

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue**  
**Beaumont, California 92223**  
**Minutes of the**  
**Board Finance and Budget Workshop**  
**September 22, 2014**

**Directors Present:** John Jeter, President  
Bill Dickson, Vice President  
Ron Duncan, Director, arrived at 1:40 p.m.  
Ted Haring, Director  
Mary Ann Melleby, Treasurer  
Barbara Voigt, Director

**Directors Absent:** Ray Morris, 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., September 22, 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 Barbara Voigt, Chair of the Finance & Budget Committee.*
  - A. Ratification of Paid Invoices and Monthly Payroll for the Month of August, 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 \$840,415.86 and payroll of \$30,941.34 for the month of August, 2014, for a combined total of \$871,357.20. The motion passed 5 in favor, no opposed, with Director Morris and Director Duncan absent.
  - B. Review and Consideration of Pending Legal Invoices for August, 2014: After review and discussion, a motion was made by Director Dickson, seconded by Director Jeter, to recommend that the Board approve payment of the pending

legal invoices for August, 2014. The motion passed 5 in favor, no opposed, with Director Morris and Director Duncan absent.

- C. Review of August, 2014 Bank Reconciliation: After review and discussion, a motion was made by Director Dickson, seconded by Director Melleby, to acknowledge receipt of the Wells Fargo bank reconciliation for August, 2014 as presented. The motion passed 5 in favor, no opposed, with Director Morris and Director Duncan absent.
- D. Review of Budget Report for August, 2014: Director Melleby noted that some calculations in the "Percentage Remaining" column did not look right. Finance Manager Tom Todd said he would fix it, and present a revised report. After further review and discussion, a motion was made by Director Dickson, seconded by Director Melleby, to acknowledge receipt of the Budget Report for August, 2014 with corrections. Director Duncan was present at this time. The motion passed 6 in favor, no opposed, with Director Morris absent.
- E. Review of Proposed Budget Revision: The Board recently made a decision to move ahead with a study of alternative water supplies for Banning Heights Mutual Water Company and the City of Banning. The proposed budget revision will include the expense in the budget. General Manager Jeff Davis reviewed the Board action briefly and Finance Manager Todd reviewed the proposed budget revision in detail. The Agency will take responsibility for securing the study, and the Agency, Banning Heights and the City of Banning will participate in the cost in equal shares. The study has been authorized up to \$60,000, and Agency will be reimbursed up to \$40,000, leaving a net expense of up to \$20,000. Because the payment of the CalPERS Retirement side fund was less than expected, funds are available in the "Retirement – General Fund" budget category. Staff proposed reducing "Retirement – General Fund" from \$315,000 to \$295,000 to provide for this expense. After further review and discussion, a motion was made by Director Melleby, seconded by Director Dickson to recommend that the Board approve this budget revision. The motion passed 6 in favor, no opposed, with Director Morris absent.
- F. Review of Revision to Procurement Policy: General Manager Davis handed out a revised version of the procurement policy that was discussed at the Board meeting on September 15, 2014. He reviewed the changes to the policy, noting specific language that was requested by the Board. The wording for construction change orders will be reviewed to determine if "aggregate amount" needs to be included. After further review and discussion, a motion was made by Director Dickson, seconded by Director Melleby to recommend that the Board approve the revised Procurement Policy, subject to advice from counsel. The motion passed 6 in favor, no opposed, with Director Morris absent.
- G. Discussion of General Manager's Authority to Expend Funds: General Manager Davis opened the discussion by reviewing the current practices of the Board to

review expenditures of the Agency. He noted that staff take specific steps to keep the Board informed about discretionary expenditures, even if these actions are not written policies. He also noted that while he had no specific recommendation at this time, but would like to come to the Board with a recommendation at a future meeting. The consensus of the Board at this time was that the current practices for reviewing the finances of the Agency are working to their satisfaction.

5. **Announcements:** Director Voigt reviewed the following 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.
  - E. Finance and Budget Workshop, Tuesday, October 28, 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 2:21 p.m.

  
\_\_\_\_\_  
Jeffrey W. Davis, Secretary of the Board