

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
January 6, 2014 at 1:30 p.m.

1. Call to Order, Flag Salute and Roll Call

2. Adoption and Adjustment of Agenda

3. Public Comment

Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary.

4. Consent Calendar:

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Special Board Meeting, December 16, 2013* (Page 2)
- B. Approval of the Minutes of the Regular Board Meeting, December 16, 2013* (Page 3)
- C. Approval of the Minutes of the Finance and Budget Workshop, December 20, 2013* (Page 6)
- D. Approval of the Finance and Budget Workshop Report, December 20, 2013* (Page 8)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
 - 1. Operations Report
 - 2. General Agency Updates
- B. Directors' Reports

6. New Business (Discussion and Possible Action)

- A. Consideration of General Manager and Staff Travel Policy* (Page 9)
- B. Consideration of Replacement of Water Feature* (Page 15)
- C. Update on Contract Extension* (Page 18)

7. Topics for Future Agendas

8. Announcements

- A. Engineering Workshop, January 13, 2014 at 1:30 p.m.
- B. San Gorgonio Pass Water Task Force, January 13, 2014 at 6:00 p.m.
- Banning City Council Chambers
- C. San Gorgonio Pass Water Task Force – Technical Committee,
January 22, 2014 at 4:00 p.m. - Banning City Council Chambers
- D. Office Closed January 20, 2014 in observance of Martin Luther King Day
- E. Regular Board Meeting, January 21, 2014 at 1:30 p.m.

9. Adjournment

Information included in Agenda Packet

(1) Materials related to an Item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: www.sgpwa.com (3) Any person with a disability who requires accommodation in order to participate in this meeting should contact the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Special Board of Directors Meeting
December 16, 2013

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Ron Duncan, Director
Ted Haring, Director
Ray Morris, Director
Barbara Voigt, Director

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Cheryle Rasmussen, Executive Assistant
Russ Behrens, General Counsel

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 12:30 p.m., December 16, 2013 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of the Agenda:** The agenda was adopted as presented.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **Closed Session (2 Items):** The meeting adjourned to closed session at 12:32p.m.
 - A. General Manager's Performance Evaluation
(Government Code Section 54957 (b))
 - B. Conference with Legal Counsel – Potential Litigation
(Government Code Section 54956.9(d)(4) (one case))

The meeting reconvened to open session at 1:29 p.m.

General Counsel Behrens reported that the Board met in closed session and discussed the matters listed. No action was taken on either item that is reportable under the Brown Act.

5. **Adjournment:** President Jeter adjourned the meeting at 1:30 p.m.

DRAFT - SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary of the Board

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SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
December 16, 2013

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Ron Duncan, Director
Ted Haring, Director
Ray Morris, Director
Barbara Voigt, Director

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Cheryle Rasmussen, Executive Assistant
Russ Behrens, General Counsel

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 1:30 p.m., December 16, 2013 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of the Agenda:** The agenda was adopted as presented.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, December 2, 2013
 - B. Approval of the Minutes of the Engineering Workshop, December 9, 2013

Director Dickson moved, seconded by Director Duncan, to approve the consent calendar as presented. Motion passed unopposed.

5. Reports:

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported on the following: **(a) SWP Water Deliveries:** The Agency delivered a total of 28 acre-feet to Little San Gorgonio (LSG) Creek ponds and a total of 346 acre-feet to Beaumont Cherry Valley Water District ponds, for a total of 374 acre-feet as of December 13th.

