

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

July 19, 2017  
1:30 P.M.

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Chairperson McDonald called the Finance & Administration Committee Meeting to order at 1:30 p.m.

**FINANCE & ADMINISTRATION COMMITTEE MEMBERS PRESENT:**

Melody McDonald, Chairperson  
David E. Raley, Director

**FINANCE & ADMINISTRATION COMMITTEE MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Daniel Cozad, General Manager  
Angie Quiroga, Administrative Services Specialist  
Gilbert Chavez, Document Imaging Intern

1. PUBLIC PARTICIPATION

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

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

3. APPROVAL OF MEETING MINUTES FROM APRIL 21, 2017

**It was moved by Director Raley and seconded by Chairperson McDonald to approve the minutes of the April 21, 2017 Finance & Administration Committee meeting. The motion carried with all members present voting in the affirmative.**

**Director Raley: Yes**

**Chairperson McDonald: Yes**

4. 4th QUARTER ANNUAL UNAUDITED FINANCIAL REVIEW FOR 2016-2017

Mr. Cozad presented package page 7 noting it is an end of year summary view of the budget with projected annual costs adjusted to anticipated final figures. Unreceived June expenses and final accruals will be made during the audit. He stated income is slightly lower than budgeted mostly due to a wet year, which affects groundwater. Also less completed work than expected for Plunge Creek reduced reimbursable costs. GL 4050 Property Tax income was noted higher from dispersed RTA funds and higher assessed valuations. Wash Plan income came in over budget with payment from SB County Flood Control of \$97,500 for changes and the proceeds of the issuance costs as a District loan. Since the Wash Plan is a separate fiduciary account, the District's loan to the Wash Plan is shown as income to the

account and a debit to the District. The District will be reimbursed as Wash Plan participants pay the issuance costs for their Certificate of Inclusion to complete projects covered under the Wash Plan HCP.

Mr. Cozad reviewed expenses for the year. Exceptions include miscellaneous services that came in lower than budgeted. Field operation maintenance items were either not needed or came in under budget. GL 6170 PERS Retirement account appears to be high but it is, like GL 6160 Payroll Taxes-Employer, offset by employee payments under the subaccounts 6160.01 and 6170.01. Net cost to the District is within budget. Salaries, Director's expenses and Administrative/Staff expenses are expected to come in under budget. Mr. Cozad noted most capital projects are multi-year budgets and so would not be fully expended in any one FY. Basin maintenance will show as an operating expense in the future. Plunge Creek capital is about as expected. The \$210,000 is our match portion of the Plunge Creek project that is not reimbursable. The unused budgeted amount will carry over to FY 2017/2018. GL 7100 shows over budget due to purchase of Mendoza property. It will show as an asset on financial reports and will no longer show under capital projects in the future. Mill Creek project expenses will be more definitive once permitting requirements are known and actual bids to complete the work are in. Our assistant engineer, Katelyn Scholte, has been able to perform all current engineering needs significantly reducing costs to GL 7438. Staff expects to contribute approximately \$600,000 to reserves in total for the year.

Mr. Cozad discussed the quarterly investment report on package page 9. Investments are proceeding as expected. One CD matured with UBS and a new CD will be purchased as of July 1, 2017 with a higher expected annual yield. Cal PERS is aiming for a 7% return for the CERBT account in the upcoming year; the account earned 9% this year. Final end of year results will be presented with the audit and adjustments to reserves.

