

**SAN GORGONIO PASS WATER AGENCY**  
1210 Beaumont Ave, Beaumont, CA 92223  
**Board Finance & Budget Workshop**  
**Agenda**  
September 28, 2015, at 1:30 p.m.

**1. Call to Order, Flag Salute**

**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, 2015 by Reviewing Check History Reports in Detail\*
- B. Review of Pending Legal Invoices\*
- C. Review of August, 2015 Bank Reconciliation\*
- D. Review of Budget Report for August, 2015\*
- E. Review Investment Policy\*

**5. Announcements**

- A. Regular Board Meeting, October 5, 2015 at 1:30 p.m.
- B. Engineering Workshop, October 12, 2015 at 1:30 p.m.
- C. Regular Board Meeting, October 19, 2015 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 Geronio Pass Water Agency**  
**Check History Report**  
**August 1 through August 31, 2015**

ACCOUNTS PAYABLE
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Date	Number	Name	Amount
08/04/2015	117569	BDL ALARMS, INC.	78.00
08/04/2015	117570	BEST BEST & KRIEGER	8,919.59
08/04/2015	117571	CV STRATEGIES	12,011.14
08/04/2015	117572	WILLIAM E. DICKSON	150.00
08/04/2015	117573	MACRO COMMUNICATIONS	4,750.00
08/04/2015	117574	PETTY CASH	90.58
08/04/2015	117575	THE PRESS-ENTERPRISE	312.00
08/04/2015	117576	CHERYLE M. RASMUSSEN	23.96
08/04/2015	117577	RIVERSIDE COUNTY RDA	500.00
08/04/2015	117578	LAFCO RIVERSIDE	4,694.59
08/04/2015	117579	UNDERGROUND SERVICE ALERT	13.50
08/04/2015	117580	VALLEY OFFICE EQUIPMENT, INC.	210.09
08/10/2015	117581	ACWA BENEFITS	611.40
08/10/2015	117582	BEAUMONT HOME CENTER	33.06
08/10/2015	117583	DROUGHT SOLUTIONS	200.00
08/10/2015	117584	RONALD A. DUNCAN	252.40
08/10/2015	117585	ERNST & YOUNG LLP	1,460.00
08/10/2015	117586	GOPHER PATROL	48.00
08/10/2015	117587	JACK'S ART & FRAMING	143.41
08/10/2015	117588	MARY ANN HARVEY-MELLEBY	448.00
08/10/2015	117589	WASTE MANAGEMENT INLAND EMPIRE	94.37
08/13/2015	117590	SEE PAYROLL CATEGORY, JOHN R. JETER	
08/14/2015	117591	CALPERS RETIREMENT	5,318.93
08/14/2015	117592	FRANCHISE TAX BOARD	196.91
08/12/2015	117593	ALBERT WEBB ASSOCIATES	999.50
08/12/2015	117594	KENNEDY JENKS CONSULTANTS	1,364.00
08/12/2015	117595	UNLIMITED SERVICES BUILDING MAINT.	295.00
08/12/2015	117596	ROBERT C. UTHE	30.00
08/12/2015	117597	WELLS FARGO REMITTANCE CENTER	3,989.89
08/24/2015	117598	AT&T MOBILITY	213.86
08/24/2015	117599	BRIERLEY ASSOCIATES	949.85
08/24/2015	117600	CALPERS HEALTH	6,238.36
08/24/2015	117601	CITROGRAPH PRINTING COMPANY	54.00
08/24/2015	117602	CV STRATEGIES	2,984.36
08/24/2015	117603	DAVID TAUSSIG & ASSOCIATES, INC.	20,213.98
08/24/2015	117604	JEFFREY W. DAVIS	320.00
08/24/2015	117605	FEDERAL EXPRESS	15.10
08/24/2015	117606	HEEMSTRA SIGNS	110.00
08/24/2015	117607	INCONTACT, INC.	67.65
08/24/2015	117608	MATTHEW PISTILLI LANDSCAPE SERVICES	325.00
08/24/2015	117609	VERIZON	1,049.47
08/30/2015	117610	CALPERS RETIREMENT	5,401.63
08/30/2015	117611	STANDARD INSURANCE COMPANY	399.63
08/14/2015	521267	EMPLOYMENT DEVELOPMENT DEPARTMENT	992.26
08/30/2015	521341	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,071.76
08/14/2015	551908	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,375.09
08/30/2015	559265	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,759.18
08/14/2015	900106	DEPARTMENT OF WATER RESOURCES	86,384.00
08/31/2015	900107	DEPARTMENT OF WATER RESOURCES	381,120.00
TOTAL ACCOUNTS PAYABLE CHECKS			568,283.50