(2) General Agency Updates: (a) ACWA Conference: General Manager Davis gave a brief report on the 2013 ACWA Fall Conference that he attended; sessions included economics, groundwater storage, public education, financial reserves and drought prediction. He informed the Board that while attending the conference, he and Doug Headrick (General Manager SBVMWD) had lunch with Carl Torgersen (Deputy Director, State Water Project); the topic of discussion was the operations and maintenance of EBX 2. All three parties agreed that SBVMWD & SGPWA will take on the added responsibility of performing all minor maintenance and will continue with all aspects of operations; whereas, the state will continue to do all major maintenance of

EBX 2. A new joint powers agreement with revised language will be drafted for Board approval sometime next year and will be effective January 2015. **(b) Bay Delta Conservation Plan:** The Draft BDCP and Draft EIR/EIS were officially released to the public on December 6th and are being made available for a 120-day public review period. The response to comments will take place once the comment period has closed. It is likely that interim financing will be required by July 2014. Construction of the BDCP is anticipated to begin in 2017; it is hoped that completion of the project will be in 2027. General Manager Davis provided key points pertaining to the BDCP:

1. Lower salinity equates to lower cost for water treatment and to recycle water or for wastewater treatment plants.
2. Reduced seismic risk.
3. Net benefit is near \$5 billion for both the low outflow and high outflow scenarios.

(c) Resignation of Jerry Meral: Deputy Director of Natural Resources Agency, Jerry Meral announced his resignation on December 6th. He stated in his letter of resignation "While additional permits will be required, it is virtually certain that the plan (BDCP) will be implemented."

(d) Flume Update: General Manager Davis informed the Board that a meeting took place on December 6th between Banning Mayor Deborah Franklin, the U.S. Forest Service Regional Forester, and Banning Heights Board President. General Manager Davis stated his concerns pertaining to misinterpretation of the San Bernardino National Land Management Plan. **(e) Beaumont Chamber of Commerce Installation Dinner:** An installation dinner honoring Linda Hanley will take place on January 16th at the Morongo Golf Club at Tukwet Canyon in Beaumont; reservations are required.

B. Directors Report:

(1) Director Melleby reported that she attended the BCVWD Board meeting held on December 11th and the PassEDA luncheon on December 12th. She provided a brief overview on ACWA's Fall Conference sessions that she attended in Los Angeles. (2) Director Voigt reported that she attended the ACWA Fall Conference and the Region 9 Membership Committee meeting. (3) Director Duncan gave a brief report on the ACWA Fall Conference sessions that he attended. He made an announcement that Cabazon Water District will be holding its Board meeting this evening and will be electing new officers. (4) Director Haring reported on the Watermaster meeting that he attended on December 4th. (5) President Jeter reported that he attended the ACWA Fall Conference.

6. New Business: (Discussion and Possible Action)

A. Review of Public Review Draft of California Water Action Plan: A copy of the Public Review Draft California Water Action Plan was included in the agenda packet. General Manager Davis gave a brief background on this particular water plan which was written jointly by the California Department of Natural Resources, California Department of Food and Agriculture, and the California Environmental Agency. He reviewed the California Water Action Plan with the Board. Director Melleby stated that ACWA has prepared a matrix that compares ACWA's water plan and this water action plan, which have similarities.

B. Review of A Water Plan for All of California: A copy of a letter signed by Congressman John Garamendi, and a copy of *A Water Plan for All of California* were included in the agenda packet. General Manager Davis stated that Congressman John Garamendi sent him this letter along with the copy of *A Water Plan for All of California*, which Congressman Garamendi is advocating. General Manager Davis provided a brief overview on said water plan, which

proposes a smaller Delta facility with a capacity of no more than 3000 cfs, whereas the proposed BDCP has 9,000 cfs capacity. General Manager Davis provided his perspective on this proposed water plan.

