

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
June 23, 2014

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

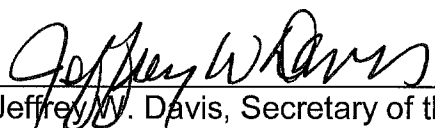
Staff and Consultants Present:
Jeff Davis, General Manager

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., June 23, 2014, 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 published.
3. **Public Comment:** No members of the public wished to make any 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 May, 2014 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Dickson, seconded by Director Melleby, to recommend that the Board ratify paid monthly invoices of \$446,633.30 and payroll of \$30,315.26 for the month of May, 2014, for a combined total of \$476,948.56. The motion passed 7 in favor, no opposed.
 - B. Review and Consideration of Pending Legal Invoices for May, 2014: After review and discussion, a motion was made by Director Duncan, seconded by Director Morris, to recommend that the Board approve payment of the pending legal invoices for May, 2014. The motion passed 7 in favor, no opposed.

- C. Review of May, 2014 Bank Reconciliation: After review and discussion, a motion was made by Director Dickson, seconded by Director Morris, to acknowledge receipt of the Wells Fargo bank reconciliation for May, 2014 as presented. The motion passed 7 in favor, no opposed.
- D. Review of Budget Report for May, 2014: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to acknowledge receipt of the Budget Report for May, 2014 as presented. The motion passed 7 in favor, no opposed.
- E. Discussion of COLA for FY 14-15: General Manager Davis presented a summary of the cost of living increase from the Consumer Price Index developed by Finance Manager Tom Todd. The summary showed that the Index has increased by 1.4% over the past 12 months. After discussion, a motion was made by Director Melleby, seconded by Director Dickson, to award a 1.5% cost of living increase to the staff starting July 1, 2014. The motion passed 7 in favor, no opposed.
- F. Review of Proposed General Fund Budget for FY 2014-15: General Manager Davis provided two separate budgets, one balanced and another one showing a deficit of \$104,100. Both budgets showed increases of \$100,000 in revenues from the draft budget reviewed in May. The unbalanced budget had no other revisions from May. The balanced budget showed decreases in expenditures in several categories. General Manager Davis noted that these were reasonable assumptions, while the other, unbalanced budget was very conservative. After discussion, a motion was made by Director Dickson, seconded by Director Melleby, to recommend adoption of the balanced General Fund Budget of \$5,421,000. The motion passed 7 in favor, no opposed.
- G. Discussion of Attorney's Attendance at Board Meetings: The Board had requested that this item be brought forward to this month, since only five board members were present at the workshop in May. After discussion, a motion was made by Director Dickson, seconded by Director Melleby, recommending that an attorney be present at Board meetings and Engineering workshops in the future. The motion passed 7 in favor, no opposed.
- H. Update Regarding Bond Investments: General Manager Davis noted that occasionally, our bonds are called and lately Wells Fargo has not notified the Agency that this occurred, resulting in reduced interest income due to funds being in a money market account instead of invested in a bond. He told the Board that staff has been in contact with another firm that would work harder to ensure that this does not happen and would manage the Agency's bond investments more actively, without any additional cost to the Agency. After discussion, a motion was made by Director Dickson, seconded by Director Duncan, to recommend moving the Agency's bond account to the new firm. The motion passed 7 in favor, no opposed.

5. Announcements: Director Voigt reviewed the following announcements:

- A. San Gorgonio Pass Regional Water Alliance – Technical Committee Meeting, June 25, 2014 at 4:00 p.m. at Banning City Hall Conference Room.
 - B. San Gorgonio Pass Regional Water Alliance, June 25, 2014 at 6:00 p.m. at Banning City Council Chambers.
 - C. Capacity Fee Workshop, Thursday, June 26, 2014 at 6:30 p.m.
 - D. The office will be closed July 4, 2014 in observance of Independence Day.
 - E. Regular Board Meeting, July 7, 2014 at 1:30 p.m.
6. **Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 2:17 p.m.



Jeffrey W. Davis, Secretary of the Board