

SAN GORGONIO PASS WATER AGENCY

1210 Beaumont Ave, Beaumont, CA 92223

Board Finance & Budget Workshop

Agenda

October 22, 2018, at 1:30 p.m.

1. Call to Order, Flag Salute

2. Adoption and Adjustment of Agenda

3. Public Comment: Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on a specific agenda item, please complete a speaker's request form and hand it to the Board secretary. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.

4. New Business (Discussion and possible recommendations for action at a future regular Board meeting)

- A. Review of Draft Audited Financial Statements for FY 2017-18
- B. Ratification of Paid Invoices and Monthly Payroll for September, 2018 by Reviewing Check History Reports in Detail*
- C. Review of Pending Legal Invoices*
- D. Review of September, 2018 Bank Reconciliation*
- E. Review of Budget Report for September, 2018*
- F. Review of Reserve Allocation Report for June 30, 2018*
- G. Review of Cash Reconciliation Report for June 30, 2018*
- H. Review of Investment Report for June 30, 2018*
- I. Review of General Counsel Memo - Public Policy & Ethics Program*
- J. Review of Costs Associated with MWQI Program

5. Announcements

- A. San Gorgonio Pass Regional Water Alliance, October 24, 2018, 5:00 pm
Banning City Hall
- B. Regular Board Meeting, November 5, 2018, 1:30 pm
- C. Engineering Workshop, November 12, 2018, 1:30 pm

6. Adjournment

*Information Included In Agenda Packet

1. Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Ave., Beaumont, CA 92223 during normal business hours. 2. Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, during regular business hours. When practical, these public records will also be available on the Agency's Internet website, accessible at <http://www.sgpwa.com>. 3. Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951-845-2577) at least 48 hours prior to the meeting to make a request for a disability-related modification or accommodation.

San Gorgonio Pass Water Agency
Check History Report
September 1 through September 30, 2018

ACCOUNTS PAYABLE

Date	Number	Name	Amount
09/05/2018	118975	BEAUMONT-CHERRY VALLEY WATER DISTRICT	545.58
09/05/2018	118976	BDL ALARMS, INC.	156.00
09/05/2018	118977	BEST BEST & KRIEGER	14,107.06
09/05/2018	118978	JON'S FLAGS & POLES, INC.	578.62
09/05/2018	118979	OFFICE SOLUTIONS	475.40
09/05/2018	118980	THE PRESS-ENTERPRISE	296.67
09/05/2018	118981	CHERYLE M. STIFF	158.99
09/05/2018	118982	UNDERGROUND SERVICE ALERT	29.80
09/05/2018	118983	UNLIMITED SERVICES BUILDING MAINT.	295.00
09/05/2018	118984	WASTE MANAGEMENT INLAND EMPIRE	97.06
09/17/2018	118985	ACWA BENEFITS	878.38
09/17/2018	118986	ALBERT WEBB ASSOCIATES	35,811.27
09/17/2018	118987	ARMSTRONG & BROOKS ENGINEERS	1,936.60
09/17/2018	118988	DAVID TAUSSIG & ASSOCIATES, INC.	6,694.91
09/17/2018	118989	JEFFREY W. DAVIS	118.50
09/17/2018	118990	DELTA CONVEYANCE FINANCE AUTHORITY	26,666.67
09/17/2018	118991	EADIE AND PAYNE LLP	11,565.00
09/17/2018	118992	ERNST & YOUNG LLP	1,063.00
09/17/2018	118993	FEDERAL EXPRESS	82.65
09/17/2018	118994	FRONTIER COMMUNICATIONS	1,266.33
09/17/2018	118995	NICE-INCONTACT	102.69
09/17/2018	118996	WATER RESOURCES CONSULTING	3,417.44
09/17/2018	118997	WELLS FARGO ELITE CREDIT CARD	2,886.77
09/24/2018	118998	AT&T MOBILITY	189.69
09/24/2018	118999	ERNIE & SONS HEATING PLUMBING A/C	304.00
09/24/2018	119000	GOPHER PATROL	51.00
09/24/2018	119001	VOID - BY CHECK PRINTER	
09/24/2018	119002	MATTHEW PISTILLI LANDSCAPE SERVICES	350.00
09/24/2018	119003	SOUTHERN CALIFORNIA EDISON	169.41
09/24/2018	119004	THOMAS W. TODD, JR.	1,759.05
09/24/2018	119005	U. S. GEOLOGICAL SURVEY	48,899.40
09/24/2018	119006	VALLEY OFFICE EQUIPMENT, INC.	112.38
09/28/2018	119007	STANDARD INSURANCE COMPANY	452.61
09/14/2018	590193	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,164.17
09/28/2018	524407	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,090.66
09/14/2018	577753	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	5,617.74
09/28/2018	542364	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,027.39
09/14/2018	900201	CALPERS RETIREMENT	6,669.74
09/17/2018	900202	CALPERS HEALTH	7,732.67
09/28/2018	900203	CALPERS RETIREMENT	6,644.53
09/29/2018	900204	DEPARTMENT OF WATER RESOURCES	9,576,527.00
		TOTAL ACCOUNTS PAYABLE CHECKS	9,772,991.83

