

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Special Budget Workshop
June 11, 2013

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Ron Duncan, Director (left at 3:30)
Ted Haring, Director
Ray Morris, Director
Barbara Voigt, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager
Cheryle Rasmussen, Executive Assistant

- 1. Call to Order, Flag Salute and Roll Call:** The Special 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., June 11, 2013, in the Agency Board Room at 1210 Beaumont Avenue, Beaumont, California. Vice President Dickson led the Pledge of Allegiance to the flag. A quorum was present.
- 2. Public Comment:** Joe Zoba, General Manager of Yucaipa Valley Water District, asked if this workshop were going to cover any of the three subjects raised in a letter from him to the Agency. General Manager Davis replied that it would address the issue of water rates, which was one of the three issues mentioned in the letter.
- 3. Discussion of Draft General Fund Budget for 2013-2014.** *President Jeter turned the meeting over to Director Voigt, Chair of the Finance & Budget Committee.* General Manager Davis began the workshop by presenting a Power Point on the history of Agency water rates. He began by explaining that water rates are an important component of the General Fund Budget and he wanted to make it clear to the Board how the Agency had handled water rates in the past. General Manager Davis concluded the Power Point by providing three options to the Board—raise water rates as of January 2014, as of July 2014, or sometime after that. He indicated that the prior year adjustment from DWR would be an important part of that decision and the Agency would not have this information until it receives its Statement of Charges on July 1, so no decision is needed by the Board at this time. Following the Power Point, Joe Zoba, Duane Burk, and Eric Fraser each asked multiple questions and made a number of comments. Following a short break, General Manager Davis reviewed the draft 2013-2014 General Fund budget with

the Board. Finance Manager Todd passed out a revised draft budget which differed slightly from the version in the agenda package. He began by passing out a pie chart showing that 56% of the General Fund will be spent on purchasing water. Other sections of the pie chart included Engineering—16%, Salaries and Benefits—14%, and Administrative and Professional—10%. Legal Services, Conservation, and Capital Costs together were 4% of the budget. General Manager Davis and Finance Manager Tom Todd then reviewed the budget in detail with the Board. There were discussions on insurance, dues and assessments, outside professional services, and water conservation programs. General Manager Davis and Finance Manager Todd answered a number of questions from Board members.

4. **Announcements:** Director Voigt reviewed the following announcements:
 - A. San Gorgonio Pass Water Task Force, June 17, 2013—10:00 a.m., Banning City Council Chambers
 - B. Regular Board Meeting, June 17, 2013 at 1:30 p.m.
 - C. Finance and Budget Workshop, Thursday, June 27, 2013 at 1:30 p.m.
 - D. Regular Board Meeting, July 1, 2013 at 1:30 p.m.

5. **Adjournment:** The Special Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 3:59 p.m.



Jeffrey W. Davis, Secretary of the Board