

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
September 26, 2016

Directors Present: Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Blair Ball, Director
Leonard Stephenson, Director

Directors Absent: John Jeter, President
Ron Duncan, Director
David Fenn, 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 Vice President Bill Dickson at 4:10 p.m., September 26, 2016, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. Vice President Dickson led the Pledge of Allegiance to the flag. A quorum was present.

Vice President Dickson turned the meeting over to the Chair of the Finance & Budget Committee, Director Mary Ann Melleby.

2. **Adoption and Adjustment of Agenda:** There were no adjustments to the agenda.

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 August, 2016 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Dickson, seconded by Director Ball, to recommend that the Board ratify paid monthly invoices of \$1,051,121.94 and payroll of \$33,241.44 for the month of August, 2016, for a combined total of \$1,084,363.38. The motion passed 4 in favor, no opposed, with Directors Duncan, Fenn and Jeter absent.

- B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Dickson, seconded by Director Stephenson, to recommend that the Board approve payment of the pending legal invoices for August, 2016. The motion passed 4 in favor, no opposed, with Directors Duncan, Fenn and Jeter absent.

- C. Review of August, 2016 Bank Reconciliation: After review and discussion, a motion was made by Director Dickson, seconded by Director Ball, to recommend

that the Board acknowledge receipt of the Wells Fargo bank reconciliation for August, 2016 as presented. The motion passed 4 in favor, no opposed, with Directors Duncan, Fenn and Jeter absent.

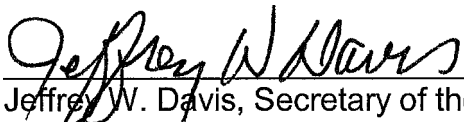
D. Review of Budget Report for August, 2016: After review and discussion, a motion was made by Director Dickson, seconded by Director Stephenson, to recommend that the Board acknowledge receipt of the Budget Report for August, 2016. The motion passed 4 in favor, no opposed, with Directors Duncan, Fenn and Jeter absent.

E. Review of Investment Policy: Finance Manager Tom Todd handed out a copy of the proposed changes while General Manager Jeff Davis opened the discussion by reviewing the current policy. The investment policy states it is to be reviewed annually. General Manager Davis highlighted parts of the policy, then turned the discussion over to Finance Manager Todd to introduce the proposed changes. All proposed changes affect item 3, CDs. One proposal would change the maximum term of CDs purchased from 30 months to 36 months. This broadens the potential selection of CDs to allow for more flexibility and potentially higher yield. The other proposals bring the Agency policy into conformity with State of California rules regarding allowable investments: "1) aggregate value of CDs purchased from an individual institution may not exceed current FDIC limits, or 2) the aggregate value of CDs purchased must be collateralized to 110% of the invested amount. The Agency may not use a placement service provider to place deposits. The total of CDs purchased by the Agency may not exceed 30% of the Agency portfolio." After review and discussion, a motion was made by Director Stephenson, seconded by Director Ball, to recommend that the Board approve the proposed changes to the Investment Policy. The motion passed 4 in favor, no opposed, with Directors Duncan, Fenn and Jeter absent.

5. **Announcements:** Chair Melleby reviewed the following announcements:

- A. San Gorgonio Pass Regional Water Alliance, September 28, 2016, 5:30 p.m. – Banning City Hall
- B. SGPWA, State of the Regional Water Supply, September 30, 2016, 8:00 a.m. – Banning City Council Chambers
- C. Regular Board Meeting, October 3, 2016 at 7:00 p.m.
- D. Engineering Workshop, October 10, 2016 at 4:00 p.m.

6. **Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 4:40 p.m.



Jeffrey W. Davis, Secretary of the Board