

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

**MINUTES OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING**

April 16, 2024  
1:30 P.M.

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

**FINANCE & ADMINISTRATION COMMITTEE MEMBERS PRESENT:**

John Longville, Director  
Robert Stewart, Vice President (Alternate)

**FINANCE & ADMINISTRATION COMMITTEE MEMBERS ABSENT:**

David Raley, Chairperson

**STAFF PRESENT:**

Betsy Miller, General Manager  
Athena Laroche, Administrative Specialist  
Angie Quiroga, Senior Administrative Analyst  
David Cosgrove, District Counsel  
Milan Mitrovich, Land Resources Manager

**GUEST PRESENT:**

None

**1. PUBLIC PARTICIPATION**

Chairperson Longville announced this as the time for any persons present who so desire to make an oral petition to the Finance & Administration Committee. Hearing none, the meeting proceeded 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 JANUARY 24, 2024 MEETING**

**It was moved by Vice President Stewart and seconded by Director Longville to approve the minutes of the January 24, 2024, meeting. The motion carried unanimously.**

**Vice President Stewart: Yes  
Director Longville: Yes**

#### 4. 3<sup>rd</sup> QUARTER UNAUDITED FINANCIALS FOR FY24

Ms. Quiroga introduced this item for discussion, noting its inclusion on package page 8. The total revenue received through March 31, 2024, is \$6,661,231. She indicated the total received for GL 4050 Property Taxes is \$143,685. The budgeted amount is \$193,685 based on the property tax estimate received from the County. Director Longville spoke in support of a conservative approach utilizing the County-provided estimate. Vice President Stewart noted that the amount received is approximately thirty percent over budget, and suggested budgeting slightly higher. Staff will review actuals for prior years and bring back a number that is slightly higher than estimate. Ms. Quiroga noted that the \$1.125 million received from the San Bernardino Valley Conservation Trust will offset the current asset liability. GL 5120 Miscellaneous Professional Services is currently lower than budgeted due to certain items that will be completed later in the fiscal year. She noted that the low water use demonstration garden that the District partnered with the San Bernardino County Museum to construct is moving slower than anticipated but is planned to be expended in FY25. GL 6000 General Administration is currently \$263,984 and is expected to end the year under budget. The total net operating revenue expended to date is \$3,783,997 and is expected to be under budget at year-end.

Ms. Quiroga reviewed the Quarterly Investment Reports shown on package page 10, noting an unrealized gain of \$314,739. Ms. Quiroga noted that the General Fund investments are shown on package page 11, and the breakout of PERC investments are shown on package page 12.

**It was moved by Vice President Stewart and seconded by Director Longville to approve the 3<sup>rd</sup> Quarter Unaudited Financials for FY24, and forward to the Board for final approval. The motion carried unanimously.**

**Vice President Stewart: Yes  
Director Longville: Yes**

#### 5. CURRENT DISTRICT MEMBERSHIPS

Ms. Miller introduced this item for discussion, noting its inclusion on package page 13. She reviewed the current memberships; the total paid for memberships to date in FY24 is \$23,468.95. She indicated that the Association of San Bernardino County Special Districts and California Special District Association provide significant legislative support. She reviewed the non-active memberships. Ms. Miller recommended inclusion of the California Groundwater Coalition in the budget. Director Longville said that the benefit would easily exceed the cost. The proposed budget for memberships for FY25 is \$35,792.95.

**It was moved by Vice President Stewart and seconded by Director Longville to recommend this item be approved and forward to the Board for further discussion. The motion carried unanimously.**

**Vice President Stewart: Yes  
Director Longville: Yes**

6. EXPANSION OF DISTRICT OFFICE LOCATED AT REDLANDS PLAZA

Ms. Miller reviewed this item and provided a handout to the Board. She stated that the District is considering expanding into additional suites at Redlands Plaza and has discussed relocation options with tenants, who expressed interest in moving to a new suite. Expansion expenses are included in the proposed FY25 budget. The budget consists of tenant improvements, including carpet and paint. Vice President Stewart asked if Redlands Plaza has a reserve. Ms. Miller indicated that the Redlands Plaza has a reserve. She noted that the last funds expended from reserves were for the parking lot.