- C. Consideration of Draft Public Records Act Policy:** A staff report and a draft copy of the Request for Inspection and/or Copying of Public Records policy were included in the agenda packet. General Manager Davis stated that one of the issues mentioned in the recent Riverside County Grand Jury report pertaining to transparency was a Records Act policy for each agency. He suggested that the Board review the proposed policy and adopt it at a future Board meeting. The proposed policy would supersede any and all previous agency policies on Public Records Act requests or other similar policies relating to making Agency records available to the public. General Manager Davis provided an overview of the proposed policy to the Board. General Manager Davis asked that Board review the proposed policy at its leisure, stating that this item will be presented to the Board for consideration in January. After discussion, President Jeter requested to table this item until February. The Board concurred unanimously.
- D. Consideration of Report on Water Conditions 2012:** A copy of the SGPWA Report on Water Conditions - Reporting Period 2012 was included in the agenda packet. General Manager Davis reminded the Board that this item was reviewed at the November Engineering Workshop. General Manager Davis stated that should any Board members have any questions or concerns he would be happy to address them at this time. There being none, staff recommended that the Board approve the report in order for the Agency to meet its court ordered requirement of submitting the report to Cherry Valley Acres and Neighbors, and Cherry Valley Environmental Planning Group, as well as post the report on the Agency's website. Director Voigt made a motion, seconded by Director Melleby, to approve the SGPWA 2012 Report on Water Conditions. Motion passed unopposed.
7. **Topics for Future Agendas:** No topics were requested for future agendas.
8. **Announcements:** President Jeter reviewed the following announcements:
- A. Finance and Budget Workshop, Friday, December 20, 2013 at 1:30 p.m.
 - B. Office Closed December 24th and 25th, in observance of the Christmas Holiday
 - C. Office Closed December 31st and January 1st, in observance of the New Year's Holiday
 - D. Regular Board Meeting, January 6th, 2014 at 1:30 p.m.
9. **Adjournment:** President Jeter adjourned the meeting at 2:38 p.m.

DRAFT - SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary of the Board

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
December 20, 2013

Directors Present: John Jeter, President
Mary Ann Melleby, Treasurer
Ted Haring, Director
Ray Morris, Director
Barbara Voigt, Director

Directors Absent: Bill Dickson, Vice President
Ron Duncan, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by President John Jeter at 1:30 p.m., December 20, 2013, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Jeter led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as presented.
3. **Public Comment:** There was no public comment at this time.
4. **New Business:**
President Jeter turned the meeting over to Director Voigt, Chair of the Finance & Budget Committee.
 - A. **Ratification of Paid Invoices and Monthly Payroll for the Month of November, 2013 by Reviewing Check History Reports in Detail:** After review and discussion, a motion was made by President Jeter, seconded by Director Melleby, to recommend that the Board ratify paid monthly invoices of \$451,170.15 and payroll of \$31,378.12 for the month of November, 2013, for a combined total of \$482,548.27. The motion passed unopposed.
 - B. **Review and Consideration of Pending Legal Invoices for November, 2013:** After review and discussion, a motion was made by Director Haring, seconded by Director Melleby, to recommend that the Board approve payment of the pending legal invoices for November, 2013. The motion passed unopposed.

- C. Review of November, 2013 Bank Reconciliation: After review and discussion, a motion was made by President Jeter, seconded by Director Haring, to acknowledge receipt of the Wells Fargo bank reconciliation for November, 2013 as presented. The motion passed unopposed.
 - D. Review of Budget Report for November, 2013: After review and discussion, a motion was made by Director Haring, seconded by Director Melleby, to acknowledge receipt of the Budget Report for November, 2013 as presented. The motion passed unopposed.
 - E. Consideration of Options for Pre-Funding CERBT: General Manager Jeff Davis opened the discussion with a brief history of the Agency's decisions regarding post-employment benefits. Finance Manager Tom Todd passed out a spreadsheet with information about various alternatives for pre-funding the Agency's post-employment trust fund, the CERBT. After review and discussion, it was the consensus of the Board that the matter be discussed again at the next Finance & Budget workshop, and that the proposal include the specific reserve fund from which the resources would be taken.
 - F. Consideration of Proposed General Manager and Staff Travel Policy: General Manager Davis introduced this item by noting that while the Agency has policies for use of Agency credit cards and Agency vehicles, it currently has no comprehensive travel policy for staff, and suggested that it would be appropriate in light of the recent emphasis on transparency. He indicated that staff currently works hard to minimize the cost of travel when it is required. After reviewing the proposed policy in detail, it was the consensus of the Board to present the proposed policy at the next Board meeting. No changes were suggested.
5. **Announcements:** Director Voigt reviewed the following announcements:
- A. The office will be closed on December 24th and 25th, 2013 in observance of the Christmas holiday.
 - B. The office will be closed on December 31, 2013 and January 1, 2014 in observance of the New Year's holiday.
 - C. Regular Board Meeting, January 6, 2014 at 1:30 p.m.
 - D. Engineering Workshop, January 13, 2014 at 1:30 p.m.
6. **Adjournment:** The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 2:24 p.m.

