

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
July 27, 2020

In an effort to prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor's Executive Order N-29-20, this meeting was held via Zoom.

Directors Present via Zoom:

Ron Duncan, President
Lenny Stephenson, Vice President
Mike Thompson, Treasurer
Blair Ball, Director
David Castaldo, Director
David Fenn, Director
Steve Lehtonen, Director

Staff and Consultants Present via Zoom:

Lance Eckhart, 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 Mike Thompson at 1:30 pm, July 27, 2020. Treasurer Thompson led the Pledge of Allegiance to the flag. A quorum was present.

Treasurer Thompson informed participants that the meeting was being held via Zoom and telephonically.

2. **Adoption and Adjustment of Agenda:** The agenda was adopted as posted.
3. **Public Comment:** Treasurer Thompson asked if anyone connected to the meeting wished to make a comment; no members of the public requested to speak at this time.
4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for June, 2020 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Duncan, seconded by Director Ball, to recommend that the Board ratify paid monthly invoices of \$1,592,011.51 and payroll of \$53,031.11 for the month of June, 2020, for a combined total of \$1,645,042.62. The motion passed 7 in favor, no opposed, by roll-call vote.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Stephenson, seconded by Director Ball, to recommend that the Board approve payment of the pending legal invoice for June, 2020 for \$14,463.09. The motion passed 7 in favor, no opposed, by roll-call vote.

- C. Review of June, 2020 Bank Reconciliation: After review and discussion, a motion was made by Director Ball, seconded by Director Fenn, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for June, 2020 as presented. The motion passed 7 in favor, no opposed, by roll-call vote.
- D. Review of Unaudited Budget Report for June, 2020: Finance Manager Tom Todd noted that all the reports for this month are unaudited, so that some of the amounts might change when the audit was completed. He reviewed the major categories of the budget report, and pointed out some of the line items he thought might change with the audit. After further review and discussion, a motion was made by Director Fenn, seconded by Director Castaldo, to recommend that the Board acknowledge receipt of the Unaudited Budget Report for June, 2020. The motion passed 7 in favor, no opposed, by roll-call vote.
- E. Review of Unaudited Cash Reconciliation Report for June 30, 2020: Finance Manager Todd reviewed the Cash Reconciliation Report and reviewed the quarterly side-by-side comparison. He noted the trend line of the Debt Service Fund, which is following the usual annual pattern. After further review and discussion, a motion was made by Director Duncan, seconded by Director Ball, to recommend that the Board accept the Unaudited Cash Reconciliation Report for June 30, 2020. The motion passed 7 in favor, no opposed, by roll-call vote.
- F. Review of Unaudited Reserve Allocation Report for June 30, 2020: Finance Manager Todd reviewed the Reserve Allocation Report. He noted that the category of New Infrastructure showed an increase, due to additional funds, even though there was a deduction for post-construction activity at the Mt. View Turnout. After further review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board approve the Unaudited Reserve Allocation Report for June 30, 2020. The motion passed 7 in favor, no opposed, by roll-call vote.
- G. Review of Unaudited Investment Report for June 30, 2020: Finance Manager Todd reviewed the Investment Report. The first page was a summary of the location of the various cash and investment reserves. The second page was a detailed look at the investment vehicles, amounts, yields, face values and current values. Finance Manager Todd reviewed some of the transactions that had occurred during the quarter, and noted the decline in interest rates. He explained that the yield for CDs was an average, and that the renewal rate for CDs was now so low that the Agency did not purchase CDs during the last quarter. The third page was a graphical look at the percentages of the types of investments, and a comparison of interest rates. After further review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board accept the Unaudited Investment Report for June 30, 2020. The motion passed 7 in favor, no opposed, by roll-call vote.

H. Review of Proposed Debt Service Fund Budget for FY 2020-21: General Manager Lance Eckhart reviewed potential State Water Project investments and risks the Agency faces in the next decades, and explained how they could impact the current proposed and future Debt Service Fund budgets and Agency reserves. After further review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board approve the Debt Service Fund Budget as proposed. The motion passed 7 in favor, no opposed, by roll-call vote. The Board asked Staff for information on a tax rate of 17.50 for the next Board meeting.

5. Announcements:

Treasurer Thompson reviewed the announcements:

- A. Regular Board meeting, August 3, 2020, 1:30 pm – Zoom/Teleconference
- B. Engineering Workshop, August 10, 2020, 1:30 pm – Zoom/Teleconference

6. Adjournment: The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 3:05 pm.



Lance E. Eckhart, Secretary of the Board