

SAN GORGONIO PASS WATER AGENCY

1210 Beaumont Ave, Beaumont, CA 92223

Board Finance & Budget Workshop

Agenda

January 23, 2017, at 4:00 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 and possible recommendations for action at a future regular Board meeting)

- A. Ratification of Paid Invoices and Monthly Payroll for December, 2016 by Reviewing Check History Reports in Detail*
- B. Review of Pending Legal Invoices*
- C. Review of December, 2016 Bank Reconciliation*
- D. Review of Budget Report for December, 2016*
- E. Review of Cash Reconciliation Report for December, 2016*
- F. Review of Investment Report for December, 2016*
- G. Review of Reserves Policy*
- H. Review of Reserve Allocation Report for December, 2016*

5. Announcements

- A. San Gorgonio Pass Regional Water Alliance, January 25, 2017
 - 1. Regular Meeting at 5:00 pm – Banning City Hall Conference Room
- B. Regular Board Meeting, February 6, 2016, 7:00 pm
- C. Engineering Workshop, February 13, 2017, 4:00 pm

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 Gorgonio Pass Water Agency
Check History Report
December 1 through December 31, 2016

ACCOUNTS PAYABLE

Date	Number	Name	Amount
12/05/2016	118234	BLAIR M. BALL	935.00
12/05/2016	118235	BDL ALARMS, INC.	78.00
12/05/2016	118236	BEST BEST & KRIEGER	15,149.26
12/05/2016	118237	ROY McDONALD	3,237.50
12/05/2016	118238	OFFICE SOLUTIONS	306.12
12/05/2016	118239	UNDERGROUND SERVICE ALERT	9.00
12/05/2016	118240	WASTE MANAGEMENT INLAND EMPIRE	94.80
12/12/2016	118241	ACWA BENEFITS	748.93
12/12/2016	118242	AUTOMATION PRIDE	100.00
12/12/2016	118243	FRONTIER COMMUNICATIONS	1,202.44
12/12/2016	118244	GOPHER PATROL	48.00
12/12/2016	118245	KENNEDY JENKS CONSULTANTS	2,639.00
12/12/2016	118246	MARY ANN HARVEY-MELLEBY	75.60
12/12/2016	118247	PROVOST & PRITCHARD	2,847.00
12/12/2016	118248	CHERYLE M. RASMUSSEN	188.76
12/12/2016	118249	THE RECORD-GAZETTE	190.00
12/12/2016	118250	SOUTHERN CALIFORNIA GAS	56.43
12/12/2016	118251	UNLIMITED SERVICES BUILDING MAINT.	295.00
12/12/2016	118252	VISIONARY LOGICS	585.00
12/14/2016	118253	SEE PAYROLL CATEGORY, JOHN R. JETER	
12/15/2016	118254	CALPERS 457-SIP	1,150.00
12/15/2016	118255	CALPERS RETIREMENT	4,458.02
12/19/2016	118256	CALPERS HEALTH	7,746.27
12/19/2016	118257	CITROGRAPH PRINTING COMPANY	86.40
12/19/2016	118258	CLEAN RITE CARPET CLEANING	115.00
12/19/2016	118259	FEDERAL EXPRESS	21.08
12/19/2016	118260	INCONTACT, INC.	112.71
12/19/2016	118261	MACRO COMMUNICATIONS	112.50
12/19/2016	118262	MATTHEW PISTILLI LANDSCAPE SERVICES	325.00
12/19/2016	118263	THOMAS W. TODD, JR.	1,228.32
12/19/2016	118264	WELLS FARGO REMITTANCE CENTER	1,912.00
12/29/2016	118265	CALPERS RETIREMENT	4,458.02
12/29/2016	118266	CALPERS 457-SIP	1,150.00
12/24/2016	118267	AUTOMATION PRIDE	95.00
12/24/2016	118268	PROVOST & PRITCHARD	195.00
12/24/2016	118269	LEONARD C. STEPHENSON	278.68
12/24/2016	118270	THOMAS W. TODD, JR.	834.83
12/24/2016	118271	ROBERT C. UTHE	60.00
12/29/2016	118272	STANDARD INSURANCE COMPANY	406.54
12/15/2016	564449	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,246.53
12/15/2016	580334	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,218.14
12/29/2016	593010	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,231.31
12/29/2016	513317	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,823.44
12/30/2016	900129	DEPARTMENT OF WATER RESOURCES	359,747.00
TOTAL ACCOUNTS PAYABLE CHECKS			428,797.63

San Gorgonio Pass Water Agency
Check History Report
December 1 through December 31, 2016

PAYROLL

CHECKS			
Date	Number	Name	Amount
12/14/2016	118253	JOHN R. JETER	496.53
TOTAL PAYROLL CHECKS			496.53

DIRECT DEPOSIT			
Date	Number	Name	Amount
12/14/2016	801300	JEFFREY W. DAVIS	4,241.20
12/14/2016	801301	KENNETH M. FALLS	2,294.96
12/14/2016	801302	CHERYLE M. RASMUSSEN	2,119.57
12/14/2016	801303	THOMAS W. TODD, JR.	3,306.77
12/28/2016	801304	BLAIR M. BALL	683.65
12/28/2016	801305	DAVID J. CASTALDO	1,139.41
12/28/2016	801306	JEFFREY W. DAVIS	4,885.37
12/28/2016	801307	RONALD A. DUNCAN	1,139.41
12/28/2016	801308	KENNETH M. FALLS	2,576.58
12/28/2016	801309	CHERYLE M. RASMUSSEN	2,119.57
12/28/2016	801310	LEONARD C. STEPHENSON	1,139.41
12/28/2016	801311	MICHAEL D. THOMPSON	911.53
12/28/2016	801312	THOMAS W. TODD, JR.	3,306.77
TOTAL PAYROLL DIRECT DEPOSIT			29,864.20
TOTAL PAYROLL			30,360.73
TOTAL DISBURSEMENTS FOR DECEMBER, 2016			459,158.36

