

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

January 25, 2023
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
John Longville, Director (arrived 1:53 p.m.)

FINANCE & ADMINISTRATION COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

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

GUESTS PRESENT:

Robert Stewart, Director (alternate)
Melody McDonald, Director

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 16, 2022

It was moved by Director Stewart and seconded by Director Raley to approve the minutes of the November 16, 2022, Finance & Administration Committee meeting. The motion carried with all members present voting in the affirmative.

Director Raley: Yes

Director Stewart: Yes

4. 2nd QUARTER ANNUAL UNAUDITED FINANCIALS REVIEW 2022-2023

During the presentation, Ms. Quiroga presented the financials, which were included on package page 6. She noted that GL-4012-15: Interest Income was higher than expected due to unanticipated higher yields. Additionally, she indicated that GL-4050: Property Tax is as expected and that GL-4022-26: Groundwater Revenue received to date is \$1.4 million, noting that some of these payments are for the previous fiscal

year and will be adjusted at year-end. Ms. Quiroga also mentioned that GL-4080: Exchange Plan will be billed at the end of the year. The District's total revenue received to date is \$2.9 million. Actual expenditures were reported to be in line with expected expenditures.

Ms. Miller provided an update on the Wash Plan items, stating that with the rainfall this year, the District is planning on moving forward with precipitation-dependent task. Specifically, she indicated that slender-horned spineflower surveys will be initiated following approximately two additional inches of rain.

Ms. Quiroga reviewed capital expenditures located on package page 7 and indicated that these expenditures to date are under budget. There has been approximately \$1 million expensed to date for ARTP projects. Ms. Quiroga also reviewed the Quarterly Investment Report on package page 8.

Ms. Miller informed the attendees that PFM Investment will be reviewing the Statement of Investment Policy and make recommendations as part of the update for the investment policy.

It was moved by Director Stewart and seconded by Director Raley to approve the 1st Quarter Unaudited Financial Report for FY23, including the 2nd 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. BOARD POLICY MANUAL PROPOSED REVISIONS FOR 2023

During the meeting, Ms. Miller introduced the item for discussion and reviewed the proposed Board Policy Manual revisions as noted on package pages 10 to 61. She also pointed out a minor typo on package page 26 that has been corrected. Additionally, Ms. Miller reviewed the proposed policy change, on package page 30, to Section 4025: Directors Expense Policy. The proposed language gives the option for a Board member to submit a request for per diem reimbursement for meals rather than an itemized receipt. This language was proposed as an additional option to expedite the processing of expenses for Board members.

It was moved by Director Stewart and seconded by Director Raley to approve the Board Policy Manual 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. BUDGET PLANNING FOR GROUNDWATER ENTERPRISE FOR 2023-2024

This item was included on package page 62 with Ms. Miller noting a handout was provided during the meeting to highlight proposed changes to FY24 budget. She then reviewed the proposed increase that would impact GL-4022: Groundwater Charge and GL-4026: Groundwater Sustainability/Replenishment. Staff is recommending a 5% increase for inflation and 6% for compliance with recently-issued operations and maintenance permits, for a total increase of 11%. Ms. Miller also noted that the Consumer Price Index (CPI-U) for the end of last calendar year was 6.6%.

The proposed permit-compliance portion of the increase would cover fifty percent of the Assistant Biologist salary including overhead, as well as \$20,000 for specialized environmental consultants. Ms. Miller stated that additional permits may be obtained, with associated reporting requirements necessary. The proposed increase is directly tied to operations and maintenance costs related to the Groundwater Enterprise.

During the discussion, Director Raley noted that Director Longville arrived, and Director Stewart ceased active participation. Ms. Quiroga added that GL-4026: GW Sustainability/Replenishment will increase by 20% as previously approved by the Board. Mr. Cosgrove also noted that there are two components, GL-4022:Groundwater Charge:and GL-4026 GW Sustainability/Replenishment, and the District is on year 3 of the phase-in of the sustainability component. He clarified that this was an initial staff analysis and the Groundwater Council (GC) would need to review and formally approve it at their next Budget Committee meeting. Ms. Miller added that, in informal discussions, the GC expressed support.

Ms. Scholte provided a brief overview of the sustainability component and how it is connected to the Equitable Allocation Model of the Groundwater Council.

During the discussion on GL-5050: Basin Cleaning, Ms. Miller pointed out a significant increase in the budget related to the replacement of berms. She informed the attendees that the District will be reviewing the overhead costs calculation for this budget cycle, which was previously a set percentage. Staff is exploring options to include actual costs in the revised calculation.

It was moved by Director Longville and seconded by Director Raley to approve the Groundwater Enterprise Budget for FY24, including the proposed 11% increase in the groundwater charge 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 Longville: Yes**

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.

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

There being no further business, the meeting adjourned at 2:01 P.M.