

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

MINUTES OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING

July 24, 2024
1:30 P.M.

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)

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 APRIL 16TH, 2024 MEETING

It was moved by Vice President Stewart and seconded by Director Longville to approve the minutes of the April 16th, 2024, meeting. The motion carried unanimously.

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

4. 4th QUARTER UNAUDITED FINANCIALS FOR FY24

Ms. Quiroga reviewed the financials on Package Pages 7 and 8. Interest income for Q3 exceeded expectations at \$2.1 million. Mining revenue is over budget, though payments from CEMEX will be adjusted per the temporary high groundwater agreement. Property tax revenue is also higher than budgeted. Groundwater revenue is projected to be under budget by \$41,000, and rental income is below budget due to the termination of leases for nonpayment. The trust reimbursement related to the Wash Plan is under review. Overall, total revenue stands at \$8.3 million, though adjustments may occur before the audit. On the expense side, professional services are currently \$200,000 under budget, with work deferred to the next fiscal year, and habitat management is also under budget by \$50,000. General administrative expenses and salaries are under budget, but PERS is slightly over due to benefits for a new hire. Total expenses are projected to end at \$4.4 million, leaving an estimated net operating revenue of \$3.9 million. The final capital budget is projected to be just under \$3 million as invoices are processed.

Director Stewart inquired about the capital budget, noting the estimated \$3 million cost, and sought clarification on whether this figure might change with pending invoices. Staff confirmed minor adjustments will occur, with the final projected cost expected to remain near \$3 million. Stewart also noted the budget of \$8 million and requested details on the difference. Staff explained that delays caused by staffing and contractor changes limited capital expenditures in the current year.

With regards to investments, the UBS accounts saw an increase of \$43,195 from Q3, along with \$358,591 in interest income payments received from April to June. The CAMP investment also grew by \$58,534 during the same period, while the CERBT account increased by \$11,613. Overall, the total net change for the fiscal year is \$1.87 million, with \$113,355 added in Q3. During the same time period, the Citizens Business Bank account decreased by \$265,000 due to expense payments.

Director Stewart highlighted the importance of monitoring investment performance for budgeting purposes and urged the board to stay informed of any significant changes in investment performance.

It was moved by Vice President Stewart and seconded by Director Longville to approve the 4th Quarter Unaudited Financials for FY24 and move it forward to the Board for final approval. The motion carried unanimously.

Vice President Stewart: Yes

Director Longville: Yes

5. HIGH GROUNDWATER LEVELS AND THE LAND RESOURCES ENTERPRISE

Ms. Miller provided an update on the recently approved agreement with CEMEX to address high groundwater and mining activities. The Board considered three options:

1. Ending groundwater recharge
2. Ending mining
3. A compromise between the two

Ms. Miller noted that ending recharge conflicts with the District's mission, while ending mining would financially harm the District and negatively effect our local workforce and economy. The Board expressed

their support for a compromise position to balance recharge and mining. An update was provided on revenue estimates, with \$1,035,000 expected after deductions, pending final review by the District. Ms. Miller provided an update on the process to pump water from the mining areas, and confirmed that the water being pumped remains within the Bunker Hill Basin.

Ms. Miller shared groundwater data with the Finance and Administration Committee and noted that further details would be reviewed by the Operations Committee on August 6. She also highlighted financial data from fiscal years 2023 and 2024, including guaranteed annual minimum and excess payments, with refunds for the past and upcoming three months under the current temporary agreement.

6. 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 1:49 p.m.