SAN GORGONIO PASS WATER AGENCY
New Vendors List
January, 2017

Vendor - Name and Address	Expenditure Type
Clean Rite Carpet old address: 106 Dolores Ct., Redlands, CA 92374 new address: 12733 Via Linda Court, Yucaipa, CA 92399	Office Maintenance
California Secretary of State 1500 11th Street, Room 495, Sacramento, CA 95814	Lobbying/Office

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	161231	LEGAL SERVICES DEC16	22,666.31

TOTAL PENDING INVOICES FOR DECEMBER 2016

22,666.31

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
December 31, 2016**

BALANCE PER BANK AT 12/31/2016 - CHECKING ACCOUNT 471,030.40

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
118261	112.50	118269	278.68
118265	4458.02	118272	406.54
118266	1150.00		
	<u>5,720.52</u>		<u>685.22</u>

TOTAL OUTSTANDING CHECKS (6,405.74)

BALANCE PER GENERAL LEDGER 464,624.66

BALANCE PER GENERAL LEDGER AT 11/30/2016 15,342.34

CASH RECEIPTS FOR DECEMBER 5,358,571.57

CASH DISBURSEMENTS FOR DECEMBER

ACCOUNTS PAYABLE - CHECK HISTORY REPORT (428,797.63)

NET PAYROLL FOR DECEMBER (30,360.73) (459,158.36)

BANK CHARGES (130.89)

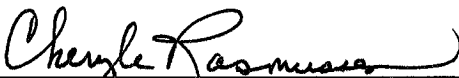
TRANSFER FROM LAIF, WELLS FARGO or CalTRUST 50,000.00

TRANSFER TO LAIF, WELLS FARGO or CalTRUST (2,000,000.00)

TRANSFER TO LAIF, WELLS FARGO or CalTRUST (2,500,000.00)

BALANCE PER GENERAL LEDGER AT 12/31/2016 464,624.66

REPORT PREPARED BY:



 Cheryl Rasmussen

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF DECEMBER, 2016**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
12/2/16	CITY OF BANNING	WATER SALES	57,694.00	57,694.00
12/6/16	RIVERSIDE COUNTY	PROPERTY TAXES	32,761.94	32,761.94
12/12/16	BCVWD	WATER SALES	348,700.00	348,700.00
12/15/16	RIVERSIDE COUNTY	PROPERTY TAXES	4,889,703.22	4,889,703.22
12/22/16	YVWD	WATER SALES	12,570.12	12,570.12
12/22/16	SO CAL EDISON	MT. VIEW DEPOSIT REFUND	2,431.97	2,431.97
12/27/16	TVI	CD - BOND INTEREST	14,710.32	14,710.32
TOTAL FOR DECEMBER, 2016			5,358,571.57	5,358,571.57

**SAN GORGONIO PASS WATER AGENCY
 BUDGET REPORT FY 2016-17
 BUDGET VS. REVISED BUDGET VS. ACTUAL
 FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016**

FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME					Compare: 50%
INCOME					
WATER SALES	3,993,000		3,993,000	1,955,662.57	51.02%
TAX REVENUE	2,240,000		2,240,000	795,497.75	64.49%
INTEREST	64,000		64,000	49,549.60	22.58%
CAPACITY FEE	0		0	0.00	0.00%
GRANTS	0		0	0.00	0.00%
OTHER (REIMBURSEMENTS, TRANSFERS)	69,000		69,000	43,601.14	36.81%
TOTAL GENERAL FUND INCOME	6,366,000	0	6,366,000	2,844,311.06	55.32%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	3,875,000		3,875,000	1,575,202.00	59.35%
TOTAL COMMODITY PURCHASE	3,875,000	0	3,875,000	1,575,202.00	59.35%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	431,000		431,000	215,210.60	50.07%
PAYROLL TAXES	39,000		39,000	16,678.76	57.23%
RETIREMENT	108,000		108,000	64,937.31	39.87%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	23,000		23,000	13,128.20	42.92%
HEALTH INSURANCE	52,000		52,000	30,472.92	41.40%
DENTAL INSURANCE	4,500		4,500	2,502.64	44.39%
LIFE INSURANCE	1,100		1,100	725.10	34.08%
DISABILITY INSURANCE	4,500		4,500	2,208.35	50.93%
WORKERS COMP INSURANCE	3,700		3,700	864.00	76.65%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	2,587.35	74.13%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	677,800	0	677,800	349,315.23	48.46%