**San Geronio Pass Water Agency**  
**Check History Report**  
 August 1 through August 31, 2015

PAYROLL
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CHECKS			
Date	Number	Name	Amount
08/13/2015	117590	JOHN R. JETER	774.41
			774.41
TOTAL PAYROLL CHECKS			774.41

DIRECT DEPOSIT			
Date	Number	Name	Amount
08/13/2015	801081	JEFFREY W. DAVIS	4,303.16
08/13/2015	801082	WILLIAM E. DICKSON	942.50
08/13/2015	801083	KENNETH M. FALLS	2,543.82
08/13/2015	801084	CHERYLE M. RASMUSSEN	2,049.38
08/13/2015	801085	THOMAS W. TODD, JR.	3,113.40
08/29/2015	801086	BLAIR M. BALL	911.53
08/29/2015	801087	JEFFREY W. DAVIS	4,303.16
08/29/2015	801088	RONALD A. DUNCAN	1,139.41
08/29/2015	801089	KENNETH M. FALLS	2,839.05
08/29/2015	801090	DAVID L. FENN	689.41
08/29/2015	801091	MARY ANN HARVEY-MELLEBY	1,139.41
08/29/2015	801092	CHERYLE M. RASMUSSEN	2,049.38
08/29/2015	801093	LEONARD C. STEPHENSON	1,139.41
08/29/2015	801094	THOMAS W. TODD, JR.	3,113.40
TOTAL PAYROLL DIRECT DEPOSIT			30,276.42
TOTAL PAYROLL			31,050.83
TOTAL DISBURSEMENTS FOR AUGUST, 2015			599,334.33

SAN GORGONIO PASS WATER AGENCY  
 New Vendors List  
 September, 2015

Vendor	Address	Expenditure Type
Brierley Associates	990 S. Broadway Suite 222; Denver, CO 80209	Consultant, Tunnel Study
Office Solutions Office Solutions bought J.R.Freeman, the Agency's previous office supplies provider.	23303 La Palma Ave.; Yorba Linda, CA 92887	Office Supplies
City of Calimesa	908 Park Avenue; Calimesa, CA 92320	Registrations

**SAN GORGONIO PASS WATER AGENCY**

**LEGAL INVOICES  
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	150831	LEGAL SERVICES AUG15	12,811.44

TOTAL PENDING INVOICES FOR SEPTEMBER 2105

12,811.44

**SAN GORGONIO PASS WATER AGENCY  
BANK RECONCILIATION  
August 31, 2015**

BALANCE PER BANK AT 08/31/2015 - CHECKING ACCOUNT	250,903.81
	250,903.81

LESS OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
117517	200.00	117602	2,984.36
117557	VOID	117608	325.00
117584	252.40	117610	5,401.63
		117611	399.63
	452.40		9,110.62

TOTAL OUTSTANDING CHECKS	(9,563.02)
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BALANCE PER GENERAL LEDGER	241,340.79
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BALANCE PER GENERAL LEDGER AT 07/31/2015	870,444.06
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CASH RECEIPTS FOR AUGUST	365,786.46
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CASH DISBURSEMENTS FOR AUGUST