Draft - Not Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Director Barbara Voigt, Chair of the Finance and Budget Committee

The Finance and Budget Workshop was held on December 20, 2013. The following recommendations were made:

1. The Board ratify payment of Invoices of \$451,170.15 and Payroll of \$31,378.12 as detailed in the Bank Register Report for Accounts Payable and the Bank Register Report for Payroll for November, 2013 for a combined total of \$482,548.27.

2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$6,989.84
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3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for November 30, 2013
 - B. Budget Report for November, 2013

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: General Manager and Staff Travel Policy

DATE: January 6, 2014

Summary:

At the December Finance and Budget workshop, the Board discussed a draft travel policy for the General Manager and staff. It was the consensus of the Board that this policy be brought to the Board for consideration early in 2014.

Background:

The Agency has a number of policies governing staff travel, including an Agency credit card policy and an Agency vehicle use policy. While there is a Board travel policy, there is currently no comprehensive travel policy for the General Manager and staff. The purpose of this proposed Board action is to consider such a comprehensive policy.

Detailed Report:

Over the past two years, the General Manager and staff members have increased their travel. The Agency currently sends a representative to monthly meetings of the State Water Contractors Board of Directors, the SWC Energy Committee, the SWC Finance and Audit Committee, and to meetings related to SWP contract extension. This increased amount of travel warrants a policy specifically for the General Manager and Agency staff regarding travel.

The purpose of the proposed policy is threefold, as identified in the policy itself:

- To provide transparency to the Board and the public regarding staff travel;

- To provide the Board with explicit oversight over staff travel; and
- To prevent abuse.

The proposed policy was discussed in some detail as a draft at the Finance and Budget workshop in December. The Board supported the policy as presented, and the version included in this agenda package is identical to the version discussed in December with the exception of one minor revision in Section VI, as recommended by the Board in the workshop.

The policy, as presented, provides the Board with explicit oversight over staff travel, and gives the Board explicit authority to curtail, limit, or eliminate staff travel temporarily or permanently if it feels that the General Manager or staff is abusing the policy or for other reasons (such as limited budgets). It also places fiscal limits on meals during travel, and provides general guidelines to staff on how to minimize the cost of travel.

Fiscal Impact:

While adoption of this policy is not likely to directly reduce expenditures, over the long term it is likely to have the effect of capping travel expenses for the General Manager and staff.

Relationship to Strategic Plan:

The proposed policy specifically relates to governance of the Agency and actions by staff and thus is not directly related to the strategic plan.

Recommendation:

Staff recommends that the Board approve the proposed General Manager and Staff Travel Policy, dated January 2014.

San Gorgonio Pass Water Agency
General Manager and Staff Travel Policy

January 2014

I. Preamble

This policy is intended to govern travel for business purposes by the General Manager and staff of the San Gorgonio Pass Water Agency. Any travel by a staff member or the General Manager must be able to be justified as having value to the Agency, and the General Manager will be required to demonstrate that value for any travel by the General Manager or by any staff member at any time when requested by the Board.

The primary purposes of this policy are to:

- Provide transparency
- Allow the Board of Directors to provide needed oversight
- Prevent abuse

This policy is adopted by the Board of Directors of the Agency, who shall have the sole authority to revise, interpret, implement, and enforce it.

II. General

- a. Staff Travel. The General Manager shall authorize all travel by any staff member. The General Manager is accountable to the Board for all decisions regarding staff travel.
- b. General Manager Travel. The General Manager shall make all decisions regarding the General Manager's travel except as noted in II c. and d. below.
- c. Exceptions. The Board may, at any time, by majority vote at a regular or special Board meeting, determine that all travel by the General Manager must be approved in advance by the Board.
- d. Travel restrictions. At any time, the Board may by majority vote at a regular or special Board meeting restrict the travel of the General Manager or staff.

