

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
May 29, 2018

Directors Present: David Fenn, President
Ron Duncan, Vice President
Blair Ball, Director
David Castaldo, Director
Mike Thompson, Director

Directors Absent: Lenny Stephenson, Treasurer
Steve Lehtonen, Director

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

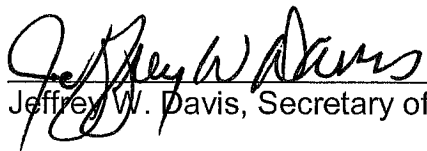
1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by President David Fenn at 1:30 pm, May 29, 2018, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Fenn led 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 April, 2018 by Reviewing Check History Reports in Detail:** After review and discussion, a motion was made by Director Duncan, seconded by Director Castaldo, to recommend that the Board ratify paid monthly invoices of \$305,945.50 and payroll of \$36,201.19 for the month of April, 2018, for a combined total of \$342,146.69. The motion passed 5 in favor, no opposed, with Directors Lehtonen and Stevenson absent.
 - B. **Review Pending Legal Invoices:** After review and discussion, a motion was made by Director Duncan, seconded by Director Thompson, to recommend that the Board approve payment of the pending legal invoices for April, 2018. The motion passed 5 in favor, no opposed, with Directors Lehtonen and Stevenson absent.
 - C. **Review of April, 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 April, 2018 as presented. The motion passed 5 in favor, no opposed, with Directors Lehtonen and Stevenson absent.

- D. Review of Budget Report for April, 2018: After review and discussion, a motion was made by Director Thompson, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Budget Report for April, 2018. The motion passed 5 in favor, no opposed, with Directors Lehtonen and Stevenson absent.
- E. Consideration of Cost of Living Adjustment for FY 2018-19: General Manager Jeff Davis introduced this topic while Finance Manager Tom Todd handed out a copy of the memo he prepared on the subject. General Manager Davis continued by noting that the U.S. Bureau of Statistics divided the former Los Angeles-Riverside-Orange County statistical area into two new areas in December, 2017, the Los Angeles-Long Beach-Anaheim area and the Riverside-San Bernardino-Ontario area. The new R-SB-O area, therefore, does not have a year of data to compare. Finance Manager Todd reviewed the memo, noting past Board actions, and presented current rates for the U.S. City Average, and the new LA-LB-A area, which does have sufficient data to be included in the memo. Alternatives discussed included using the U.S. City Average data, using the LA-LB-A data, or some combination. After further review and discussion, a motion was made by Director Castaldo, seconded by Director Thompson, to recommend that the Board approve a cost-of-living increase of 3.2% effective July 1, 2018, with a potential true-up in FY 2019-20. The motion passed 5 in favor, no opposed, with Directors Lehtonen and Stevenson absent.
- F. Review of Proposed General Fund Budget for FY 2018-19: General Manager Davis reviewed some key budget categories while Finance Manger Todd passed out a copy of the proposed General Fund Budget for FY 2018-19. Finance Manger Todd identified the purpose of each column. General Manager Davis reviewed each line item. More information was requested about the status and amount of the unfunded accrued liability included in the Retirement budget item. General Manager Davis pointed out that the Sites Reservoir budget item is a big step for the Agency. He also noted that as the Agency is involved in more projects, the budget was necessarily bigger. Further review is scheduled for the Board Finance and Budget workshop in June.

5. Announcements

- A. Regular Board Meeting, June 4, 2018, 1:30 pm
- B. Engineering Workshop, June 11, 2018, 1:30 pm

- 6. Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 3:26 pm.



Jeffrey W. Davis, Secretary of the Board