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	(568,283.50)	
NET PAYROLL FOR AUGUST	(31,050.83)	(599,334.33)

BANK CHARGES	(105.42)
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TRANSFERS FROM WELLS FARGO/HEMET/LAIF	19,250,000.00
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TRANSFERS TO WF SAVINGS	(9,650,000.00)
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TVI BOND & CD PURCHASE	(10,000,000.00)
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VOIDED CHECKS - PRIOR MONTH	4,550.02
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BALANCE PER GENERAL LEDGER AT 08/31/2015	241,340.79
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REPORT PREPARED BY:

Cheryle Rasmussen

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Cheryle Rasmussen

**SAN GORGONIO PASS WATER AGENCY  
DEPOSIT RECAP  
FOR THE MONTH OF AUGUST, 2015**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
<b>DEPOSIT TO CHECKING ACCOUNT</b>				
08/03/15	RIVERSIDE COUNTY	PROPERTY TAXES	78,029.35	78,029.35
08/03/15	RIVERSIDE COUNTY	PROPERTY TAXES	8,352.25	8,352.25
08/03/15	RIVERSIDE COUNTY	PROPERTY TAXES	2,676.86	2,676.86
08/04/15	RIVERSIDE COUNTY	PROPERTY TAXES	67,270.47	67,270.47
08/04/15	RIVERSIDE COUNTY	PROPERTY TAXES	21,850.35	21,850.35
08/04/15	YVWD	WATER SALES	4,186.95	
08/04/15	YVWD	WATER SALES	13,117.05	17,304.00
08/18/15	BCVWD	WATER SALES	84,322.00	
08/18/15	YVWD	WATER SALES	17,619.18	101,941.18
08/21/15	CITY OF BANNING	WATER SALES	24,092.00	24,092.00
08/26/15	TIME VALUE INVEST.	BOND INTEREST	19,550.00	19,550.00
08/28/15	AMERICAN TOWER	CELL TOWER LEASE PAYMENT	24,720.00	24,720.00
TOTAL FOR AUGUST, 2015			365,786.46	365,786.46

**SAN GORGONIO PASS WATER AGENCY**  
**FISCAL YEAR BUDGET 2014-15**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE TWO MONTHS ENDING ON AUGUST 31, 2015**

FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - INCOME</b>					
<b>INCOME</b>					
WATER SALES	1,400,000		1,400,000	101,941.18	92.72%
TAX REVENUE	2,000,000		2,000,000	104,044.05	94.80%
INTEREST	29,000		29,000	2,224.42	92.33%
CAPACITY FEE	0		0	0.00	0.00%
GRANTS	0		0	0.00	0.00%
OTHER (REIMBURSEMENTS, TRANSFERS)	110,000		110,000	24,720.00	77.53%
<b>TOTAL GENERAL FUND INCOME</b>	<b>3,539,000</b>	<b>0</b>	<b>3,539,000</b>	<b>232,929.65</b>	<b>93.42%</b>
<b>GENERAL FUND - EXPENSES</b>					
<b>COMMODITY PURCHASE</b>					
PURCHASED WATER	1,200,000		1,200,000	0.00	100.00%
<b>TOTAL COMMODITY PURCHASE</b>	<b>1,200,000</b>	<b>0</b>	<b>1,200,000</b>	<b>0.00</b>	<b>100.00%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>					
SALARIES	420,000		420,000	68,977.50	83.58%
PAYROLL TAXES	36,000		36,000	6,484.15	81.99%
RETIREMENT	105,000		105,000	32,028.89	69.50%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	21,000		21,000	5,120.09	75.62%
HEALTH INSURANCE	48,000		48,000	11,681.09	75.66%
DENTAL INSURANCE	6,000		6,000	1,146.72	80.89%
LIFE INSURANCE	1,000		1,000	254.04	74.60%
DISABILITY INSURANCE	4,200		4,200	717.37	82.92%
WORKERS COMP INSURANCE	4,000		4,000	0.00	100.00%
SGPWA STAFF MISC. MEDICAL	9,000		9,000	908.29	89.91%
EMPLOYEE EDUCATION	2,000		2,000	0.00	100.00%
<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>656,200</b>	<b>0</b>	<b>656,200</b>	<b>127,318.14</b>	<b>80.60%</b>



