

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
October 23, 2017

Directors Present: David Fenn, President
Ron Duncan, Vice President
Lenny Stephenson, Treasurer
David Castaldo, Director
Blair Ball, Director; left at 3:10 pm
Steve Lehtonen, Director
Mike Thompson, 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 Treasurer Lenny Stephenson at 1:30 pm, October 23, 2017, in the Agency Board Room at 1210 Beaumont Avenue, Beaumont, California. Director Stephenson 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 requested to speak at this time.
4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for September, 2017 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Ball, seconded by Director Lehtonen, to recommend that the Board ratify paid monthly invoices of \$9,996,837.93 and payroll of \$31,933.39 for the month of September, 2017, for a combined total of \$10,028,771.32. The motion passed, 7 in favor, no opposed.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Duncan, seconded by Director Castaldo, to recommend that the Board approve payment of the pending legal invoices for September, 2017. The motion passed, 7 in favor, no opposed.
 - C. Review of September, 2017 Bank Reconciliation: Director Stephenson asked for input about the auditor's suggestion of comparing the bank reconciliation produced by the accounting software, QuickBooks, with the bank reconciliation done by staff. The consensus of the Board was that review of these items by the Committee was sufficient. After further review and discussion, a motion was made by Director Ball, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for September, 2017 as presented. The motion passed, 7 in favor, no opposed.

- D. Review of Budget Report for September, 2017: After review and discussion, a motion was made by Director Duncan, seconded by Director Castaldo, to recommend that the Board acknowledge receipt of the Budget Report for September, 2017. The motion passed, 7 in favor, no opposed.
- E. Review of Cash Reconciliation Report for June 30, 2017: Finance Manager Tom Todd began the presentation by noting the relationship between the recently completed financial audit of the Agency for FY 2016-17 with the amounts listed in this report. After review and discussion, a motion was made by Director Lehtonen, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Cash Reconciliation Report for June 30, 2017. The motion passed, 7 in favor, no opposed.
- F. Review of Cash Reconciliation Report for September 30, 2017: After review and discussion, a motion was made by Director Duncan, seconded by Director Castaldo, to recommend that the Board acknowledge receipt of the Cash Reconciliation Report for September 30, 2017. The motion passed, 7 in favor, no opposed.
- G. Review of Reserve Allocation Report for June 30, 2017: After review and discussion, a motion was made by Director Duncan, seconded by Director Thompson, to recommend that the Board accept the Reserve Allocation Report without change for June 30, 2017. The motion passed, 7 in favor, no opposed.
- H. Review of Reserve Allocation Report for September 30, 2017: After review and discussion, a motion was made by Director Ball, seconded by Director Duncan, to recommend that the Board accept the Reserve Allocation Report without change for September 30, 2017. The motion passed, 7 in favor, no opposed.
- I. Review of Investment Report for June 30, 2017: Finance Manager Todd handed out copies of the Report. After review and discussion, a motion was made by Director Castaldo, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Investment Report for June 30, 2017. The motion passed, 7 in favor, no opposed.
- J. Review of Investment Report for September 30, 2017: Finance Manager Todd handed out copies of the Report. The Board discussed the allocation of funds to the Bank of Hemet. The consensus of the Board was to leave funds deposited at the Bank of Hemet for now, but to contact the Bank and inquire about alternatives for the future. After further review and discussion, a motion was made by President Fenn, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Investment Report for September 30, 2017. The motion passed, 7 in favor, no opposed.
- K. Review of Procurement Policy: General Manager Jeff Davis opened the discussion by noting that the policy states that it should be reviewed every 2 years, or when there is a change in the Board or the General Manager. General Manager Davis noted that there was no guidance for small cost items like sponsorships. The consensus of the Board was to have Legal Counsel review the policy, and come back to the Board with recommendations, if any.

- L. Review of Water Rate Components: General Manager Davis opened the discussion by noting that this item was requested by the Board. The intent of the item was to remind the Board of the items the Board chose to recover in the water rate, according to the study presented by David Taussig Associates in 2008 and adopted by the Board effective February, 2009. After review, it was the consensus of the Board that further discussion about this item should be included in the presentation being made to the Board at its next meeting, November 6, 2017.
5. **Announcements:** Director Stephenson referred to the announcements:
- A. San Gorgonio Pass Regional Water Alliance, October 25, 2017, 5:00 pm, Banning City Council Chambers
 - B. Regular Board Meeting, November 6, 2017, 1:30 pm
 - C. Engineering Workshop, November 13, 2017, 1:30 pm
6. **Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 3:18 pm.



Jeffrey W. Davis, Secretary of the Board