7. DRAFT DISTRICT AND ENTERPRISE BUDGET REVIEW FOR 2024-2025

Ms. Miller provided an update on this item, beginning on package page 14. She noted that interest income has been allocated to the Groundwater Enterprise in response to Board request. GL 4022 Groundwater Charge has been adjusted for the cessation of the Groundwater Council. GL 5128 Groundwater Council Non-District Facilities Maintenance was discussed, with Ms. Miller noting that the funds collected in this GL were forwarded to San Bernardino Valley Municipal Water District per the Groundwater Council budget. GL 5126 Groundwater Sustainability/Replenishment and GL 5128 GC NonDistrict Facilities Maintenance will be removed from the budget. GL 4025 Wash Plan Revenue has changed significantly from last year to account for the continued delay in receipt of endowment payments from CEMEX and Robertsons due to outstanding State permits. In previous years, we have budgeted the amount of the planned final endowment with the difference between the current endowment interest and the planned final endowment covered by a loan from the District. The proposed FY25 budget includes only interest on endowment funds received to date. Ms. Miller noted that with this approach a budget adjustment would be requested if additional endowment funds were received. GL 5050 Basin Maintenance is budgeted at \$250,000 to fund major maintenance following record recharge years in 2023 and 2024. GL 5120 Miscellaneous Professional Services includes the portion of the current groundwater modeling consulting contract anticipated to be completed in FY25. Vice President Stewart asked about the expenses related to Brownstein Hyatt. Ms. Miller stated that the last invoice for Brownstein Hyatt was paid in September 2023. She noted that staff will be requesting Board action on allocating the \$415,000 that was expended from 2019-2021 to the District rather than the Wash Plan Task Force, which did not review and approve the Brownstein Hyatt contract. Staff proposes a prior period adjustment for the Land Resources Fund to accept responsibility for that cost, which would reduce the liability amount that is owed to the District by the Trust. A review of the draft budget continued. Vice President Stewart asked what GL 6045 Bank Investment Service Charges is used for. Ms. Miller said that this item is related to third-party custodians, which was discussed by the Finance & Administration Committee previously. She indicated that additional information is needed prior to proceeding with selection of a third-party custodian. Director Longville spoke in support of hiring an investment firm to oversee investments to limit staff time allocated to this work.

**It was moved by Vice President Stewart and seconded by Director Longville to recommend this item be approved and forward to the Board for approval. The motion carried unanimously.**

**Vice President Stewart: Yes  
Director Longville: Yes**

8. CONSIDER POLICY FOR REPORTING OVER BUDGET LINE ITEMS

Ms. Miller said that this was a request from Director Raley. She stated that financials are included in the monthly Board packet. She provided suggestions and requested feedback from the Committee. If reporting of this type is desired, Ms. Miller prefers reporting at the Finance & Administration Committee. Director Longville supports the current process without changes. Vice President Stewart noted that excessive reporting can create inefficiencies and expressed support of the current process without changes.

9. BASIN CLEANING BUDGET AMENDMENT FOR FY24

Ms. Miller discussed basin cleaning of Basin 10, which is expected for June. This was originally planned for FY25, but due to Enhanced Recharge construction the optimal time appears to be June. If a budget adjustment is needed for this work, staff will bring an item to the Board for approval. Vice President Stewart asked for discussion of this item at the Operations Committee.

10. ADJOURN

**It was moved by Vice President Stewart and seconded by Director Longville to adjourn. The motion carried unanimously.**

**Vice President Stewart: Yes**

**Director Longville: Yes**

There being no further business, the meeting adjourned at 3:27 p.m.