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016**

FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					Compare: 50%
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	105,000		105,000	50,092.28	52.29%
DIRECTORS TRAVEL & EDUCATION	20,000		20,000	2,350.95	88.25%
DIRECTORS MISC. MEDICAL	32,000		32,000	8,391.68	73.78%
OFFICE EXPENDITURES					
OFFICE EXPENSE	18,000		18,000	9,098.24	49.45%
POSTAGE	1,000		1,000	510.35	48.97%
TELEPHONE	10,000		10,000	5,008.89	49.91%
UTILITIES	5,000		5,000	2,059.57	58.81%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	9,000		9,000	1,704.50	81.06%
GENERAL MANAGER & STAFF TRAVEL	20,000		20,000	9,753.80	51.23%
INSURANCE & BONDS	23,000		23,000	19,692.00	14.38%
ACCOUNTING & AUDITING	22,000		22,000	21,080.35	4.18%
STATE WATER CONTRACT AUDIT	5,000		5,000	5,012.00	-0.24%
DUES & ASSESSMENTS	29,000		29,000	29,472.50	-1.63%
SPONSORSHIPS	8,000		8,000	1,000.00	87.50%
OUTSIDE PROFESSIONAL SERVICES	650		650	650.00	0.00%
BANK CHARGES	1,600		1,600	834.39	47.85%
MISCELLANEOUS EXPENSES	1,000		1,000	2.79	99.72%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	3,500		3,500	28.38	99.19%
VEHICLE REPAIR & MAINTENANCE	9,000		9,000	2,635.87	70.71%
MAINTENANCE & REPAIRS - BUILDING	11,000		11,000	6,313.78	42.60%
MAINTENANCE & REPAIRS - FIELD	6,500		6,500	2,729.45	58.01%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	5,000		5,000	4,440.49	11.19%
ELECTION EXPENSE	175,000		175,000	0.00	100.00%
TAX COLLECTION CHARGES	9,500		9,500	2,310.50	75.68%
TOTAL ADMINISTRATIVE & PROFESSIONAL	679,750	0	679,750	185,172.76	72.76%

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016

FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					Compare: 50%
GENERAL ENGINEERING					
RECHARGE					
B.A.R.F. DESIGN + CONSTRUCTION			CAPITAL EXPENDITURE		
B.A.R.F. ENVIRONMENTAL MITIGATION			CAPITAL EXPENDITURE		
FERC/FLUME					
FLUME SUPPORT	40,000		40,000	24,912.07	37.72%
NEW WATER					
PROGRAMATIC EIR	75,000		75,000	0.00	100.00%
UPDATED STUDY ON AVAILABLE SOURCES	45,000		45,000	16,778.45	62.71%
SITES RESERVOIR	300,000		300,000	0.00	100.00%
BCVWD CONNECTION					
ENGINEERING	30,000		30,000	5,200.00	82.67%
CEQA	15,000		15,000	0.00	100.00%
INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP)	5,000		5,000	0.00	100.00%
SGMA SUPPORT	15,000		15,000	0.00	100.00%
STUDIES					
USGS	100,000		100,000	80,227.01	19.77%
WATER RATE NEXUS STUDY	50,000		50,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	30,000		30,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	0		0	0.00	0.00%
SUPPORT - CAPACITY FEE & AGREEMENTS	0		0	0.00	0.00%
UPDATED UWMP	10,000		10,000	30,009.35	-200.09%
OTHER PROJECTS					
BASIN MONITORING TASK FORCE	21,000		21,000	20,180.00	3.90%
BUNKER HILL CONJUNCTIVE USE PROJECT	20,000		20,000	0.00	100.00%
GENERAL AGENCY - CEQA AND GIS SERVICES	35,000		35,000	26,280.18	24.91%
TOTAL GENERAL ENGINEERING	791,000	0	791,000	203,587.06	74.26%

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016

FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					Compare: 50%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	175,000		175,000	90,339.50	48.38%
TOTAL LEGAL SERVICES	175,000	0	175,000	90,339.50	48.38%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	10,000		10,000	0.00	100.00%
ADULT EDUCATION PROGRAMS	5,000		5,000	0.00	100.00%
OTHER CONSERVATION, EDUCATION AND P. R.	20,000	15,000	35,000	21,263.87	39.25%
TOTAL CONSERVATION & EDUCATION	35,000	15,000	50,000	21,263.87	57.47%
GENERAL FUND CAPITAL EXPENDITURES					
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	37,000		37,000	0.00	100.00%
MT. VIEW TURNOUT + B.A.R.F. CONSTRUCTION	0		0	31,125.01	
SBVMWD PIPELINE CAPACITY PURCHASE	330,000		330,000	0.00	100.00%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	387,000	0	387,000	31,125.01	91.96%
TRANSFERS TO OTHER FUNDS	0	0	0	0.00	
TOTAL GENERAL FUND EXPENSES	6,620,550	15,000	6,635,550	2,456,005.43	62.99%
TRANSFERS FROM RESERVES	300,000		300,000		
TOTAL TRANSFERS FROM RESERVES	300,000	0	300,000	0	
GENERAL FUND NET INCOME YEAR TO DATE	45,450	-15,000	30,450	388,305.63	