**SAN GORGONIO PASS WATER AGENCY  
FISCAL YEAR BUDGET 2014-15  
BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2015**

FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - EXPENSES</b>					
<b>ADMINISTRATIVE &amp; PROFESSIONAL</b>					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	104,000		104,000	15,792.64	84.81%
DIRECTORS TRAVEL & EDUCATION	20,000		20,000	934.00	95.33%
DIRECTORS MISC. MEDICAL	31,000		31,000	4,592.57	85.19%
OFFICE EXPENDITURES					
OFFICE EXPENSE	15,000		15,000	1,285.54	91.43%
POSTAGE	1,200		1,200	765.10	36.24%
TELEPHONE	9,000		9,000	1,436.27	84.04%
UTILITIES	4,500		4,500	626.99	86.07%
SECURITY EXPENDITURES					
COMPUTER, WEB SITE AND TELEPHONE SUPPORT & SERVICE	16,000		16,000	4,750.00	70.31%
GENERAL MANAGER & STAFF TRAVEL	17,000		17,000	1,765.79	89.61%
INSURANCE & BONDS	23,000		23,000	0.00	100.00%
ACCOUNTING & AUDITING	21,000		21,000	0.00	100.00%
STATE WATER CONTRACT AUDIT	5,000		5,000	1,460.00	70.80%
DUES & ASSESSMENTS	33,000		33,000	2,349.00	92.88%
SPONSORSHIPS	10,000		10,000	0.00	100.00%
OUTSIDE PROFESSIONAL SERVICES	3,000		3,000	0.00	100.00%
BANK CHARGES	1,200		1,200	194.40	83.80%
MISCELLANEOUS EXPENSES	1,000		1,000	0.00	100.00%
<b>MAINTENANCE &amp; EQUIPMENT EXPENDITURES</b>					
TOOLS PURCHASE & MAINTENANCE	3,000		3,000	0.00	100.00%
VEHICLE REPAIR & MAINTENANCE	8,000		8,000	2,077.24	74.03%
MAINTENANCE & REPAIRS - BUILDING	12,000		12,000	1,649.74	86.25%
MAINTENANCE & REPAIRS - FIELD	6,500		6,500	13.50	99.79%
CONTRACT OPERATIONS AND MAINTENANCE	90,000		90,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	4,500		4,500	4,694.59	-4.32%
ELECTION EXPENSE	0		0	0.00	0.00%
TAX COLLECTION CHARGES	8,000		8,000	253.52	96.83%
<b>TOTAL ADMINISTRATIVE &amp; PROFESSIONAL</b>	<b>446,900</b>	<b>0</b>	<b>446,900</b>	<b>44,640.89</b>	<b>90.01%</b>

