

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Ave, Beaumont, CA 92223
Board Finance & Budget Workshop
Agenda
September 22, 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 not on the agenda. To comment on specific agenda items, please complete a speaker's request form and hand it to the Board secretary.

4. New Business (Discussion only)

- A. Ratification of Paid Invoices and Monthly Payroll for August, 2014 by Reviewing Check History Reports in Detail*
- B. Review and Consideration of Pending Legal Invoices for August, 2014*
- C. Review of August, 2014 Bank Reconciliation*
- D. Review of Budget Report for August, 2014*
- E. Review of Proposed Budget Revision*
- F. Review of Revision to Procurement Policy*
- G. Discussion of General Manager's Authority to Expend Funds

5. Announcements

- A. San Gorgonio Pass Regional Water Alliance – Technical Committee Meeting, September 24, 2014 at 4:30 p.m. at Banning City Hall Conference Room
- B. San Gorgonio Pass Regional Water Alliance, September 24, 2014 at 6:00 p.m. at Banning City Council Chambers
- C. Beaumont Basin Watermaster Meeting, October 1, 2014, at 10:00 a.m. at Beaumont-Cherry Valley Water District Board Room
- D. Regular Board Meeting, October 6, 2014 at 1:30 p.m.

6. 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 Ave., Beaumont, CA 92223 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, during regular business hours. When practical, these public records will also be available on the Agency's Internet website, accessible at <http://www.sgpwa.com>. 3. Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951-845-2577) at least 48 hours prior to the meeting to make a request for a disability-related modification or accommodation.

San Gorgonio Pass Water Agency
Check History Report
August 1 through August 31, 2014

ACCOUNTS PAYABLE

Date	Number	Name	Amount
08/04/2014	117048	ACWA BENEFITS	818.62
08/04/2014	117049	BDL ALARMS, INC.	78.00
08/04/2014	117050	BEST BEST & KRIEGER	13,110.28
08/04/2014	117051	METROPOLITAN WATER DISTRICT	7.36
08/04/2014	117052	CHERYLE M. RASMUSSEN	132.08
08/04/2014	117053	VISIONARY LOGICS	720.00
08/04/2014	117054	WASTE MANAGEMENT INLAND EMPIRE	94.37
08/07/2014	117055	CALIMESA CHAMBER OF COMMERCE	70.00
08/07/2014	117056	CITIZENS BUSINESS BANK	13,477.65
08/07/2014	117057	MARY ANN HARVEY-MELLEBY	281.16
08/07/2014	117058	PITNEY BOWES RESERVE ACCOUNT	650.00
08/07/2014	117059	PRO-CRAFT CONSTRUCTION, INC.	256,075.35
08/07/2014	117060	UNLIMITED SERVICES BUILDING MAINT.	295.00
08/14/2014	117061	PAYROLL CHECK	
08/15/2014	117062	CALPERS RETIREMENT	7,654.48
08/15/2014	117063	FRANCHISE TAX BOARD	180.06
08/18/2014	117064	CALPERS HEALTH	6,023.80
08/18/2014	117065	DAVID TAUSSIG & ASSOCIATES, INC.	12,102.01
08/18/2014	117066	FEDERAL EXPRESS	41.88
08/18/2014	117067	GOPHER PATROL	48.00
08/18/2014	117068	INCONTACT, INC.	77.80
08/18/2014	117069	J. R. FREEMAN CO. INC.	354.81
08/18/2014	117070	KENNEDY JENKS CONSULTANTS	3,798.60
08/18/2014	117071	SOUTHERN CALIFORNIA WATER COMMITTEE	850.00
08/18/2014	117072	VERIZON	1,009.92
08/18/2014	117073	WELLS FARGO REMITTANCE CENTER	3,845.45
08/25/2014	117074	WILLIAM E. DICKSON	401.25
08/25/2014	117075	WATER CONSULTANCY INC.	13,561.60
08/26/2014	117076	AT&T MOBILITY	222.34
08/26/2014	117077	CV STRATEGIES	2,796.28
08/26/2014	117078	RICHARD R. HARRIS	900.00
08/26/2014	117079	MATTHEW PISTILLI LANDSCAPE SERVICES	325.00
08/26/2014	117080	MARY ANN HARVEY-MELLEBY	79.20
08/26/2014	117081	SOUTHERN CALIFORNIA EDISON	160.95
08/26/2014	117082	THOMAS W. TODD, JR.	637.38
08/26/2014	117083	WATER EDUCATION FOUNDATION	1,000.00
08/28/2014	117084	PAYROLL CHECK	
08/29/2014	117085	CALPERS RETIREMENT	7,522.23
08/29/2014	117086	STANDARD INSURANCE COMPANY	313.60
08/15/2014	518962	EMPLOYMENT DEVELOPMENT DEPARTMENT	987.51
08/29/2014	519038	EMPLOYMENT DEVELOPMENT DEPARTMENT	960.84
08/15/2014	532025	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,431.91
08/29/2014	565337	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,355.09
08/31/2014	900087	DEPARTMENT OF WATER RESOURCES	475,964.00
		TOTAL ACCOUNTS PAYABLE CHECKS	<u>840,415.86</u>
08/31/2014	STATEMENT	WELLS FARGO BANK CHARGES	79.00