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016

FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME					Compare: 50%
INCOME					
TAX REVENUE	19,350,000		19,350,000	5,487,206.21	71.64%
INTEREST	170,000		170,000	132,535.90	22.04%
GRANTS	0		0	0.00	0.00%
DWR CREDITS - BOND COVER, OTHER	3,170,000		3,170,000	1,837,143.66	42.05%
TOTAL DEBT SERVICE FUND INCOME	22,690,000	0	22,690,000	7,456,885.77	67.14%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	52,000		52,000	26,221.58	49.57%
PAYROLL TAXES	4,000		4,000	2,005.91	49.85%
BENEFITS	28,000		28,000	15,231.70	45.60%
SWC CONTRACTOR DUES	33,000		33,000	40,558.00	-22.90%
STATE WATER CONTRACT PAYMENTS	18,600,000		18,600,000	11,051,933.00	40.58%
PURCHASED WATER	5,000		5,000	324.00	93.52%
STATE WATER PROJECT LEGAL SERVICES	0		0	0.00	0.00%
USGS	0		0	0.00	0.00%
CONTRACT OPERATIONS AND MAINTENANCE	120,000		120,000	2,033.22	98.31%
SWP ENGINEERING	30,000		30,000	477.86	98.41%
DEBT SERVICE UTILITIES	10,000		10,000	4,999.68	50.00%
TAX COLLECTION CHARGES	60,000		60,000	13,119.75	78.13%
TOTAL DEBT SERVICE FUND EXPENSES	18,942,000	0	18,942,000	11,156,904.70	41.10%
TRANSFERS FROM RESERVES			0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	3,748,000	0	3,748,000	-3,700,018.93	

**SAN GORGONIO PASS WATER AGENCY
CASH RECONCILIATION REPORT
FY 2016-17
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016**

DEBT SERVICE FUND - RESTRICTED

BEGINNING BALANCE - JULY 1, 2016		
RESERVE FOR STATE WATER PROJECT	36,816,064	
DEBT SERVICE ACTIVITY		
DEBT SERVICE DEPOSITS		
PROPERTY TAX - DEBT SERVICE DEPOSITS	5,487,206	
INTEREST INCOME	132,536	
DWR REFUNDS	1,837,144	
DEBT SERVICE DISBURSEMENTS	(11,156,905)	
ENDING RESTRICTED FUNDS BALANCE - - - DEC 31 2016	33,116,045	33,116,045

GENERAL FUND - UNRESTRICTED

BEGINNING BALANCE - JULY 1, 2016		12,052,342
GENERAL FUND ACTIVITY		
GENERAL FUND DEPOSITS		
WATER SALES	1,955,663	
PROPERTY TAX - GENERAL PURPOSE DEPOSITS	795,498	
INTEREST INCOME	49,550	
OTHER INCOME	43,601	
CHANGE IN RECEIVABLES	515,647	
GENERAL FUND DISBURSEMENTS		
CHANGE IN LIABILITIES	(100,527)	
CHANGE IN CAPITAL ASSETS	(141,973)	
OPERATING EXPENDITURES	(2,321,979)	
ENDING UNRESTRICTED FUNDS BALANCE - - - DEC 31 2016	12,847,821	12,847,821

TOTAL CASH - - - DEC 31 2016

45,963,866

LOCATION OF CASH - - - DEC 31 2016

PETTY CASH	100
CASH IN CHECKING ACCOUNTS	464,625
WELLS FARGO MONEY MARKET SAVINGS	966,576
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	509,435
LOCAL AGENCY INVESTMENT FUND	6,349,005
CALTRUST	19,674,125
TIME VALUE INVESTMENTS	18,000,000

TOTAL - - - DEC 31 2016

45,963,866

**SAN GORGONIO PASS WATER AGENCY
CASH RECONCILIATION REPORT
FY 2016-17
BY QUARTER**

	SEP 30, 16	DEC 31, 16	MAR 31, 17	JUN 30, 17 DRAFT
<u>DEBT SERVICE FUND - RESTRICTED</u>				
BEGINNING BALANCE - JULY 1, 2016				
RESERVE FOR STATE WATER PROJECT	<u>36,816,064</u>	<u>36,816,064</u>	<u>36,816,064</u>	<u>36,816,064</u>
DEBT SERVICE ACTIVITY				
DEBT SERVICE DEPOSITS				
PROPERTY TAX - D. S. DEPOSITS	1,149,380	5,487,206		
INTEREST INCOME	78,171	132,536		
DWR REFUNDS	64,097	1,837,144		
CHANGE IN TAXES RECVBL				
DEBT SERVICE DISBURSEMENTS	(10,043,078)	(11,156,905)		
<u>ENDING RESTRICTED FUNDS BALANCE</u>	<u><u>28,064,634</u></u>	<u><u>33,116,045</u></u>	<u><u>36,816,064</u></u>	<u><u>36,816,064</u></u>
<u>GENERAL FUND - UNRESTRICTED</u>				
BEGINNING BALANCE - JULY 1, 2016	<u>12,052,342</u>	<u>12,052,342</u>	<u>12,052,342</u>	<u>12,052,342</u>
GENERAL FUND ACTIVITY				
GENERAL FUND DEPOSITS				
WATER SALES	753,759	1,955,663		
PROPERTY TAX - GENERAL DEPOSITS	183,329	795,498		
INTEREST INCOME	23,350	49,550		
OTHER INCOME	37,070	43,601		
CHANGE IN RECEIVABLES	575,816	515,647		
GENERAL FUND DISBURSEMENTS				
CHANGE IN LIABILITIES	(491,640)	(100,527)		
CHANGE IN CAPITAL ASSETS	(76,550)	(141,973)		
OPERATING EXPENDITURES	(844,876)	(2,321,979)		
<u>ENDING UNRESTRICTED FUNDS BALANCE</u>	<u><u>12,212,600</u></u>	<u><u>12,847,821</u></u>	<u><u>12,052,342</u></u>	<u><u>12,052,342</u></u>
<u>TOTAL CASH - END OF QUARTER</u>	<u><u>40,277,234</u></u>	<u><u>45,963,866</u></u>	<u><u>48,868,406</u></u>	<u><u>48,868,406</u></u>
<u>CASH AND INVESTMENTS</u>				
PETTY CASH	100	100		
CASH IN CHECKING ACCOUNTS	273,212	464,625		
WELLS FARGO MM SAVINGS	1,016,238	966,576		
BANK OF HEMET L.A.M.M.A.	509,244	509,435		
LOCAL AGENCY INVESTMENT FUND	3,349,005	6,349,005		
CALTRUST	17,129,435	19,674,125		
TIME VALUE INVESTMENTS	18,000,000	18,000,000		
<u>TOTAL - END OF QUARTER</u>	<u><u>40,277,234</u></u>	<u><u>45,963,866</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