III. Purpose of Travel

- a. In general, travel by the General Manager or staff should be for one of three reasons:
 - i. To attend a conference, seminar, briefing, or training session on a relevant subject.
 - ii. To attend a meeting where the presence of the General Manager or staff member will benefit the Agency.
 - iii. To participate in an educational field trip or tour, such as those sponsored by the Water Education Foundation.
 - iv. There may be exceptions to this but the Board's expectation is that those exceptions would be rare.
- b. Participation in Meetings.

- i. It is expected that, if the General Manager or a staff member participates in a meeting for which travel is required, that:
 1. The General Manager or staff member will gather and bring back information important to the Agency; or
 2. The General Manager or staff member will actively participate in the meeting, providing input representing the best interests of the Agency; or
 3. Both of the above.

IV. Method of Travel

- a. Travel by the General Manager or staff member may be by motor vehicle (personal, rental, or Agency-owned) or by airplane, or by some combination. In all cases, all legitimate travel expenses will be reimbursed by the Agency, or paid through use of an Agency credit card.
- b. In the event the travel is by air, every effort shall be made to purchase the ticket well in advance in order to minimize the cost to the Agency.
- c. In the event the travel or a portion of the travel is via personal vehicle, the Agency will reimburse the staff member (or General Manager) for distance traveled at the current IRS reimbursement rate.
- d. In the event that the travel or a portion of the travel is by rental car, no size greater than “standard” shall be rented.

V. Expenses to be Reimbursed

- a. The Agency will reimburse the following expenses related to travel:
 - i. Travel to the airport, if appropriate. Every effort shall be made to fly out of Ontario Airport or Palm Springs Airport, the two closest airports to the Agency administration building.
 - ii. Airport parking.
 - iii. Transport from the airport to the final destination, whether by rental car, taxi, shuttle, or bus.
 - iv. Overnight stay at a hotel, as applicable and appropriate.
 1. Overnight stays in “luxury” hotels is not permitted unless it is for a conference held at that hotel and a “conference rate” is available.
 2. Every effort shall be made to find a hotel with a room rate less than \$200 per night (not including tax). The Agency will not pay for stays at hotels with higher rates unless it can be demonstrated that there is no reasonable alternative.
 3. The Board has the discretion to enforce this provision by requiring the General Manager or staff member to pay all hotel costs in excess of a “reasonable” overnight rate, considering the city and the timing of the event. This action would be taken at a Finance and Budget workshop.
- v. Meals. Expenses for meals must be reasonable. For example, no dinner will be reimbursed for more than \$30.00 (not including tip or other service charges). No lunch will be reimbursed for more than \$20.00 (not including tip or other service charges). These costs are for the individual

alone. Should the General Manager or staff member pay for a meal for others, these limits do not apply to meals purchased for non-Agency employees. In such a case, the names of all attendees and the nature and purpose of the meal shall be noted in writing for the Board's review.

1. Room service. The General Manager or staff member may order room service for a meal. The maximum cost provision above does not include any service charges or fees for room service.
 2. No reimbursement will be provided for a meal that is included in a conference or seminar registration fee. For example, if the General Manager or staff member attends an ACWA conference where lunches are included in the registration, that individual will not be reimbursed for a lunch that is taken elsewhere, unless it is a business lunch, in which case the other attendees and the nature of the business are to be noted on the receipt.
- vi. Tips and incidentals. Incidentals may include overnight parking, wi-fi access, etc.
- b. The Agency will NOT reimburse the following expenses:
- i. Alcohol.
 - ii. In-room movies.
 - iii. Personal expenses
 - iv. Trips to hotel spas.
 - v. Entertainment (movies, concerts, plays, etc.)
 - vi. Any expense for a spouse or travel companion.

