

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

January 26, 2022
1:30 P.M.

Chairperson Raley called the Finance & Administration Committee Meeting to order at 1:37 P.M.

FINANCE & ADMINISTRATION COMMITTEE MEMBERS PRESENT:

David E. Raley, Chairperson
John Longville, Director

FINANCE & ADMINISTRATION COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

Daniel Cozad, General Manager
Betsy Miller, Land Resources Manager/Assistant General Manager
Angie Quiroga, Administrative Analyst
Athena Lokelani, Administrative Specialist

GUESTS PRESENT:

Robert Stewart, San Bernardino Valley Water Conservation District

1. PUBLIC PARTICIPATION

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

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

3. APPROVAL OF MEETING MINUTES FROM NOVEMBER 15, 2021

It was moved by Director Longville and seconded by Director Raley to approve the minutes of the November 15, 2021, Finance & Administration Committee meeting. The motion carried with all members present voting in the affirmative.

Director Raley: Yes

Director Longville: Yes

4. 2nd QUARTER ANNUAL UNAUDITED FINANCIALS REVIEW 2021-2022

Mr. Cozad presented the financials, which were included on package page 6. Mr. Cozad said that these are the numbers used to assist staff prepare the budget for the next fiscal year. He indicated that the expenses and income are generally in line with what staff projected. However, aggregate maintenance income is slightly higher than anticipated. The Exchange Plan revenue has been received, but staff is discussing potential changes to the agreement and how the billing is handled with Valley Municipal. Director Raley asked for additional clarification

on capital expenditures for vehicles and equipment. Staff indicated that they would review and report back to Committee. The Quarterly Investment Report was included on package page 8. Staff has received payment from Valley Municipal for the second installment to purchase conservation easements of roughly \$18 million, and it will be added to the Districts' LAIF account. Mr. Cozad indicated that funds might be moved from CAMP to LAIF if the yield does not increase.

It was moved by Director Longville and seconded by Director Raley to approve the 2nd Quarter Annual Unaudited Financials for 2021-2022 as presented and move the financials with any updates to the Board of Directors to receive and file. The motion carried with all members present voting in the affirmative.

Director Raley: Yes

Director Longville: Yes

5. REVIEW SUGGEST DISBURSEMENT OF COVID-19 RELIEF GRANT RECEIVED

Mr. Cozad said that the District received grant relief for Covid-19 in the amount of \$37,549. He presented on package page 10 the relief fund distribution. The funds were utilized to cover Redlands Plaza rents that were deferred due to the pandemic and cover costs, the District incurred related to such. Director Raley suggested giving more assistance to those tenants that have been paying us regularly. Ms. Quiroga reviewed the breakdown and methodology behind the allocations.

6. OTHER OPEB TRUST STATUS UPDATE

Mr. Cozad reviewed this item beginning package page 12. As of December 31, 2021, the total assets are \$667,919, the District is currently overfunded. Staff recommends it continue to make the annual contribution to the CERBT trust, but it could moderate contribution if desired. Director Longville recommended contributing more since the investment earnings are good. Mr. Cozad indicated that you could contribute more but cannot withdraw it. Director Longville spoke in support of contributing the maximum amount allowable to the OPEB trust in order to avoid future interest fluctuations and supports adding funds to higher interest-paying accounts. Mr. Cozad will review cash flow and project needs and identify any potential amounts for investment and bring them back to the Board.

7. BUDGET PLANNING FOR GROUNDWATER FOR 2022-2023 AND ADVERTISED GROUNDWATER RATE

Mr. Cozad reviewed this item beginning package page 19. Director Raley asked the status of the collection of the replenishment charge for those outside of the District boundaries. Staff is working on identifying a way to address this issue and will report back to the Board once additional information is obtained. Staff recommended the Board advertise a groundwater rate increase of five percent for the fiscal year 2022-2023. Director Longville noted that the Board may need to increase the groundwater rate in future years due to inflation. Director Raley suggested removing ARTP design projects from the memo. Mr. Cozad indicated that the memo covers the groundwater enterprise as well as the entire budget for all enterprises. The groundwater budget enterprise estimates are included on package page 25 through 27 and will be brought forward to the Board for final approval.

Mr. Cozad noted that the succession and transition staffing changes, including budget estimates, were provided as a handout to the Committee and will be brought forward to the Board in February. He will be retiring from the District in May. He briefly discussed the transition elements and said that the new Land Resources Manager, Milan Mitrovich, will begin in mid-February. There will be some overlap with Ms. Miller until Mr. Cozad retires.

Mr. Cozad continued brief review of staffing changes, including those related to engineering transitions and changes. Mr. Fogerson will be retiring in March and returning as a part-time retired annuitant. Ms. Scholte will be promoted to Principal Engineer, leaving her current position vacant until a viable replacement is found. Mr. Cozad reviewed the budget implications for the next fiscal year.

It was moved by Director Longville and seconded by Director Raley to advertise a groundwater rate increase of five percent for the fiscal year 2022-2023. The motion carried with all members present voting in the affirmative.

**Director Raley: Yes
Director Longville: Yes**

8. ADJOURN

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

**Director Raley: Yes
Director Longville: Yes**

There being no further business, the meeting adjourned at 2:31 P.M.