

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue**  
**Beaumont, California 92223**  
**Minutes of the**  
**Board Finance and Budget Workshop**  
**March 26, 2018**

**Directors Present:** David Fenn, President  
Ron Duncan, Vice President  
Lenny Stephenson, Treasurer  
Blair Ball, Director  
Steve Lehtonen, Director  
Mike Thompson, Director

**Directors Absent:** David Castaldo, Director

**Staff and Consultants Present:**  
Jeff Davis, General Manager  
Tom Todd, Jr., Finance Manager

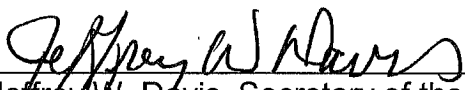
1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Treasurer Lenny Stephenson at 1:30 pm, March 26, 2018, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. Treasurer 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 February, 2018 by Reviewing Check History Reports in Detail:** After review and discussion, a motion was made by Director Duncan, seconded by Director Fenn, to recommend that the Board ratify paid monthly invoices of \$473,442.52 and payroll of \$31,866.89 for the month of February, 2018, for a combined total of \$505,309.41. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
  - B. **Review Pending Legal Invoices:** After review and discussion, a motion was made by Director Fenn, seconded by Director Lehtonen, to recommend that the Board approve payment of the pending legal invoices for February, 2018. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
  - C. **Review of February, 2018 Bank Reconciliation:** After review and discussion, a motion was made by Director Duncan, seconded by Director Thompson, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for February, 2018 as presented. The motion passed 6 in favor, no opposed, with Director Castaldo absent.

- D. Review of Budget Report for February, 2018: After review and discussion, a motion was made by Director Fenn, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Budget Report for February, 2018. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
  
- E. Review of Rate Stabilization Fund: General Manager Jeff Davis reviewed the purpose of the rate stabilization reserve, and the history of its usefulness to the Agency since it was established in 2009. The Board discussed the need for this fund, the level of the fund, and general state of other reserves that are available to the Agency. The fund will be a topic for future discussion as the study to establish a new water rate progresses.
  
- F. Consideration of Checking Account for Payroll Purchases: General Manager Davis gave a brief overview of recent audit suggestions, and the current processes for ACH payments that the Agency makes. Finance Manager Tom Todd provided additional details. The Board discussed some of the current fraud deterrent measures enacted by Staff and the Board, and possibilities for changes. The consensus of the Board was to ask Staff to investigate further, and come back to the Board with ideas and costs related to establishing a separate checking account for payroll purposes.

**5. Announcements**

- A. San Gorgonio Pass Regional Water Alliance, March 28, 2018, 5:00 pm, Banning City Hall
- B. Regular Board Meeting, April 2, 2018, 1:30 pm
- C. Engineering Workshop, April 9, 2018, 1:30 pm

- 6. Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 2:20 pm.

  
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Jeffrey W. Davis, Secretary of the Board