VI. Miscellaneous

- a. **Emergencies.** If the General Manager or staff member is away from home on Agency travel and there is a family emergency that requires the individual to return home immediately, the Agency will reimburse any additional costs incurred for this unexpected travel.

VII. Receipts

- a. The General Manager and Operations and Maintenance Manager will keep all receipts and include them with the monthly credit card bill.
- b. Staff members will keep all receipts for expenditures over \$5 and include them with their expense report.
- c. For expenses not paid with an Agency credit card, receipts are required for all expenses over \$5.
- d. The Finance Manager shall report to the Finance and Budget Committee any expense for which a receipt is not included.

VIII. Review and Revisions

- a. The Board may revise this policy from time to time by a majority vote of the Board at a regular or special Board meeting.
- b. The Board will review this policy at a Board meeting or workshop at least once every three years, starting in 2016, to ensure that it fulfills the needs of the Agency.

Adopted: _____

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Replacement of Water Feature

DATE: January 6, 2014

Summary:

Last winter, ice formed below the tiles of the administration building's water feature, causing a number of tiles to chip. At the September 2013 Engineering workshop, the Board provided staff with guidance on repairing the damage. At this meeting, the Board indicated that it did not wish to repair the existing water feature, but would prefer to replace it with a non-water related feature to reduce maintenance costs. At the November 18, 2013 Board meeting, the Board further narrowed the choices to either a planter or to elimination of the feature altogether.

The purpose of this proposed Board action is to get final approval from the Board on an alternative that staff can implement.

Background:

In September and November 2013, the Board expressed a strong desire to reduce required maintenance of the water feature at the front of the administration building. The Board recognized that, with the frequency and strength of local winds, a water feature that includes falling water means staining of adjacent tiles, concrete, and stucco due to the minerals in the water.

The direction to staff to develop two alternatives—one as a planter, and one with total demolition of the existing feature—was based on this desire to minimize the maintenance associated with falling water, including cleaning stained materials and also the occasional tile breaking.

Staff will present three alternatives at the Board meeting. One will be for total demolition of the existing fountain, replacing the hole with a new concrete surface. One will be to convert the existing feature to a planter, which will involve removing the vertical wall, eliminating the tile, cleaning the stained surfaces, and filling the fountain with dirt and live plants. A third alternative will be to maintain the existing vertical feature but to replace the existing tile with new tile representing the Agency logo. The water portion of the feature will be eliminated. All three alternatives will include cleaning or removing stained tiles and stucco.

Detailed Report:

Estimates were obtained for all three alternatives. They are summarized below.

Option 1—Eliminate water feature by demolition and replace with concrete. The estimate for this is approximately \$2900. This does not include the cost of cleaning or replacing stained tiles and stucco, which could be several hundred dollars more.

Option 2—Eliminate water feature and replace with a planter. The proposed planter includes a Japanese maple tree and various plants that would thrive without direct sunlight. The estimated cost of this option is \$2700.

Option 3—Eliminate water feature and replace with vertical tiling of Agency logo. The total estimated cost for this is \$5700.

Fiscal Impact:

The General Fund budget includes \$15,000 for capital improvements to the Building and site. This has rarely been used in the past due to the fact that the building is relatively new, but the line item is always included in the budget. Any option selected by the Board will be covered in the budget.

Since the funds are budgeted, the impact of implementing any of the options will be minimal and within the budgeted amount.

Relationship to Strategic Plan:

The proposed Board action relates to maintaining the administration building and thus does not directly relate to the strategic plan.

Recommendation:

Staff believes that the planter or tiled logo would be more attractive and would be more in keeping with the overall building aesthetic than demolition of the water feature without replacement.

