

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

MINUTES OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING

January 15, 2014
1:30 P.M.

Chairperson McDonald called the Administrative Committee Meeting to order at 1:30 p.m.

ADMINISTRATIVE COMMITTEE MEMBERS PRESENT:

Melody McDonald, Chairperson
David Raley, Director

ADMINISTRATIVE COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Monge, Administrative Services Specialist

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 preceded 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 OCTOBER 14, 2013, MEETING

It was moved by Director Raley and seconded by Chairperson McDonald to approve the minutes of the October 14, 2013. The motion carried unanimously.

Director Raley: Yes

Chairperson McDonald: Yes

4. SECOND QUARTER FINANCIALS REVIEW FOR FY 2013-2014

Mr. Cozad reviewed the spreadsheet included in package noted that the comparison is against the amended budget. He reviewed the over/under budget. Mr. Cozad noted that the insurance reimbursement for the repairs to Dike D and HVAC system for Redlands Plaza in the amount of \$110,000 was allocated to General Ledger (GL) account 4040-Miscellaneous Income. Director Raley asked for Staff to confirm with CPA as to whether or not reimbursements should be ran through the income GL. Mr. Cozad indicated that it will probably be reassigned at the close of the fiscal year to a capital account and accrued. Director Raley stated that by running a reimbursable through the income GL overinflates income. He indicated that the reimbursable funds should be placed into a suspense account. Discussion ensued. Mr. Cozad continued review of financials. He stated that GL 4086-Plunge Creek has been reduced to indicate the actual amount the District may be able to expend this fiscal year. The awarded amount should be announced from DWR soon. Chairperson McDonald elaborated on the funding process. Mr. Cozad indicated that we get the notice of award; contract and then we can begin progress billing. GL 5082-Plunge Creek Labor will not be expended this year. Review of over and under budget column continued. GL 6016-Redlands Plaza Maintenance was higher due to the vandalism of the HVAC system. Chairperson McDonald asked if the District is floating the costs for consultants for Plunge Creek. Mr. Cozad indicated that the District is floating the cost until reimbursement

Mr. Cozad reviewed GL 6230-Regular Salaries; it indicates the District is under budget because the District has not utilized the contract with Randy Carlisle, previous Field Supervisor. He stated that due to that there is overtime; mainly due to emergency maintenance due to all of the ongoing projects in the field. GL 6320-General Liability Insurance is higher due to accruals by auditor. This item is paid on a calendar year basis even though the accounting is on a fiscal year basis. However, at the end of the fiscal year this will balance out. Director Raley asked if Staff could create an amortization account. Mr. Cozad indicated that is a possibility. Chairperson McDonald indicated that process is similar to an escrow account. Brief discussion ensued. Mr. Cozad stated that Director Expenses will be over budget. He indicated that now that ACWA/JPIA is covering more costs for Chairperson McDonald this should lessen future costs. Chairperson McDonald indicated that historically more individuals went to the conferences and that this is a comparison to the budget which was significantly cut. Director Raley asked for more detail on director's expenses. He indicated that total expenses for directors are important. Mr. Cozad said that the comparison will be shown in quarterly roll up. He indicated that as expected, the decrease in directors did not significantly decrease costs. GL 7050-Basin Annual Repairs is where the insurance money received for Dike D will be expensed out of this account. The budget has been reduced by \$53,000. Discussion ensued. GL 8010-Rate Stabilization fund is the only budgeted contribution to reserves. Director Raley indicated that the contribution to reserves is estimated to be \$120,000.

It was moved by Director Raley and seconded by Chairperson McDonald to recommend approval of the Second Quarter Financials for approval by the Board at the February 12, 2014 Board of Directors Meeting. The motion carried unanimously.

Director Raley: Yes
Chairperson McDonald: Yes

5. BOARD POLICY HANDBOOK

Mr. Cozad presented the existing Board Policy Manual Section 1050-Copying of Public Documents. He indicated that falling in line with the requirements of the Certificate of Transparency and Districts of Distinction it requires an updated Public Records Request Policy. The existing Public Records Request Policy has been combined with Board Policy Section 1050 to expand on existing policies. Chairperson McDonald confirmed that if the District references a charge we have to state what that charge is. Staff confirmed that we do state the charge for copying. Director Raley indicated that the cost per page is accurate, but the requirement for the requestor to pay for Staff's hourly wage for a minimum of one hour may be excessive. He indicated he would like to see the charge for Staff time removed. Chairperson McDonald indicated that since the language indicates "may be" that it should be left. Director Raley indicated that if extensive research has to be done in obtaining requested records he can see where fees may be incurred. He expressed concern regarding the interpretation of "reasonable costs". Mr. Cozad indicated that the language should remain with the addition of "Staff may waive the staff time fee if collecting the costs exceeds the effort required to process request."

Mr. Cozad noted that the potential revisions to Appendix B are included in the package. Chairperson McDonald indicated that the Committee has to approve the recommended changes to the names of the standing committees and description of what each committee tasks are. Mr. Cozad noted that only minor changes were made to existing appendix. The Committee requested to further review the Board Policy Manual at the next Committee meeting due to the time constraint.

It was moved by Director Raley and seconded by Chairperson McDonald to recommend the revisions to Board Policy Manual Section 1050 and Appendix B to move forward to the February 12th Board of Directors Meeting for approval with review by legal counsel. The motion carried unanimously.

Director Raley: Yes
Chairperson McDonald: Yes

6. PER DIEM ORDINANCE AND RESOLUTION REVIEW/RECOMMENDATIONS

Mr. Cozad introduced this item for discussion. He noted that Ordinance 2010-1 was approved on April 14, 2010 which identifies how the District will select their per diem rate and the basis on how the rate is set. Resolution 457 was approved the same day and is required to modify or waive rate; as well as sets the number of meetings a director may attend. The number of meetings may be set by resolution. In previous resolutions for 2011, 2012 and 2013 the Board foregoes the 5% increase. Chairperson McDonald stated that the ordinance stands until there is a resolution made to change it. Ordinance 95-1 is where the Board implemented the automatic 5%

increase. Chairperson McDonald asked if legal counsel carried most of the original language forward to new ordinances. She asked why the same language that is in the Board Policy Manual is included in the ordinance. Discussion ensued. Director Raley asked if we can remove the redundant language that is in the ordinance that is already in Board Policy Manual. Chairperson McDonald indicated that the Board should not have to hold a public hearing to change ordinance every time they want to change Board Policy Manual or number of meetings a director can attend. The Committee requested that the redundant language be removed provided legal counsel approves and be brought back to full board for approval. Also, the Committee requested to review the resolutions pertaining to the number of meetings a director may attend at the next Committee meeting.

7. RECORDS RETENTION AND DESTRUCTION POLICY

Chairperson McDonald requested that all Board Policy Manuals be kept permanently.

It was moved by Chairperson McDonald and seconded by Director Raley to recommend the revisions to Records Retention and Destruction Policy to move forward to the February 12th Board of Directors Meeting for approval. The motion carried unanimously.

Director Raley: Yes

Chairperson McDonald: Yes

8. PERSONAL USE OF DISTRICT VEHICLE POLICY

Mr. Cozad stated that there is no existing policy on personal use of District vehicle. He indicated that an employee should be able to use District vehicle when on call. This item will be brought back for Committee review.

9. ADJOURN

It was moved by Chairperson McDonald and seconded by Director Raley to adjourn. The motion carried unanimously.

There being no further business, the meeting adjourned at 3:09 p.m.