**SAN GORGONIO PASS WATER AGENCY  
FISCAL YEAR BUDGET 2014-15**

**BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2015**

FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - EXPENSES</b>					
<b>GENERAL ENGINEERING</b>					
RECHARGE					
B.A.R.F. DESIGN + CONSTRUCTION IN CAPITAL EXPENDITURES					
B.A.R.F. ENVIRONMENTAL MITIGATION	65,000		65,000	0.00	100.00%
FERC/FLUME					
ALTERNATIVE WATER SUPPLY FOR BANNING & BANNING HTS.	0		0	0.00	0.00%
NOTICE OF PREPARATION + EIR	50,000		50,000	949.85	98.10%
WATER FLUME TUNNEL	90,000		90,000	0.00	100.00%
ENVIRONMENTAL JUSTICE	27,000		27,000	0.00	100.00%
<b>TOTAL</b>					
USGS - Agreement #96710	125,000		125,000	25,181.50	79.85%
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	0		0	15,026.48	0.00%
SUPPORT - CAPACITY FEE & COOPERATIVE AGREEMENTS	0		0	999.50	0.00%
EMERGING CONTAMINANTS TASK FORCE	0		0	0.00	0.00%
UPDATED UWMP	50,000		50,000	858.00	98.28%
<b>OTHER PROJECTS</b>					
BASIN MONITORING TASK FORCE	15,000		15,000	13,924.00	7.17%
MODELING 15.5 ANALYSIS	25,000		25,000	0.00	100.00%
GENERAL AGENCY - CEQA ANALYSIS AND GIS SERVICES	15,000		15,000	506.00	96.63%
<b>TOTAL GENERAL ENGINEERING</b>	<b>527,000</b>	<b>0</b>	<b>527,000</b>	<b>57,445.33</b>	<b>89.10%</b>

**SAN GORGONIO PASS WATER AGENCY  
FISCAL YEAR BUDGET 2014-15**

**BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2015**

FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015						
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET	
<b>GENERAL FUND - EXPENSES</b>						
<b>LEGAL SERVICES</b>						
LEGAL SERVICES - GENERAL	175,000		175,000	4,600.00	97.37%	
<b>TOTAL LEGAL SERVICES</b>	<b>175,000</b>	<b>0</b>	<b>175,000</b>	<b>4,600.00</b>	<b>97.37%</b>	
<b>CONSERVATION &amp; EDUCATION</b>						
SCHOOL EDUCATION PROGRAMS	14,000		14,000	0.00	100.00%	
ALTERNATE EDUCATION PROGRAMS	5,000		5,000	400.00	92.00%	
CIVIL CONSERVATION, EDUCATION AND PUBLIC RELATIONS	10,000		10,000	2,984.36	70.16%	
<b>TOTAL CONSERVATION &amp; EDUCATION</b>	<b>29,000</b>	<b>0</b>	<b>29,000</b>	<b>3,384.36</b>	<b>88.33%</b>	
<b>GENERAL FUND CAPITAL EXPENDITURES</b>						
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	48,000		48,000	44,947.00	6.36%	
B.A.R.F. CONSTRUCTION	4,635,000		4,635,000	0.00	100.00%	
<b>TOTAL GENERAL FUND CAPITAL EXPENDITURES</b>	<b>4,703,000</b>	<b>0</b>	<b>4,703,000</b>	<b>44,947.00</b>	<b>99.04%</b>	
<b>TRANSFERS TO OTHER FUNDS</b>						
	0		0	0.00		
<b>TOTAL GENERAL FUND EXPENSES</b>	<b>7,737,100</b>	<b>0</b>	<b>7,737,100</b>	<b>282,335.72</b>	<b>96.35%</b>	
<b>TRANSFERS FROM RESERVES</b>						
	4,700,000		4,700,000			
<b>TOTAL TRANSFERS FROM RESERVES</b>	<b>4,700,000</b>	<b>0</b>	<b>4,700,000</b>	<b>0</b>		
<b>GENERAL FUND NET INCOME YEAR TO DATE</b>	<b>501,900</b>	<b>0</b>	<b>501,900</b>	<b>-49,406.07</b>		

