

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

November 16, 2022
1:30 P.M.

Chairperson Raley called the Finance & Administration Committee Meeting to order at 1:30 P.M.

FINANCE & ADMINISTRATION COMMITTEE MEMBERS PRESENT:

David E. Raley, Chairperson
Robert Stewart, Director (alternate)

FINANCE & ADMINISTRATION COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

Betsy Miller, General Manager
Angie Quiroga, Senior Administrative Analyst
Athena Laroche, Administrative Specialist

GUESTS PRESENT:

John Longville, 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 AUGUST 3, 2022

It was moved by Director Stewart and seconded by Director Raley to approve the minutes of the August 3, 2022, Finance & Administration Committee meeting. The motion carried with all members present voting in the affirmative.

Director Raley: Yes

Director Stewart: Yes

4. 1st QUARTER ANNUAL UNAUDITED FINANCIALS REVIEW 2022-2023

Ms. Quiroga presented the financials, which were included on package page 5. She reviewed the multi-year capital projects budget on package page 6. Director Raley asked about the status of the ARTP projects. Ms. Miller indicated that they are on schedule. Ms. Quiroga said that the budget for the full amount of the three contracts for the ARTP projects we have underway were included within FY23; the District will not likely expend the full amount for this fiscal year. Director Stewart would like to see the cost to benefit ratio for these projects. Director Raley requested a detailed analysis and financial plan for the ARTP projects. Ms. Quiroga reviewed the first quarter

revenue and expenses beginning on package page 5. She indicated LAIF interested income was substantially higher than budgeted due to temporarily holding ARTP funds in LAIF. Director Raley asked if staff anticipates any needs for new vehicles in the near term. Ms. Miller indicated that the District purchased two new vehicles within the past couple of years. Director Raley asked if GL 4999-Trust Reimbursement will be received this year. Ms. Quiroga said that this will be received by the end of FY23. Ms. Miller indicated that rather than estimating overhead as done in prior years, staff is in the process of calculating actual overhead for next budget cycle. Director Stewart spoke in support of moving forward with actual overhead for future terms. Ms. Quiroga reviewed the quarterly investment report on package page 7. Ms. Miller indicated that there is \$21 million in LAIF and CAMP and that investment funds may be reallocated. Staff is currently reviewing investment options prior to making any changes. Director Raley said that there may be a slight increase in investment rates, but does not foresee a significant change. He recommended that the District invest in fixed assets near term, including the purchase of land to avoid further inflation.

It was moved by Director Stewart and seconded by Director Raley to approve the 1st Quarter Unaudited Financial Report for FY23, including the 1st Quarter Investment Report and forward to the Board for final review and approval. The motion carried with all members present voting in the affirmative.

**Director Raley: Yes
Director Stewart: Yes**

5. INVESTMENTS POLICY REVIEW AND UPDATE ON INVESTMENTS

Ms. Miller introduced this item for discussion and reviewed the handout provided to the Committee of the Statement of Investment Policy. There were two minor edits made 1) removal of reference to City rather than District and 2) removal of reference to California Government Code that expired. There are no additional recommendations at this time. Ms. Miller will be reviewing this policy with the District's investment advisors, PFM Management in quarter one of 2023.

It was moved by Director Stewart and seconded by Director Raley to approve the Statement of Investment Policy revisions as presented and forward to the Board for final review and approval. The motion carried with all members present voting in the affirmative.

**Director Raley: Yes
Director Stewart: Yes**

6. REVIEW OF APPENDIX C APPOINTMENTS

This item was included on package page 9. Ms. Miller indicated that there have been no requests for changes received to date. Ms. Laroche noted that on package page 10, under item 11:Big Bear Watermaster Committee, the court appointed attendee will change from Cozad to Scholte pending court approval. Director Stewart asked if Big Bear Watermaster Committee will be held via Zoom in the future. Ms. Miller indicated that Big Bear Watermaster has opted to meet in-person with the potential for a Zoom option should a member request it.

It was moved by Director Stewart and seconded by Director Raley to approve Appendix C with one minor revision and forward to the Board for final review and approval. The motion carried with all members present voting in the affirmative.

Director Raley: Yes

Director Stewart: Yes

7. DISCUSS PER DIEM RECOMMENDATION FOR CALENDAR YEAR 2023

This item was reviewed on package page 12. Ms. Miller noted that the current per diem rate is \$246. Director Stewart discussed the Consumer Price Index (CPI), and indicated that they will be creating a CPI-U for the Inland Empire. Ms. Laroche noted that the District currently uses the CPI-U All West. Ms. Miller indicated that this index covers the differences throughout California being the basis for why the District has utilized it for budgeting purposes. She indicated that staff will review the option for use of local CPI if that is the Board's preference. Director Stewart supported the use of the current CPI-U All West, indicating that it is more conservative. Ms. Miller indicated that the CPI for last fiscal year was 7.1%, but the District provided a 1% increase the prior fiscal year and then implemented the remaining 6.1% for FY 23. Ms. Laroche noted that the maximum increase allowed by government code is 5%. Ms. Quiroga indicated that this would be an increase of \$12, making the per diem rate for 2023, \$258. Director Stewart stated that he is comfortable with the current rate of \$246. Director Raley recommended an increase to \$250 which equates to 1.61% for 2023. He suggested to staff to present an option for max increase as well for Board consideration.

It was moved by Director Stewart and seconded by Director Raley to recommend an increase to the per diem rate for 2023 to \$250, and direct staff to present additional options for final Board review and approval. The motion carried with all members present voting in the affirmative.

**Director Raley: Yes
Director Stewart: Yes**

8. ADJOURN

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

**Director Raley: Yes
Director Stewart: Yes**

There being no further business, the meeting adjourned at 2:15 P.M.