San Gorgonio Pass Water Agency Check History Report August 1 through August 31, 2014

PAYROLL

CHECKS			
Date	Number	Name	Amount
08/14/2014	117061	JOHN R. JETER	872.56
08/28/2014	117084	THEODORE F. HARING	1,022.56
			1,895.12

DIRECT DEPOSIT			
Date	Number	Name	Amount
08/14/2014	800920	JEFFREY W. DAVIS	4,318.37
08/14/2014	800921	WILLIAM E. DICKSON	942.50
08/14/2014	800922	KENNETH M. FALLS	2,499.67
08/14/2014	800923	WILLIAM R. MORRIS	1,122.56
08/14/2014	800924	CHERYLE M. RASMUSSEN	2,058.60
08/14/2014	800925	THOMAS W. TODD, JR.	3,058.99
08/28/2014	800926	JEFFREY W. DAVIS	4,318.37
08/28/2014	800927	RONALD A. DUNCAN	1,122.56
08/28/2014	800928	KENNETH M. FALLS	2,241.89
08/28/2014	800929	MARY ANN HARVEY-MELLEBY	1,122.56
08/28/2014	800930	CHERYLE M. RASMUSSEN	2,058.60
08/28/2014	800931	THOMAS W. TODD, JR.	3,058.99
08/28/2014	800932	BARBARA A. VOIGT	1,122.56
			29,046.22

TOTAL PAYROLL FOR AUGUST, 2014 30,941.34

TOTAL DISBURSEMENTS FOR AUGUST, 2014 871,436.20

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
August 31, 2014**

BALANCE PER BANK AT 08/31/2014 - CHECKING ACCOUNT	176,614.95
	176,614.95
LESS OUTSTANDING CHECKS	

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
117075	13,561.60	117080	79.20
117076	222.34	117083	1,000.00
117077	2,796.28	117084	1,022.56
117078	900.00	117085	7,522.23
117079	325.00	117086	313.60
	17,805.22		9,937.59

TOTAL OUTSTANDING CHECKS	(27,742.81)
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BALANCE PER GENERAL LEDGER	148,872.14
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BALANCE PER GENERAL LEDGER AT 07/31/2014	353,034.53
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CASH RECEIPTS FOR AUGUST	492,273.81
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CASH DISBURSEMENTS FOR AUGUST

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	(840,415.86)	
NET PAYROLL FOR AUGUST	(30,941.34)	(871,357.20)

BANK CHARGES	(79.00)
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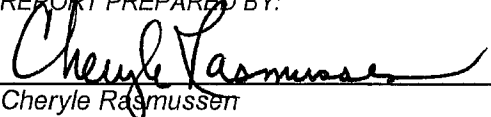
TRANSFERS FROM WF SAVINGS/LAIF	175,000.00
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TRANSFERS TO WF SAVINGS/LAIF