DRAFT

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2016-17
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016**

Accounting convention defines Current Assets as assets that can be liquidated within 1 year. By this definition, funds invested in Wells Fargo accounts, Bank of Hemet accounts, LAIF and CalTRUST accounts would all be considered Current Assets, or short-term investments.

The Agency categorizes its investments into three groups: Short-Term (can be liquidated or mature in 1 year); Medium-Term (mature in more than 1 year up to 5 years) and Long-Term (mature after 5 years).

For the purposes of this report, a "Hybrid" category is included for investments that can be liquidated in a year, but whose underlying securities may mature in more than one year. LAIF and CalTRUST both fall into this category.

This report includes a summary of cash and investments, and a detail of investments by category. The summary can be compared to the Cash Reconciliation Report. The balance for Time Value Investments could be different, as this report is a snapshot at a specific time of current values, whereas the Cash Reconciliation Report lists carrying values. The detail of investments may not necessarily agree with the summary of cash and investments. This report also includes charts to show graphically the different investment categories, and what they are earning.

CASH AND INVESTMENT SUMMARY

LOCATION - INSTITUTION

PETTY CASH	100
CASH IN CHECKING ACCOUNTS	464,625
WELLS FARGO MONEY MARKET SAVINGS	966,576
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	509,435
LOCAL AGENCY INVESTMENT FUND	6,349,005
CALTRUST SHORT-TERM	5,039,761
CALTRUST MEDIUM-TERM	14,634,364
TIME VALUE INVESTMENTS	18,000,000
US TREASURY	-

TOTAL

45,963,866

ALL INVESTMENTS LISTED ON THE INVESTMENT REPORT AND HELD BY THE SAN GORGONIO PASS WATER AGENCY ARE IN COMPLIANCE WITH THE AGENCY'S STATEMENT OF INVESTMENT POLICY.

THE AGENCY CAN MEET ITS EXPENDITURE REQUIREMENTS FOR THE NEXT SIX MONTHS.

Thomas W. Zsold, Jr. 1-19-17
Finance Manager Date

DRAFT

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2016-17
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016**

INVESTMENT DETAIL

SHORT-TERM

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
Wells Fargo	Money Market Savings	0.15%	12/31/16	966,576.15
Bank of Hemet	Local Agency Money Market	0.15%	12/31/16	509,434.78

HYBRID

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
State of California	Local Agency Investment Fund	0.68%	12/31/16	6,349,004.78
CalTRUST	Short-Term	0.75%	12/31/16	5,039,760.97
CalTRUST	Medium-Term	1.02%	12/31/16	14,634,364.30

MEDIUM-TERM

BROKER: TIME VALUE INVESTMENTS BONDS

ISSUER	TYPE	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
FFCB	Callable*	1,976,118	0.94%	03/19/2018	2,000,000	1,988,480
FFCB	Callable*	1,995,800	0.97%	06/18/2018	2,000,000	1,985,880
FFCB	Callable*	999,200	1.12%	02/22/2019	1,000,000	994,970
FFCB	Callable*	1,001,474	1.02%	07/12/2019	1,000,000	985,330
FFCB	Callable*	1,000,770	1.38%	03/02/2020	1,000,000	988,470
FNMA	Callable*	1,050,000	1.40%	11/25/2020	1,050,000	1,023,855
	TOTAL	8,023,362	1.09%	TOTAL	8,050,000	7,966,985

* Can be redeemed before maturity date.