**STATE WATER RESOURCES DEVELOPMENT SYSTEM
FINANCE COMMITTEE
DRAFT CHARTER**

The State Water Resources Development System Finance Committee (SWRDS Finance Committee) is being established by the Department of Water Resources (DWR) to serve as a forum for discussions among DWR and the State Water Project Contractors (Contractors) and to provide a channel for recommendations to the Director of DWR concerning the finances of the State Water Resources Development System (SWRDS). The scope of the SWRDS Finance Committee is set out in this charter and has been mutually agreed to by the Contractors whose representatives have signed this charter. The establishment of the SWRDS Finance Committee and adoption of this charter are provided for in the Water Supply Contracts, as amended in 201?

DWR will continue to develop the SWP Program Control Project work plan (SWP Program Work Plan) for the development and implementation of financial enhancements through the SWRDS Finance Committee. The SWRDS Finance Committee and the Chief Financial Manager (CFM) will develop SWRDS Finance Committee's financial management enhancement work plans to implement this Charter.

DWR will create and fill a position, the Chief Financial Manager (CFM), to be a single point of authority for SWRDS finances. The CFM has the responsibility and authority throughout DWR to direct all SWRDS finances, reporting directly to the SWP Deputy Director or the DWR Director. Working with the SWRDS Finance Committee, the CFM will develop or enhance the finances and administrative measures required to provide comprehensive financial management of SWRDS.

Administrative enhancements will include the development and evaluation of technical committees necessary to support the SWRDS Finance Committee. The Contractors will review and align committee structures to conform to the SWRDS financial structure and eliminate any duplication of effort.

This Charter provides, among other things, that:

1. The Charter may only be modified with the mutual consent of DWR and the Contractors.
2. The SWRDS Finance Committee is charged with providing finance recommendations to the DWR Director, and the DWR Director has final discretion on whether or not to accept the recommendations.

- a. It is the intent of this Charter that SWRDS finance matters brought to the SWRDS Finance Committee be matters that are broad in nature and that could not be more effectively resolved in a technical or other SWP committees. In general, characteristics of SWRDS financial matters that would properly be brought to the SWRDS Finance Committee include: (1) affect a number of Contractors, rather than individual contractors; (2) potentially apply to multiple projects, rather than individual projects; and (3) involve potentially large transactions or a large number of transactions. In weighing these factors, an important consideration is whether the SWRDS financial matter would potentially merit ultimate resolution by the DWR Director.
 - b. It is not the intent of this Charter that the SWRDS Finance Committee address specific SWRDS budget line items, individual project budgets or individual transactions – rather, the intent is for the SWRDS Finance Committee to address the financial framework designed to provide formal guidance necessary to coordinate and execute the comprehensive management of SWRDS finances.
3. The SWRDS Finance Committee is to operate in cooperation with the Chief Financial Manager (once the position is established and filled).

I. COMMITTEE PURPOSE

The SWRDS Finance Committee shall serve as a forum for discussions among DWR and the Contractors and as a forum for Contractor input to DWR regarding SWRDS finances. The SWRDS Finance Committee shall also provide a channel for recommendations to the Director of DWR concerning SWRDS finances. The SWRDS Finance Committee will allow the Contractors to have input into SWRDS finances, thereby providing DWR with the benefit of input from the Contractors that have a common interest in the continuing long-term financial viability of SWRDS.

For the purposes of this Charter, SWRDS finances will be defined as those activities performed to plan, organize, direct, and control SWRDS assets, liabilities, equity, revenues, and expenditures. These activities consist of but are not limited to, accounting for SWRDS related transactions, preparation of financial and managerial reports, managing and forecasting cash requirements, preparing and implementing long ranging capital financing plans, issuing and managing debt, preparing and managing capital improvement plans, and other budgeting, budget tracking, forecasting, billing and reporting regarding transactions that affect SWRDS assets, liabilities, equity, revenues, and expenditures.

II. COMMITTEE GOALS:

1. To provide a forum that promotes coordination, communication, and cooperation among DWR and the Contractors regarding SWRDS finances and reports.
2. To provide input, recommendations and approval in the development and implementation of both the SWP Program Work Plan and the SWRDS Finance Committee's financial enhancement work plans.
3. To provide input and recommendations regarding DWR's finances, with the goal of providing information necessary to analyze and forecast SWRDS financial trends, activities, and fluctuations.