BOND PURCHASE

BALANCE PER GENERAL LEDGER AT 08/31/2014	148,872.14
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REPORT PREPARED BY:


Cheryl Rasmussen

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NUMBER</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	140831	LEGAL SERVICES AUG14	15,924.18

TOTAL PENDING INVOICES FOR AUGUST 2014

15,924.18

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF AUGUST 2014**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
08/01/14	RIVERSIDE COUNTY	PROPERTY TAXES	17,270.82	17,270.82
08/04/14	RIVERSIDE COUNTY	PROPERTY TAXES	238,522.23	238,522.23
08/05/14	RIVERSIDE COUNTY	PROPERTY TAXES	59,038.32	59,038.32
08/12/14	STATE OF CALIF	MEDICARE PART D SUBSIDY	1,636.16	1,636.16
08/18/14	BCVWD	WATER SALES	171,814.00	171,814.00
08/27/14	YVWD	WATER SALES	3,992.28	3,992.28
TOTAL FOR AUGUST 2014			492,273.81	492,273.81

**SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2014-15
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2014**

	FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME					
INCOME					
WATER SALES	1,800,000		1,800,000	175,806.28	90.23%
TAX REVENUE	1,750,000		1,750,000	102,325.38	94.15%
INTEREST	26,000		26,000	2,291.33	91.19%
GRANTS	0		0	0.00	
OTHER (REIMBURSEMENTS, TRANSFERS)	10,000		10,000	1,636.16	83.64%
TOTAL GENERAL FUND INCOME	3,586,000	0	3,586,000	282,059.15	92.13%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	1,700,000		1,700,000	187,459.00	88.97%
TOTAL COMMODITY PURCHASE	1,700,000	0	1,700,000	187,459.00	88.97%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	404,000		404,000	67,772.00	83.22%
PAYROLL TAXES	36,000		36,000	6,466.97	82.04%
RETIREMENT	315,000		315,000	22,482.00	92.86%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	-20,000		-20,000	4,577.55	122.89%
HEALTH INSURANCE	52,000		52,000	11,998.95	76.93%
DENTAL INSURANCE	6,000		6,000	1,420.17	76.33%
LIFE INSURANCE	1,000		1,000	229.58	100.00%
DISABILITY INSURANCE	3,500		3,500	576.07	0.00%
WORKERS COMP INSURANCE	3,700		3,700	0.00	95.13%
SGPWA STAFF MISC. MEDICAL	9,400		9,400	180.04	98.08%
EMPLOYEE EDUCATION	2,000		2,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	812,600	0	812,600	115,703.33	85.76%

SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2014-15
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2014

	FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	103,000		103,000	16,774.59	83.71%
DIRECTORS TRAVEL & EDUCATION	20,000		20,000	1,055.36	94.72%
DIRECTORS MISC. MEDICAL	18,000		18,000	718.10	96.01%
OFFICE EXPENDITURES					
OFFICE EXPENSE	12,000		12,000	1,669.28	86.09%
POSTAGE	1,200		1,200	745.76	37.85%
TELEPHONE	9,000		9,000	1,336.90	85.15%
UTILITIES	4,500		4,500	614.63	86.34%
SEWER EXPENDITURES					
COMPUTER, WEB SITE AND TELEPHONE SUPPORT & SERVICE	5,000		5,000	0.00	100.00%
GENERAL MANAGER & STAFF TRAVEL	15,000		15,000	987.54	93.42%
INSURANCE & BONDS	24,000		24,000	0.00	100.00%
ACCOUNTING & AUDITING	21,000		21,000	0.00	100.00%
STATE WATER CONTRACT AUDIT	5,000		5,000	0.00	100.00%
DUES & ASSESSMENTS	35,000		35,000	1,844.00	94.73%
OUTSIDE PROFESSIONAL SERVICES	2,000		2,000	0.00	100.00%
BANK CHARGES	1,200		1,200	166.57	86.12%
MISCELLANEOUS EXPENSES	900		900	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	2,000		2,000	819.73	59.01%
VEHICLE REPAIR & MAINTENANCE	11,000		11,000	2,325.43	78.86%
MAINTENANCE & REPAIRS - BUILDING	12,000		12,000	1,524.74	87.29%
MAINTENANCE & REPAIRS - FIELD	5,000		5,000	0.00	100.00%
CONTRACT OPERATIONS AND MAINTENANCE	140,000		140,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	3,600		3,600	4,176.11	-16.00%
ELECTION EXPENSE	150,000		150,000	0.00	100.00%
TAX COLLECTION CHARGES	8,000		8,000	338.74	95.77%
TOTAL ADMINISTRATIVE & PROFESSIONAL	608,400	0	608,400	35,097.48	94.23%

**SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2014-15
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2014**

	FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
GENERAL ENGINEERING					
RECHARGE					
B.A.R.F. SERVICE CONNECTION (MT. VIEW CONNEC.)	105,000		105,000	0.00	100.00%
B.A.R.F. POST DESIGN	200,000		200,000	0.00	100.00%
STUDIES					
USGS - <i>Agreement #23100</i>	95,000		95,000	0.00	100.00%
WATER RATE NEXUS STUDY	45,000		45,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	20,000		20,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	45,000		45,000	12,102.01	73.11%
SUPPORT - CAPACITY FEE & COOPERATIVE AGREEMENTS	40,000		40,000	13,561.60	66.10%
EMERGING CONTAMINANTS TASK FORCE	5,000		5,000	0.00	100.00%
UPDATED UWMP	50,000		50,000	3,798.60	92.40%
OTHER PROJECTS					
CLIMESA BASIN STUDY	44,000		44,000	0.00	100.00%
GENERAL AGENCY - CEQA ANALYSIS AND GIS SERVICES	15,000		15,000	0.00	100.00%
TOTAL GENERAL ENGINEERING	664,000	0	664,000	29,462.21	95.56%

**SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2014-15
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2014**

	FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	175,000		175,000	8,449.20	95.17%
TOTAL LEGAL SERVICES	175,000	0	175,000	8,449.20	95.17%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	14,000		14,000	0.00	100.00%
ADULT EDUCATION PROGRAMS	5,000		5,000	1,000.00	80.00%
OTHER CONSERVATION, EDUCATION AND PUBLIC RELATIONS	22,000		22,000	2,796.28	87.29%
TOTAL CONSERVATION & EDUCATION	41,000	0	41,000	3,796.28	90.74%
GENERAL FUND CAPITAL EXPENDITURES					
BUILDING	15,000		15,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	5,000		5,000	0.00	100.00%
OTHER EQUIPMENT	0		0	0.00	0.00%
TRANSPORTATION EQUIPMENT	0		0	0.00	0.00%
B.A.R.F. PIPELINE CONSTRUCTION	1,400,000		1,400,000	890,638.00	36.38%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	1,420,000	0	1,420,000	890,638.00	37.28%
TRANSFERS TO OTHER FUNDS	0	0	0	0.00	
TOTAL GENERAL FUND EXPENSES	5,421,000	0	5,421,000	1,270,605.50	76.56%
TRANSFERS FROM RESERVES					
	1,835,000		1,835,000	0.00	
TOTAL TRANSFERS FROM RESERVES	1,835,000	0	1,835,000	0	
GENERAL FUND NET INCOME YEAR TO DATE	0	0	0	-988,546.35	

SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2014-15
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2014

		FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015				
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME						
INCOME						
	TAX REVENUE	14,419,358		14,419,358	885,325.55	93.86%
	INTEREST	60,000		60,000	5,346.45	91.09%
	GRANTS	0		0	0.00	
	OTHER	2,097,576		2,097,576	0.00	100.00%
TOTAL DEBT SERVICE FUND INCOME		16,576,934	0	16,576,934	890,672.00	94.63%
DEBT SERVICE FUND - EXPENSES						
EXPENSES						
	SALARIES	49,000		49,000	8,272.00	83.12%
	PAYROLL TAXES	4,000		4,000	632.81	84.18%
	BENEFITS	60,000		60,000	4,871.41	91.88%
	SWC CONTRACTOR DUES	44,000		44,000	43,425.00	1.31%
	STATE WATER CONTRACT PAYMENTS	17,149,793		17,149,793	1,000,753.00	94.16%
	PURCHASED WATER	0		0	0.00	0.00%
	STATE WATER PROJECT LEGAL SERVICES	0		0	7.36	0.00%
	USGS - <i>Agreement #23100</i>	0		0	0.00	0.00%
	CONTRACT OPERATIONS AND MAINTENANCE	210,000		210,000	0.00	100.00%
	SWP ENGINEERING	25,000		25,000	0.00	100.00%
	DEBT SERVICE UTILITIES	9,000		9,000	1,538.61	82.90%
	TAX COLLECTION CHARGES	45,000		45,000	1,919.57	95.73%
TOTAL DEBT SERVICE FUND EXPENSES		17,595,793	0	17,595,793	1,061,419.76	93.97%
DEBT SERVICE FUND NET INCOME YEAR TO DATE		-1,018,859	0	-1,018,859	-170,747.76	

SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015
BUDGET REVISIONS FOR BOARD APPROVAL
DATE OF PROPOSAL: SEPTEMBER 22, 2014

LINE ITEM	A AMOUNT IN ORIGINAL ADOPTED BUDGET	B BOARD APPROVED PRIOR BUDGET REVISIONS	A+B REVISED BUDGET BEFORE NEW REVISIONS	C CURRENT BUDGET REVISIONS FOR APPROVAL	A+B+C REVISED BUDGET AFTER CURRENT REVISIONS
GENERAL FUND					
INCOME					
OTHER - Reimbursement from City of Banning and Banning Heights Mutual Water Company	10,000	0	10,000 +	40,000	50,000
EXPENSE					
GENERAL ENGINEERING					
New line item: Study - Alternative Water Supply for Banning and Banning Heights	0	0	0 +	60,000	60,000
NET EXPENSE INCREASE				20,000 +	20,000
SALARIES AND EMPLOYEE BENEFITS					
RETIREMENT - Savings from Side Fund Payment	315,000	0	315,000 -	20,000	295,000
GENERAL FUND EXPENSE TOTALS	315,000	0	315,000	0	315,000

DRAFT SGPWA Procurement Policy

~~Adopted December 18, 2006~~

Section 1. Purpose and Applicability: The purpose of this policy is to define the Agency's policies and procedures applicable to bidding of construction for new improvements and the procurement of materials, supplies, equipment, and professional services as well as for public works, including maintenance, pursuant to the provisions of Public Contract Code Section 21510 et seq. pertaining to the Agency. This Policy does not apply to operating expenses such as payroll, utilities, employee benefits, water purchases or taxes.

Section 2. Authority of the General Manager to Execute Contracts

~~Provided they are budgeted,~~ The General Manager is authorized to execute contracts as follows without prior approval from the Board:

- a. Contracts for materials, supplies and equipment (including cooperative purchasing as set out in Section 6 below) up to \$20,000, ~~including vehicles.~~ For items where the cost exceeds \$10,000, the General Manager shall solicit at least three quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. If the item is not readily available or a specific type is required to fit with existing Agency's equipment, the General Manager shall note the justification for sole source acquisition as set out in Section 6.
- b. Contracts for professional services up to \$40,000.
- c. Contracts for maintenance or construction up to \$50,000. For contracts above \$20,000, the General Manager shall solicit at least two quotes for the work, if possible, from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. If at least two quotes are not received, the General Manager shall note the justification for sole source procurement as set out in Section 6.
- d. Emergency contracts specified below in Section 6.

All contracts over \$15,000, along with their price, shall be reported to the Board at the earliest practicable time after the contract has been executed. The General Manager may not delegate his purchasing authority to any other employee.