BROKER: TIME VALUE INVESTMENTS CDs

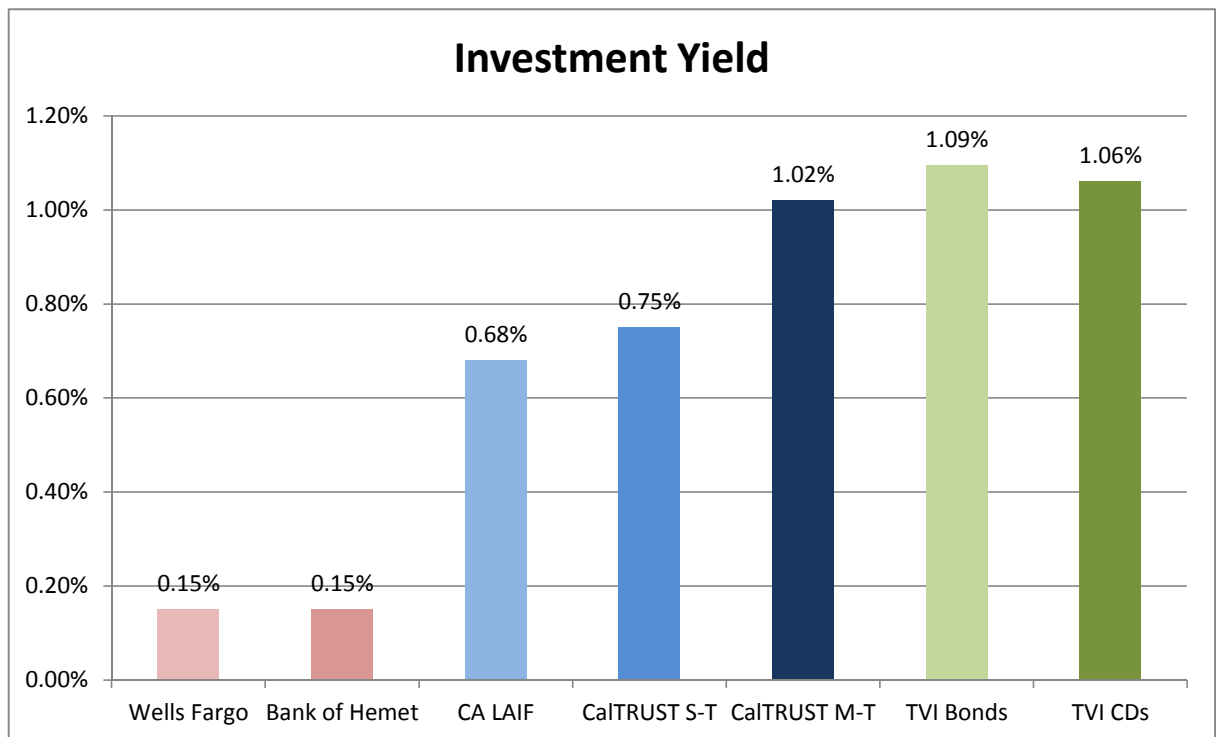
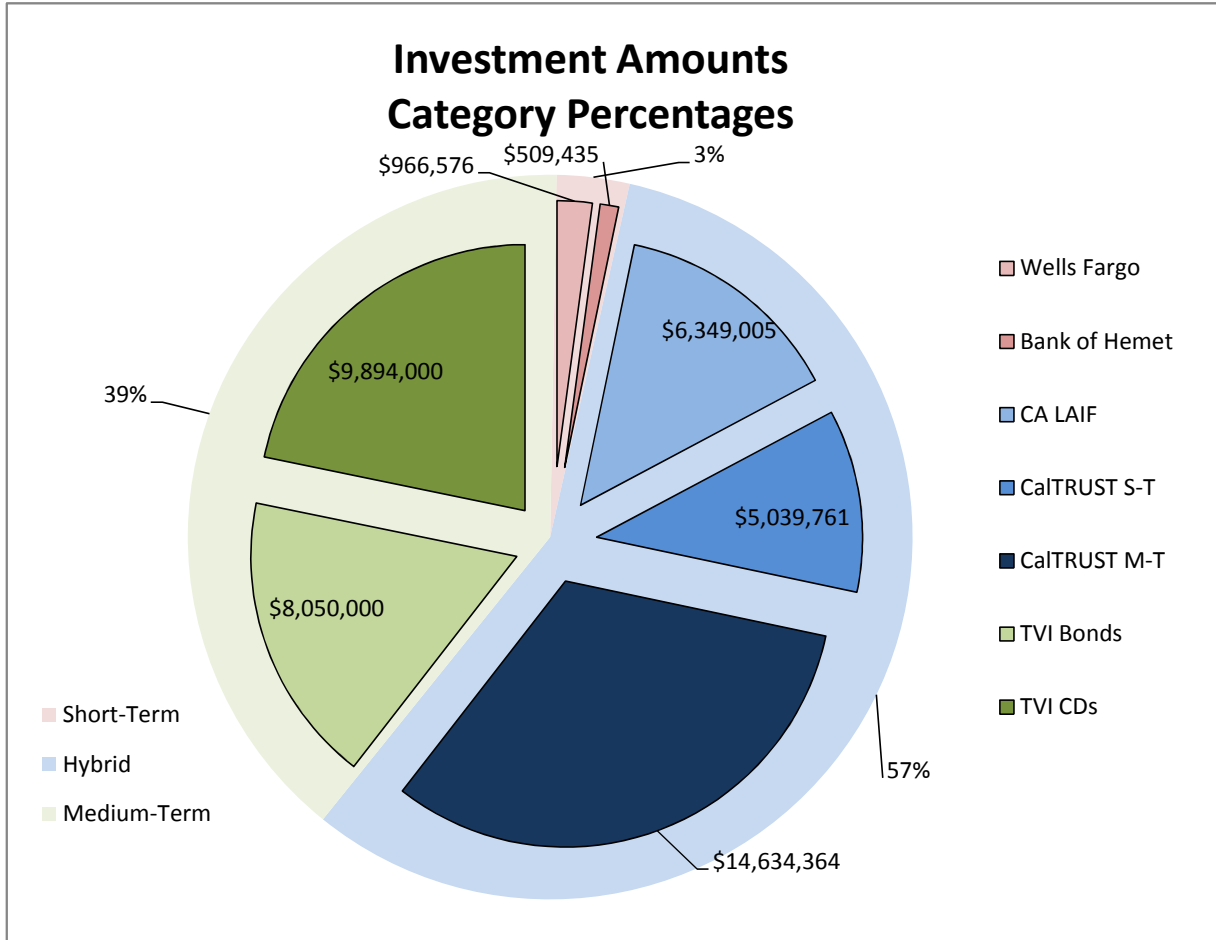
ISSUER	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
Various banks	9,894,000	1.06%	7-30 months	9,894,000	9,906,320.16

LONG-TERM

The Agency has no Long-Term investments at the date of this report.