**It was moved by Director Raley and seconded by Chairperson McDonald to move the Fourth Quarter Unaudited Financials 2016-2017 forward to the Board for final approval. The motion carried with all members present voting in the affirmative.**

**Director Raley: Yes**

**Chairperson McDonald: Yes**

#### **5. EDUCATIONAL REIMBURSEMENT POLICY AND EXPENDITURES REVIEW**

Mr. Cozad reviewed Memo 1508 on package page 11. The current education reimbursement policy is \$2,500 per calendar year since 2011 for full time employees and as of 2016 for ¾ time employees. Mr. Cozad provided some statistics of other public agencies and larger companies who offer educational reimbursement benefits. His belief is that the current policy is not a considerable cost to the District to help retain employees. A copy of the policy as it is currently written is provided on package page 12. Director Raley expressed concern regarding how education is defined in the policy. Mr. Cozad agreed and explained it is at the discretion of the General Manager to determine the relative value of the class to the employee's position. Chair McDonald and Director Raley are both in support of the policy. Discussion ensued regarding whether or not the reimbursement was sufficient for today's educational costs. The committee agreed the General Manager should request approval by the Board on a case-by-case basis if expenses exceed the \$2,500 annual limit.

**It was moved by Chairperson McDonald and seconded by Director Raley to move the Educational Reimbursement Policy to the Board for final approval**

**with minor revisions. The motion carried 2-0 with all members present voting in the affirmative.**

**Chairperson McDonald: Yes**

**Director Raley: Yes**

6. RECORDS RETENTION AND DESTRUCTION POLICY AND SCHEDULE REVISIONS

Mr. Cozad explained Gilbert Chavez, the District's Document Imaging Intern, scans and prepares most documents for retention and/or destruction. Due to some ambiguities within the policy staff clarified the policy and requested legal counsel review the policy. Mr. Cosgrove's suggested (redline) changes have been provided as a handout. Attachment A: Records Retention Schedule of the current policy, included in handout, was modified to further clarify which category documents fall under and whether they should be retained or destroyed. Mr. Cozad noted the added categories and changes within Attachment A. He explained staff wants to be diligent in retaining only what is necessary so that current and future staff may easily find needed documents. Mr. Cozad asked for feedback from the Committee as to whether or not the Board wishes to receive and approve the list of documents to be destroyed prior to destruction or do they prefer just notification that the policy has been carried out as suggested on occasion by Director Longville? The Committee agreed receiving notification of document destruction per policy within the General Manager's monthly Board report is sufficient and they will communicate this change to the Board. Chair McDonald thanked Mr. Chavez for his help with records retention.

**It was moved by Director Raley and seconded by Chairperson McDonald to move the Records Retention and Destruction Policy to the Board for final approval with suggested revisions. The motion carried 2-0 with all members present voting in the affirmative.**

**Chairperson McDonald: Yes**

**Director Raley: Yes**

7. APPENDIX C-ROSTER OF ORGANIZATIONS AND COMMITTEES WITH ASSIGNED REPRESENTATIVES

Director Raley explained a question was raised as to whether or not a District Board member who serves on the San Bernardino Valley Conservation Trust's (Trust) Board is allowed to receive a per diem for their service at Trust meetings. Director Raley expressed his indifference to a per diem for these meetings. Chair McDonald believes Board members who were appointed to work on the Trust's Board should be compensated. Mr. Cozad provided a copy of the Trust's bylaws noting Article VII, Section 6, page 7 states "Directors and members of committees shall receive no compensation for their services". Mr. Cozad paraphrased legal counsel's opinion which that the Trust would have to change its bylaws to allow payment to Directors prior to the District allowing a per diem. Chair McDonald proposed requesting the Trust add "from the Trust" to the aforementioned bylaw to read "Compensation. Directors and members of committees shall receive no compensation from the Trust for their services" and requesting the Board consider adding the Trust to Appendix C as a Districted requested meeting. Director Raley concurred.

**It was moved by Chairperson McDonald and seconded by Director Raley to request the Trust consider a modification of their bylaws and the Board consider adding the Trust to Appendix C of the Board Policy Manual as a District requested meeting. The motion carried 2-0 with all members present voting in the affirmative.**

**Chairperson McDonald: Yes**  
**Director Raley: Yes**

8. ADJOURN

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

**Director Raley: Yes**  
**Chairperson McDonald: Yes**

There being no further business, the meeting adjourned at 2:23 p.m.