Section 3. Improvements and Public Works Construction Estimated to Cost more than \$50,000

Where the improvement or unit of work is estimated by the General Manager to cost more than \$50,000, or the materials and supplies for use in any new construction will cost \$50,000 or more, the Agency shall comply with the following bidding procedures:

- A. The work may be performed in one or more contracts and the call for bids shall state whether the work shall be performed in one unit or divided into parts.

B. The call for bids shall describe the project and shall invite and specify procedures for the submission of sealed bids for such project. The call for bids shall describe how to obtain information regarding the project in order to submit such a bid and shall specify the deadline for submission of bids and the time for their opening.

C. The Agency shall advertise the work by publishing the call for bids three times in a daily newspaper of general circulation printed and published within the Agency boundaries or two times in a weekly newspaper of general circulation printed and published within the Agency boundaries.

D. At the time set for the opening of bids, the General Manager shall open and review all bids and shall determine which is the lowest responsible bidder(s).

E. The contract(s) with the lowest responsible bidder(s) shall be approved by the Board prior to execution.

F. The Board shall require the successful bidder to file labor and materials and faithful performance bonds in the form specified in Civil Code Section 3082 et seq.

G. Notwithstanding, the Board may reject any and all bids and may perform the work by force account or by contracting in the open market or may acquire the materials and supplies in the open market.

H. In the event no bids are received, the Board may direct the General Manager to rebid the project or may proceed under Section (G) above.

I. Construction change orders may be approved by the General Manager without prior approval of the Board of Directors in amounts up to 10% of the contract cost. In such a case, the General Manager shall inform the Board of this action at the earliest practicable time. Change orders for more than 10% of a contract price must be approved by the Board of Directors prior to execution.

Section 4. Professional Services Contracts

Professional services contracts by law do not require bidding. All professional service contracts in excess of \$40,000 shall be approved by the Board prior to execution. ~~In these cases, the General Manager shall solicit proposals from at least two consultants and, based on proposals received, make a recommendation to the Board based on multiple factors, including but not limited to price. For contracts in excess of \$50,000, the General Manager shall solicit proposals from at least three consultants. Exceptions to this procedure must be approved by the Board in advance. Provided they are budgeted, professional service contracts less than \$40,000 may be executed by the General Manager. For consulting work that is not budgeted, the work must be approved by the Board prior to executing an agreement. See exceptions to this detailed below.~~

In addition to the authority to execute professional services contracts as set out in Section 2, the General Manager shall have the authority to approve increases in all such contracts up to 10% of the contract amount. All such changes shall be reported to the Board.

Section 6. Exceptions

A. Emergency conditions. An emergency is defined as a breakdown in machinery or equipment resulting in the interruption of an essential service, or threat to public health, safety, or welfare. In the case of an emergency requiring the immediate purchase of supplies, materials, equipment or contractual services, the General Manager hereby is authorized to secure in the open market, without bidding, at the lowest obtainable price, any supplies, materials, equipment, or contractual services required, regardless of the amount of the expenditure and to report such action to the Board at its next meeting, in compliance with Public Contract Code Section 22050.

B. Limited availability/ sole source. Occasionally, required supplies, material, equipment, or services are of a proprietary nature, or are otherwise of such specific design or construction, or are specifically desired for purposes of maintaining cost effective system consistency, as to be available from only one source. After reasonable efforts to find alternative suppliers, the General Manager may make or may recommend making the purchase from the sole source.

C. Cooperative purchasing. The Agency shall have the authority to join with other public jurisdictions in cooperative purchasing agreements or to buy directly from a vendor at a price established by competitive bidding by another public jurisdiction in substantial compliance with this policy, even if the Agency has not joined with that public agency in a formal agreement. The Agency also may purchase from the United States of America or any state, municipality or other public corporation or agency without following formal purchasing procedures as defined in this policy.

Section 7. Review

The Board of Directors will review this policy ~~annually in December~~ bi-annually, and also upon change in Agency management.