DRAFT

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2016-17
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016**



RESOLUTION NO. 2009-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY REVISING A POLICY FOR AGENCY RESERVES

(RESCINDING RESOLUTION NO. 2007-16)

WHEREAS, this Board is charged with responsibility for providing an imported water supply to customers located within the Agency's boundaries, for the construction, operation, maintenance, repair and replacement of facilities to transport and deliver that water to Agency customers, and for the collection and accumulation of revenues necessary to accomplish these purposes; and

WHEREAS, the implementation of Board policy over a period of many years has resulted in the accumulation of funds to be utilized for a variety of Agency activities and to protect the Agency's customers and taxpayers from the financial impacts of catastrophic events and from fluctuations in Agency expenses; and

WHEREAS, by separate action this Board has created a restricted fund for the deposit and separate accounting of Agency revenues which may be expended only for particular Agency purposes, entitled the "State Water Contract Fund" and

WHEREAS, in addition to the collection and deposit of money into the restricted account, this Board also wishes to provide for the creation of certain unrestricted reserve accounts, and to set forth in writing the Agency's policy regarding the accumulation of reserves, the purposes for which they may be expended, and the levels which the Agency should strive to maintain;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Gorgonio Pass Water Agency hereby provides for the deposit of revenue into the restricted fund, the creation of certain unrestricted reserve accounts, and the accumulation and administration of reserves in each, as follows:

1. Restricted Reserves.

(a) State Water Contract Fund. All revenue collected from taxes levied on real property within the Agency's boundaries to pay amounts due and owing to the State of California Department of Water Resources ("DWR") pursuant to the Agency's contract with the State ("State Water Contract") for participation in the State Water Resources Development System shall be deposited into the State Water Contract Fund. The revenues deposited into the State Water Contract Fund may be utilized only to pay the Agency's financial obligations on the State Water Contract. The Agency shall endeavor to maintain money in the State Water Contract Fund in an amount which is more than the total of the previous year's invoices from DWR, but not more than two and one half times the total of such invoices, so that a reserve may be maintained to absorb temporary increases in charges from DWR, help to stabilize Agency tax rates, and protect against economic conditions which could result in the failure of numerous Agency taxpayers to pay their taxes. The reserves maintained in the State Water

Contract Fund may be invested in the same manner as other Agency funds. Investment earnings thereon as determined by the Agency shall be credited to the State Water Contract Fund and shall be used only to pay State Water Contract obligations.

2. Unrestricted Reserves.

(a) Reserve for Operations. A "Reserve for Operations" is hereby created for the Agency, to which the Board may appropriate unrestricted Agency revenues. The Reserve for Operations may be utilized to pay the cost of operating the Agency's general system including unanticipated costs of operations. The Agency shall endeavor to maintain in the Reserve for Operations an amount sufficient to pay for six months of normal operations of the Agency excluding depreciation expense and payments to DWR not to exceed one year of normal operation, as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for Operations may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Operations may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(b) Reserve for New Infrastructure. A "Reserve for New Infrastructure" is hereby created for the Agency's general account, to which the Board may appropriate unrestricted Agency revenues. The Reserve for New Infrastructure may be utilized to construct or procure new infrastructure for the Agency; expenditures include but are not limited to transmission and distribution capital assets, buildings, pumping equipment, technical equipment, furniture and fixtures and transportation equipment. The Agency shall endeavor to maintain the Reserve for New Infrastructure in an amount approximately equal to 20% of the original cost of the Agency's physical plant, as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for New Infrastructure may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for New Infrastructure may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(c) Reserve for Additional Water. A "Reserve for Additional Water" is hereby created to which the Board may appropriate unrestricted Agency revenues. The Reserve for Additional Water may be utilized for the temporary purchase of additional water, to augment the Agency's annual allocation of water pursuant to Table A of the Agency's State Water Contract, and for costs associated with the banking or transfer of any water or water rights purchased by the Agency. The Agency shall endeavor to maintain the Reserve for Additional Water in an amount of at least \$2.5 million as of June 30, 2008, with a goal of increasing this amount at least \$250,000 per year thereafter. This reserve fund is to be augmented by income from the "new water" component of the water rate, to be set by the Board. Funds added to this reserve from the water rates shall

