

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
October 28, 2014

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

Directors Absent: 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., October 28, 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 September, 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 \$7,242,528.44 and payroll of \$31,510.79 for the month of September, 2014, for a combined total of \$7,274,039.23. The motion passed 6 in favor, no opposed, with Director Duncan absent.
 - B. Review and Consideration of Pending Legal Invoices for September, 2014: After review and discussion, a motion was made by Director Melleby, seconded by Director Dickson, to recommend that the Board approve payment of the

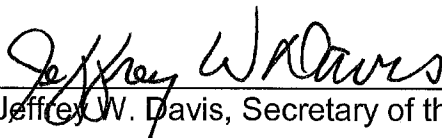
pending legal invoices for September, 2014. The motion passed 6 in favor, no opposed, with Director Duncan absent.

- C. Review of September, 2014 Bank Reconciliation: After review and discussion, a motion was made by Director Morris, seconded by Director Dickson, to acknowledge receipt of the Wells Fargo bank reconciliation for September, 2014 as presented. The motion passed 6 in favor, no opposed, with Director Duncan absent.
- D. Review of Budget Report for September, 2014: After review and discussion, a motion was made by Director Dickson, seconded by Director Morris, to acknowledge receipt of the Budget Report for September, 2014. The motion passed 6 in favor, no opposed, with Director Duncan absent.
- E. Review of Cash Reconciliation Report for June 30, 2014: After review and discussion, a motion was made by Director Melleby, seconded by Director Dickson to accept the Cash Reconciliation Report for June 30, 2014. The motion passed 6 in favor, no opposed, with Director Duncan absent.
- F. Review of Cash Reconciliation Report for September 30, 2014: After review and discussion, a motion was made by Director Melleby, seconded by Director Dickson to accept the Cash Reconciliation Report for September 30, 2014. The motion passed 6 in favor, no opposed, with Director Duncan absent.
- G. Review of Reserve Allocation Report for June 30, 2014: After review and discussion, a motion was made by Director Dickson, seconded by Director Morris, to recommend that the Board approve the Reserve Allocation Report for June 30, 2014 as presented. The motion passed 6 in favor, no opposed, with Director Duncan absent.
- H. Review of Reserve Allocation Report for September 30, 2014: After review and discussion, a motion was made by Director Dickson, seconded by Director Morris, to recommend that the Board approve the Reserve Allocation Report for September 30, 2014 as presented. The motion passed 6 in favor, no opposed, with Director Duncan absent.
- I. Consideration of Down Payment for Yuba Accord Water Purchase Agreement: General Manager Jeff Davis opened the discussion by briefly reviewing the reasons for the Yuba Accord, and by explaining that DWR has a deadline for this action that did not align itself with the Agency's meeting schedule. The details of the Yuba Accord Water Purchase Agreement are to be discussed at the next Board meeting, and General Manager Davis said he would normally have asked for an action at that meeting, but the information was unavailable at the last Board meeting, and decision needs to be made before the next Board meeting. Staff recommend approval of a pre-payment to DWR to lock purchase prices of Yuba water for 5 years by paying an up-front fee of about \$63,000.

This amount goes into an escrow fund, and the Agency will receive 2.25% on the funds, and the Agency can draw on the fund to pay amounts that it incurs through participation in the Yuba Accord. General Manager Davis noted that a budget revision would be required in the near future. After further discussion, a motion was made by Director Dickson, seconded by Director Melleby, to recommend that the Board approve a pre-payment to DWR of about \$63,000 to participate in this agreement. The motion passed 6 in favor, no opposed, with Director Duncan absent.

J. Report on Results of Side Fund Payment: General Manager Davis directed the attention of the Board to the statement from CalPERS showing that, after making a payment to pay off the side fund owed by the Agency to CalPERS, the Agency's employer contribution rate was reduced by 8.145% to 19.028%. This is a better use of Agency funds than current investments, and makes the future financial obligations of the Agency more sustainable.

- 5. Announcements:** Director Voigt reviewed the following announcements:
- A. Regular Board Meeting, November 3, 2014 at 1:30 p.m.
 - B. Engineering Workshop, November 10, 2014 at 1:30 p.m.
 - C. The Agency will be closed Tuesday, November 11, 2014 in observance of Veterans Day.
- 6. Adjournment:** The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 2:08 p.m.



Jeffrey W. Davis, Secretary of the Board