**SAN GORGONIO PASS WATER AGENCY  
FISCAL YEAR BUDGET 2014-15**

**BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE TWO MONTHS ENDING ON AUGUST 31, 2015**

FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>DEBT SERVICE FUND - INCOME</b>					
INCOME					
TAX REVENUE	18,300,000		18,300,000	661,035.08	96.39%
INTEREST	73,000		73,000	6,014.16	91.76%
GRANTS	0		0	0.00	0.00%
DWR CREDITS - BOND COVER, OTHER	2,900,000		2,900,000	0.00	100.00%
<b>TOTAL DEBT SERVICE FUND INCOME</b>	<b>21,273,000</b>	<b>0</b>	<b>21,273,000</b>	<b>667,049.24</b>	<b>96.86%</b>
<b>DEBT SERVICE FUND - EXPENSES</b>					
EXPENSES					
SALARIES	50,000		50,000	8,577.50	82.85%
PAYROLL TAXES	4,000		4,000	656.18	83.60%
BENEFITS	25,000		25,000	6,498.18	74.01%
SWC CONTRACTOR DUES	44,000		44,000	39,544.00	10.13%
STATE WATER CONTRACT PAYMENTS	20,700,000		20,700,000	1,210,300.00	94.15%
PURCHASED WATER	0		0	0.00	0.00%
STATE WATER PROJECT LEGAL SERVICES	0		0	0.00	0.00%
USGS - Agreement #23100	60,000		60,000	0.00	100.00%
CONTRACT OPERATIONS AND MAINTENANCE	100,000		100,000	0.00	100.00%
SWP ENGINEERING	40,000		40,000	0.00	100.00%
DEBT SERVICE UTILITIES	9,200		9,200	1,436.09	84.39%
TAX COLLECTION CHARGES	44,000		44,000	1,436.60	96.74%
<b>TOTAL DEBT SERVICE FUND EXPENSES</b>	<b>21,076,200</b>	<b>0</b>	<b>21,076,200</b>	<b>1,268,448.55</b>	<b>93.98%</b>
TRANSFERS FROM RESERVES			0	0.00	
<b>DEBT SERVICE FUND NET INCOME YEAR TO DATE</b>	<b>196,800</b>	<b>0</b>	<b>196,800</b>	<b>-601,399.31</b>	

## RESOLUTION NO. 2015-10

### SAN GORGONIO PASS WATER AGENCY INVESTMENT POLICY AND GUIDELINES RESCINDING RESOLUTION #2010-02

**BE IT RESOLVED** by the Board of Directors of the San Gorgonio Pass Water Agency (Agency) that the following is the policy and guidelines of the Agency for Investment of funds and that adoption of this Resolution 2015-10 does hereby revise and nullify Resolution 2010-02.

#### **INTRODUCTION**

It is the policy of the San Gorgonio Pass Water Agency to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the daily cash flow demands of the Agency and conforming to all state and local statutes governing the investment of public funds.

The Agency operates its investment program with many federal, state and self-imposed constraints. **IT DOES NOT SPECULATE; IT DOES NOT DEAL IN FUTURES, OPTIONS, DERIVATIVES, SECURITY LOAN AGREEMENTS, OR MARGIN TRADING.**

#### **PURPOSE**

This statement is intended to provide a guideline for the prudent investment of cash not required for immediate expenditure, surplus funds and restricted monies, and to outline a policy for maximizing the efficiency of a cash management system.

#### **PRUDENCE**

Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The prudent-person policy of safety, liquidity, yield, and diversity, in that order, will prevail at all times.

## **DELEGATION OF AUTHORITY**

In accordance with Section 53607 of the Government Code of the State of California, the authority to invest public funds is expressly delegated to the legislative body for subsequent redelegation to the Treasurer.

The Agency has expressly delegated the investment authority of the Agency to the Treasurer and the Assistant Treasurer in Resolution Nos. 1994-09 and 2005-10.

No person may engage in an investment transaction except as provided under the terms of this policy. The Treasurer and Assistant Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

Agency funds not required for immediate expenditure may be invested in compliance with the governing provisions of law and as further limited by the Policy established in this resolution as from time to time amended.

## **ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall not engage in any personal business activity which could conflict with the proper execution of the Agency's investment program, or which could impair their ability to make impartial investment decisions. Employees and officers shall subordinate their personal investment transactions to those of the Agency, particularly with regard to the time of purchases and sales.