III. COMMITTEE RESPONSIBILITIES:

1. Providing input, recommendations, and approval regarding the progress of the SWP Program Work Plan.
2. Approve the SWRDS Finance Committee's work plans for financial enhancements. The SWRDS Finance Committee's work plans will include:
 - a. Written purpose of the work plan, including expected outcomes;
 - b. Goals and objectives to be met by the work plan. Objectives should be a list of tangible actions needed to meet specified goals. The goals should support the overall purpose or vision of what should be accomplished in the work plan;
 - c. Identify existing and needed resources to accomplish objectives;
 - d. Identify any constraints or obstacles to overcome;
 - e. Identify who is accountable for the various goals and objectives;
 - f. Written strategy on how resources will be used or obtained and obstacles overcome.
3. Providing recommendations, to the Director or the Director's delegate, regarding the comprehensive finances and reporting of SWRDS.
4. Periodically reviewing and providing recommendations for improvements to the SWRDS finances and reports.
5. Reviewing and making recommendations regarding issues pertaining to SWRDS finances and reports as identified by technical committees, auditors, and other stakeholders.
6. Reviewing and making recommendations regarding funding and uses of all 51(e) revenues including, but not limited to, the SWRDS Support Account and SWRDS Reinvestment Account.

IV. MEMBERSHIP AND ORGANIZATIONAL STRUCTURE:

A. Composition

The SWRDS Finance Committee will include representatives of the Contractors and DWR.

1. All Contractors may attend meetings of the SWRDS Finance Committee; each Contractor may provide one representative or delegate to participate (the "Representatives"). In January of each year, the Contractors shall elect five official representatives and two alternates from within the Contractors' representative pool.
2. DWR shall select five official representatives and five alternates.
3. The ten selected official representatives or alternates of the SWRDS Finance Committee shall be the SWRDS Finance Committee's members (the "Members") and be responsible for attending all SWRDS Finance Committee meetings. The Members shall be balanced with representation for DWR and the Contractors.
4. The Members may submit written SWRDS Finance Committee recommendations to the Director or to the Director's delegate responsible for the area under consideration by the SWRDS Finance Committee. If the Department representatives or the Contractor Representatives concur or have a dissenting view with the recommendation, that fact shall be noted in the recommendation.

B. Term

The Members will serve for a one-year term, with membership appointed or renewed each year. Term will begin on January 1.

C. Committee Chair and Vice-Chair

The SWRDS Finance Committee will have a Chair and Vice-Chair. A DWR representative shall be the Chair and will be selected by the DWR Members. A Contractor representative shall be the Vice-Chair and will be selected by the Contractor Members. The Chair and Vice-Chair shall be appointed in January of each year.

D. Meetings

The SWRDS Finance Committee is expected to meet as frequently as is necessary to carry out its responsibilities, but no less than two times annually, at such times and location determined by the SWRDS Finance Committee Chair and Vice-Chair. The Chair and Vice-Chair shall each have the authority to call a meeting and shall do so upon their own motion or upon the request of a Member of the SWRDS Finance Committee. Prior to a meeting, the Chair or Vice-Chair shall prepare a written meeting agenda. If an agenda item to be placed on the agenda for these meetings is deemed to be consistent with the intent of this Charter by either the Chair or Vice-Chair it shall be placed on the agenda.

E. Minutes

DWR shall keep minutes of each meeting. Copies of the minutes shall be provided to the Members and the Representatives within two weeks after a meeting.

F. Committee Procedures

The Members of the SWRDS Finance Committee may draft and adopt a set of procedures to govern the conduct of the SWRDS Finance Committee.

G. Amendments

This charter may not be amended except through express written consent of both DWR and all Contractors.

H. Review

On the fifth year after initiation of the SWRDS Finance Committee, and every fifth year thereafter, DWR and the Contractors shall review the performance of the SWRDS Finance Committee and determine if any changes need to be made to this Charter. The Charter can be modified only with the mutual consent of DWR and the Contractors.