

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING

June 30, 2011
9:00 A.M.

Chairperson McDonald called the Administrative Committee Meeting to order at 9:07a.m. All present stood for the pledge of allegiance, led by Chairperson McDonald.

ADMINISTRATIVE COMMITTEE MEMBERS PRESENT:

Melody McDonald, Chairperson
David Raley, Director

ADMINISTRATIVE COMMITTEE MEMBERS ABSENT:

Clare Henry Day, President

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Medina, Administrative Assistant
Eunice Griffith, Administrative Manager

GUEST 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. APPROVAL OF MINUTES FROM THE MAY 5, 2011, MEETING

Upon a motion by Director Raley and second by Director McDonald, the minutes of the May 5, 2011 meeting were approved. The motion carried.

4. APPROVAL OF BOARD POLICY HANDBOOK SECTION 4025 AND APPENDIX "C" REVISION

The Committee reviewed revisions made to the Board Policy Handbook Section 4025 and Appendix "C". Several amendments were recommended. It was noted that the overall objective of Appendix "C" and the Expenditure reimbursement policy is to get open disclosure of costs in advance and clear direction so that directors and staff have a firm understanding of the Expense policy.

It was moved by Director Raley and seconded by Director McDonald to approve the Board Policy Handbook Section 4025 and Appendix "C" as amended. The motion carried.

5. REDLANDS PLAZA ROOFING REPAIRS

Based on Committee direction, Staff provided several roofing proposals. Most of the contractors reported that the roof is in good condition and repairs were only needed around the A/C units and drains. Staff recommended Jerry Herbert Roofing Inc. The Committee suggested that in addition to the 5 year warranty on repairs, the roofing company should also provide annual maintenance at a cost not to exceed \$1,000 over the 5 year period.

Director Raley moved approval of the roof repairs of Redlands Plaza by Jerry Herbert Roofing, not to exceed \$6,000 and annual roof maintenance at a cost not to exceed \$1,000 over the 5 year period.

Director McDonald seconded the motion for roof repairs at a cost not to exceed \$6,000 plus \$1,000 for 5 years annual maintenance, but amended the motion to allow Staff to select the best Contractor at the approved cost.

The motion carried.

Staff will present the roofing contract to the Board at the July 13, 2011 Board meeting.

6. LEASING AGENT FOR DISTRICT REAL PROPERTY

Mr. Cozad informed the Committee that staff received a number of proposals from different real estate agents. Athena provided requirements to the agents and to Frank Vora, Investment Property Specialists, Progressive Real Estate Partners (Progressive). Mr. Vora seemed to have the best understanding of our objective. Mr. Cozad would like to use Progressive as the leasing agent exclusively to negotiate and rewrite all Redlands Plaza tenant leases based on the Triple Net Lease. The new leases will eliminate ambiguous terms in existing lease agreements and

allow fair collections from tenants in the future. Progressive will receive a onetime fee of \$10,000.

It was moved by Director Raley and seconded by Director McDonald to support Staff's presentation to the Board to hire Progressive Real Estate as a Leasing Agent for District Real Property for the exclusive purpose of renegotiating and rewriting all Redlands Plaza tenant leases based on the Triple Net Lease.

The Committee also provided direction on the importance of presenting the Board with a precise statement of the pros and cons and the complex reasons that support hiring Progressive.

7. STATEMENT OF INVESTMENT POLICY - REVISION

Director Raley and Mr. Cozad did due diligence to identify profitable cash deposits – to no avail. Mr. Cozad requested feedback from the Committee on the current District Investment policy and presented additional investment opportunities. In the revised *Statement of Investment Policy*, he complied with California State requirements and with the current District policy, but revised the *Strategies and Authorized Investments* section.

He added CalTrust Investment Fund which complies with all state rules and only makes investments that meet the criteria of California code for investments. Cal Trust has funds with 30, 60 and 90 day terms with interest rates yielding from 1.3% -1.4% versus the .05% interest that we now receive on reserves invested in LAIF. Mr. Cozad gave a thorough overview of the diversified investment options.

Government securities, Federal Instrumentalities and Money Market Mutual Funds were also added to the *Strategies and Authorized Investment* section. Mr. Cozad also reviewed investment opportunities and mentioned several additional tiers approved by State Law. He also reviewed investment options at Citizens Bank.

It was moved by Director Raley and seconded by Director McDonald to recommend the revised Statement of Investment Policy to the Board. The motion carried.

The Committee gave Staff direction to include the list of CalTrust Board of Directors in the package presented to the Board and to evaluate CalTrust expenses on their financial statement. It was noted that if the Board approves the recommendation, the intent is to move reserves out of LAIF and into CalTrust and to stagger deposits between the different funds.

8. EMPLOYEE HANDBOOK – FINAL

Revisions of the Employee Handbook are currently being reviewed by General Counsel. This item will be postponed until the next Administrative Committee meeting.

9. ADJOURN

It was moved by Director Raley and seconded by Director McDonald to adjourn the meeting. The motion carried.

There being no further business, the meeting adjourned at 10:30 a.m.