## **COMPUTATION OF INTEREST**

Pursuant to Government Code Section 53645, interest shall be computed and paid by the depository as follows:

- A. For active deposits upon which interest is payable, interest shall be computed on the average daily balance for the calendar quarter.
- B. For inactive deposits, interest shall be computed on a 360-day basis

## **ACCEPTABLE INVESTMENT INSTRUMENTS**

The Agency investment portfolio is limited to investments as specified below:

1. State of California Local Agency Fund (LAIF).
2. United States Treasury Instruments not to exceed two (2) years, purchased directly from the Federal Reserve Bank.

3. Certificates of Deposit (CDs), purchased through a major and reputable bank chartered in the United States, not to exceed thirty months. These must be either collateralized to 110% of the invested amount or otherwise insured through CDARS (Certificate of Deposit Account Registry Service) or other programs.
4. Repurchase agreements through a bank specifically for interest-bearing checking accounts.
5. Medium-Term Notes of a maximum of five years maturity issued by corporations organized and operating within the United States or any state. Notes eligible for investment shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. No more than 30% of the market value of the portfolio may be invested in Medium-Term Notes.
6. Bond, notes, debentures, or any other obligations of, or securities issued by, any federal government agency, instrumentality, or government-sponsored enterprise.
7. Municipal Bonds. The Agency may invest in bonds issued by a state or local government agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
8. Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist only of dollar-denominated securities.
9. Shares of beneficial interest issued by the Investment Trust of California (CalTRUST), authorized pursuant to California Government Code Section 53601(p).

Under Government Code Section 16429.1, a local agency having money in its treasury not required for immediate needs may remit the money to the Treasurer of the State of California for deposit in the Local Agency Investment Fund (LAIF).

The Board shall authorize in advance the purchase of any new authorized investment, except for purposes of cash management. For purposes of this policy, cash management is defined as a transfer out of the checking account to a liquid interest bearing account or a transfer into the checking account for purposes of paying a current bill.

#### **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The Agency shall transact business only with banks and registered investment securities dealers. The dealers shall be either primary dealers authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York, or regional dealers, qualifying under the Securities and Exchange Commission Rule 15c3-1. The Treasurer shall approve all dealers the Agency does business with. The Finance Manager shall send a copy of the current

Investment Policy to all dealers approved to do business with the Agency. Signed Dealer/Broker Confirmation Certificates shall be kept on file documenting the dealer/broker/s understanding of the Agency's investment policy.

### **COMPLIANCE AND CONFLICT**

All investments made by the Agency shall be in full compliance with the California Government Code that is in force at the time the investment is made. If there is a conflict between this policy and the California Government Code, the California Government Code shall prevail.

**BE IT RESOLVED** that the investment policy shall be reviewed by the Finance and Budget Committee annually, and as frequently as necessary, to enable the Treasurer and Assistant Treasurer to respond to changing market conditions; and

**BE IT FURTHER RESOLVED** that each quarter the Treasurer and Assistant Treasurer shall furnish the Board of Directors a detailed listing of the current investments. Pursuant to Government Code Section 53646, the Treasurer and Assistant Treasurer may also render a statement showing the amount of accrued interest for each investment for the preceding quarter if so required by the Board of Directors.

Resolution #2015-10 was adopted upon roll call by the following vote:

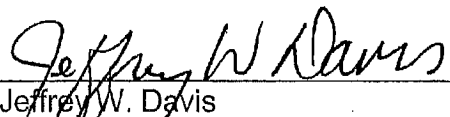
AYES: Stephenson, Ball, Fenn, Melleby, Duncan, Dickson, and Jeter

NOES:

ABSTAIN:

ABSENT:

I certify that the foregoing is a true, full and correct copy of Resolution #2015-10 adopted by the Board of Directors of the San Geronio Pass Water Agency at a regular meeting of the board of directors held on September 8, 2015.

  
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Jeffrey W. Davis  
Secretary of the Board