not be used for any purpose other than to purchase new water or water rights. It is anticipated that other funds will also be added to this reserve. The funds initially appropriated to the Reserve for Additional Water (\$2.5 million) and funds from sources other than the water rate may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Additional Water may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(d) Rate Stabilization Reserve. A "Rate Stabilization Reserve" is hereby created, to which the Board may appropriate unrestricted Agency revenues. The Rate Stabilization Reserve may be utilized to protect Agency ratepayers from temporary increases in the cost of providing water service, such as fluctuations in the cost of energy, for example. The Agency shall endeavor to maintain the Rate Stabilization Reserve in an amount equal to \$150,000, or approximately 150% of the maximum annual revenue shortfall year identified in the February 2, 2009 water rate study. This reserve fund is to be augmented by income from the rate stabilization component of the water rate, to be set by the Board. As the initial \$150,000 allocated to this fund as of February 2, 2009 is augmented by funds from water rates, these initial funds shall be allocated to other reserve funds as needed. Funds added to this reserve from the water rates shall not be used for any purpose other than stabilizing or subsidizing the water rate. However, if at any time the funds accumulated in this reserve fund from the rate stabilization component of the water rate reach the goal of \$150,000, additional funds earmarked for this reserve above \$150,000 shall be allocated to the reserve for new water until such time as the rate stabilization reserve fund is reduced below \$150,000. At that time, revenue from the rate stabilization fund portion of the water rate will again be allocated to the rate stabilization reserve fund until such time as it reaches \$150,000. Funds appropriated to the Rate Stabilization Reserve may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(e) Reserve for Replacements. A "Reserve for Replacements" is hereby created for the Agency's general account, to which the Board may appropriate unrestricted Agency revenues. The Reserve for Replacements may be utilized to replace the Agency's physical plant, as needed. The Agency shall endeavor to maintain the Reserve for Replacements an amount approximately equal to the accumulated amount of depreciation of the Agency's physical plant (not including the State Water Project facilities), as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for Replacements may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Replacements may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(f) Reserve for Unexpected Legal Expenses. A "Reserve for Unexpected Legal Expenses" is hereby created, to which the Board may appropriate unrestricted Agency revenues. The Reserve may be used to pay unexpected

legal expenses incurred by the Agency, such as for planned or unplanned litigation, pending litigation, threatened litigation, or other such legal expenses as may be incurred. The Agency shall endeavor to maintain in the Reserve at least \$150,000, not to exceed \$250,000. However, the funds appropriated to the Reserve for Unexpected Legal Expenses may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Unexpected Legal Expenses may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

3. Additional Reserves. In addition to the reserves identified above, the Board may approve the creation of such additional accounts, whether temporary or permanent, as the Board deems necessary or appropriate, by amendment to this resolution or by simple motion. In such event, the Board will identify the purposes for which such additional accounts are created, provide guidance as to the amount which the Agency should endeavor to maintain in each such fund or account, and establish the limits and restrictions pertaining thereto.

4. Annual Reports. Each quarter the Agency's General Manager shall provide the Board with a report indicating the beginning and ending balance for each of the reserve funds or accounts created pursuant to this resolution and the purposes for which expenditures have been made there from, and shall make recommendations to replenish or augment fund or account balances as appropriate.

5. Concurrent Adoption of Water Rates Resolution. This Resolution revising the policy for the accumulation of the Agency Reserves is dependent on the concurrent adoption of Resolution No. 2009-3, which establishes wholesale water rates.

The foregoing resolution was adopted unopposed by voice vote at a regular meeting of the Board of Directors of the San Gorgonio Pass Water Agency on February 2, 2009 with all Directors present.

I certify that this is a true, full and correct copy Resolution 2009-02, approved by the Board of Directors of the San Gorgonio Pass Water Agency at its meeting held on February 2, 2009.

Jeffrey Davis
Secretary of the Board

**SAN GORGONIO PASS WATER AGENCY
RESERVE ALLOCATION REPORT
FY 2016-17
FOR THE SIX MONTHS ENDING DECEMBER 31, 2016**

	JUN 30, 16	SEP 30, 16	DEC 31, 16	MAR 31, 17	JUN 30, 17
RESTRICTED					
STATE WATER CONTRACT FUND	36,816,064	28,064,634	33,116,045		
UNRESTRICTED					
OPERATIONS	1,500,000	1,500,000	1,500,000		
NEW INFRASTRUCTURE	2,818,921	3,504,184	3,372,311		
Additions	685,263	-131,873	385,252		
Expenditures		0			
Ending Balance	3,504,184	3,372,311	3,757,563	0	0
ADDITIONAL WATER	2,500,000	2,500,000	2,500,000		
Adjustments from Other Sources	1,700,000	2,000,000	2,000,000		
Ratepayer - Balance Forward	1,126,838	1,126,838	1,126,838		
Ratepayer - Current Contribution		0			
Rate Stabilization - Balance Forward	413,420	413,420	413,420		
Excess Rate Stabilization - Current		0			
Expenditures		0			
Ending Balance	5,740,258	6,040,258	6,040,258	0	0
RATE STABILIZATION					
Taxpayer Contribution	0	0	0		
Previous Ratepayer Balance	150,000	150,000	150,000		
Ratepayer Contribution		0	0		
Excess Contribut.-To Addnl. Water		0	0		
Expenditures		0	0		
Ending Balance	150,000	150,000	150,000	0	0
REPLACEMENTS	1,000,000	1,000,000	1,250,000		
UNEXPECTED LEGAL SERVICES	150,000	150,000	150,000		
TOTAL UNRESTRICTED RESERVES	12,044,442	12,212,569	12,847,821	0	0
TOTAL RESERVES	48,860,506	40,277,203	45,963,866	0	0

CASH LOCATION

Petty Cash	100	100	100		
Checking Accounts	73,792	273,181	464,625		
Wells Fargo M.M. Savings	865,939	1,016,238	966,576		
Local Agency M M Acct. BofH	509,052	509,244	509,435		
LAIF	12,323,141	3,349,005	6,349,005		
CalTRUST	17,088,482	17,129,435	19,674,125		
Time Value Investments	18,000,000	18,000,000	18,000,000		
TOTAL CASH	48,860,506	40,277,203	45,963,866	0	0