

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

January 27, 2021
1:30 P.M.

Chairperson Raley called the Finance & Administration Committee Meeting to order at 1:32 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
Athena Lokelani, Administrative Specialist
Katelyn Scholte, Assistant Engineer
Angie Quiroga, Administrative Analyst
Betsy Miller, Assistant General Manager/Land Resources Manager

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 18, 2020

It was moved by Director Longville and seconded by Director Raley to approve the minutes of the November 18, 2020, Finance & Administration Committee meeting. The motion carried with all members present voting in the affirmative.

Chairperson Raley: Yes

Director Longville: Yes

4. 2nd QUARTER ANNUAL UNAUDITED FINANCIALS REVIEW 2020-2021

Mr. Cozad presented the financials, which were included on package page 6. He indicated that the District is on budget for expenses and that investment returns have caught up with the economic downturn due to

the COVID -19 Pandemic. Director Raley asked how the District is making up the loss of interest. Mr. Cozad stated that within this fiscal year, the District would reduce expenses where possible but will not fully make up for the loss of interest. The Redlands Plaza income loss caused by the COVID-19 Pandemic will be a hit to the enterprise reserves. The Wash Plan revenue is over budget because the last fiscal year was where most of the expenses occurred getting it approved. Those funds were advanced from the District to the Wash Plan.

It was moved by Director Longville and seconded by Director Raley to approve the 2nd Quarter Annual Unaudited Financials for 2020-2021 as presented and move the financials forward to the Board of Directors to receive and file. The motion carried with all members present voting in the affirmative.

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

5. GROUNDWATER COUNCIL REQUEST TO INCORPORATE SUSTAINABILITY (REPLENISHMENT CHARGE)

Mr. Cozad noted that on package page 13, there is a request from the Groundwater Council (GC) for the District to consider incorporating a Sustainability Replenishment Charge for groundwater producers. This charge would be charged for those producers that are within San Bernardino County and not members of the GC. The estimated sustainability/replenishment charge per producer was reviewed. Mr. Cozad discussed the potential five-year phase-in plan or potentially starting this once the new GC agreement is put into place. He indicated that this is a discussion item and that an advertised rate will need to be identified at the next Board meeting. Director Raley expressed concern over the replenishment charge and the need to ensure that everyone pays their fair share. Mr. Cozad said that at this time that Valley Municipal and the GC are the only entities paying for import water as part of the GC. He indicated that during the rate process, the District would reach out to all parties that would be affected by the potential sustainability/replenishment charge component to obtain feedback.

6. BUDGET PLANNING FOR GROUNDWATER ENTERPRISE FOR 2021-2022 PROPOSED GROUNDWATER COUNCIL O&M FEE AND ADVERTISED GROUNDWATER CHARGE

Mr. Cozad introduced this item for discussion, noting its inclusion beginning package page 16. It was recommended by the Board that staff's proposal stay between three to five percent for groundwater charge increases. Mr. Cozad reviewed the interest income will not likely increase, expecting returns between one to one and a half percent. He presented the items included within the Groundwater Enterprise. More can be contributed to the capital program if the District increases by five percent. There was no action required. This item will be moved forward to the Board for review at the February 10 Board meeting.

7. 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.

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

There being no further business, the meeting adjourned at 2:20 P.M.