr. Cozad to provide his recommendation on how he thinks the District should implement the recommendations of the consultants. Mr. Cozad said that based on direction from the Board today, he will identify any impacts to the next year's budget and if needed identify potential options and bring them back to the Board at the May 22 meeting. He indicated that he did not believe there would need to be a significant change to the budget.

It was moved by Director Raley and seconded by Director Longville to receive and file the draft report and presentation and direct staff as discussed to bring back a recommendation at the May 22 meeting. The motion carried 5-0 with all Directors present voting in the affirmative.

President Corneille: Yes

Vice President McDonald: Yes

Director Longville: Yes

Director Raley: Yes

Director Stewart: Yes

4. DISCUSSION ITEMS

A. DISTRICT AND ENTERPRISE BUDGET FOR FISCAL YEAR 2019-2020

Mr. Cozad reviewed the Capital Equipment and Improvement Plan (CEIP) on package page 90. The Finance & Administration Committee and Operations Committee reviewed this plan at its last meeting. Review of CEIP continued as follows:

- Item 4: Trails Planning Design and Coordination – President Corneille suggested making the opening of at least one of the trails a priority next fiscal year. Staff will pull the estimates from the Trails Plan for implementation and operations.
- Item 31: Active Recharge Transfer Project Capital – This is the estimated \$36 million from the conservation easements identified for the purposes of constructing the Active Recharge Transferred Projects. It will have its own enterprise.
- Item 32: Seven W acquisition and Initial needs – The acquisition should be completed before the end of the fiscal year. There is an estimated \$50,000 needed to fence off and clean up the property once acquisition is completed.
- Item 33: Redlands Plaza Roof Replacement – The District has been performing annual maintenance for a while now and it has now become quarterly maintenance. There are new green roof requirements; which will likely cost closer to \$100,000. The District does not have proposals at this time. It will come out of Redlands Plaza Reserve.

Mr. Cozad reviewed the draft District and Enterprise Budget for fiscal year 2019-2020. He noted that included on package page 92 is a recommended change to the current Reserve Policy, which adds verbiage related to the Active Recharge Transfer Projects (ARTP). There is a new column in the budget in dark blue for the ARTP. Review of the budget continued as follows:

- 4016 Interest Income ARTP – Mr. Cozad said that this is interest income of approximately 2.6% on \$18 million.
- 4062 Mentone Property Income – This is negative because the District leased the house to Steps 4 Life.
- 4025 Wash Plan Revenue from Reserves – This is a loan from the District to the Wash Plan for issuance costs, which will be paid back by the partners of the Task Force.
- 4999 Trust Reimbursement Wash Plan – These are funds that will come from the Conservation Trust to the District for the operations and maintenance of the Wash Plan.
- 5123 Habitat Management for Wash Plan – This is associated with issuance costs and implementation of the Wash Plan.
- 5225 Field Clean Up-Dumping/Vector – This includes some of the costs of the MOU with Vector to proactively control the midge fly/ mosquito issues caused by our basins being full.
- 6401 Director's Fees – The Board suggested taking last year's budgeted number and increasing it by 5% for next fiscal year.

It was moved by Director Raley and seconded by Director Longville to incorporate feedback of the Board into the Draft Enterprise Budget for the 2019-2020 Fiscal Year for approval at May 22 meeting. The motion carried 5-0 with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Stewart: Yes**

5. ADJOURN MEETING

It was moved by Director Longville and seconded by Vice President McDonald to adjourn. The motion carried 5-0 with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Stewart: Yes**

At 4:32 p.m. the meeting adjourned to the Board of Directors meeting scheduled for April 24 2019, at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, California.



Daniel B. Cozad
General Manager