San Gorgonio Pass Water Agency
Check History Report
September 1 through September 30, 2018

PAYROLL

Date	Number	Name	Amount
09/13/2018	801602	BLAIR M. BALL	1,199.54
09/13/2018	801603	JEFFREY W. DAVIS	5,446.51
09/13/2018	801604	KENNETH M. FALLS	3,388.49
09/13/2018	801605	CHERYLE M. STIFF	2,213.17
09/13/2018	801606	THOMAS W. TODD, JR.	3,460.99
09/27/2018	801607	JEFFREY W. DAVIS	5,485.94
09/27/2018	801608	RONALD A. DUNCAN	1,199.54
09/27/2018	801609	KENNETH M. FALLS	2,887.41
09/27/2018	801610	DAVID L. FENN	1,199.54
09/27/2018	801611	STEPHEN J. LEHTONEN	1,199.54
09/27/2018	801612	LEONARD C. STEPHENSON	1,199.54
09/27/2018	801613	CHERYLE M. STIFF	2,213.17
09/27/2018	801614	MICHAEL D. THOMPSON	1,199.54
09/27/2018	801615	THOMAS W. TODD, JR.	3,463.51
TOTAL PAYROLL			35,756.43
TOTAL DISBURSEMENTS FOR SEPTEMBER, 2018			9,808,748.26

SAN GORGONIO PASS WATER AGENCY
New Vendors List
October, 2018

Vendor - Name and Address	Expenditure Type
Engineering Resources of Southern California (ERSC) 1861 W. Redlands Blvd. Bldg 7B; Redlands, CA 92373	Consultant

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	180930	LEGAL SERVICES SEP18	13,622.74
BEST, BEST & KRIEGER	827746	PP& E ANNUAL BILLING	4,600.00

TOTAL PENDING INVOICES FOR OCTOBER 2018

18,222.74

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
September 30, 2018**

BALANCE PER BANK AT 08/31/2018 - CHECKING ACCOUNT 220,084.30

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
118998	189.69	119001	VOID
119000	51.00	119007	452.61
	<u>240.69</u>		<u>452.61</u>

TOTAL OUTSTANDING CHECKS -693.30

BALANCE PER GENERAL LEDGER 219,391.00

BALANCE PER GENERAL LEDGER AT 08/31/2018 150,281.91

CASH RECEIPTS FOR SEPTEMBER 1,077,118.78

CASH DISBURSEMENTS FOR SEPTEMBER

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	-9,772,991.83	
PAYROLL TRANSFER - BANK OF HEMET	<u>-35,000.00</u>	
		<u><u>-9,807,991.83</u></u>


BANK CHARGES -17.86

TRANSFER FROM LAIF 8,300,000.00

TRANSFERS FROM TVI 500,000.00

BALANCE PER GENERAL LEDGER AT 09/30/2018 219,391.00

REPORT PREPARED BY:


Cheryle M. Stiff

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF SEPTEMBER 2018**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
9/5/18	STATE OF CALIF	REFUND OVERPAYMNET LICENSE	57.50	
9/5/18	CITY OF BANNING	WATER SALES	17,752.00	17,809.50
9/18/18	BCVWD	WATER SALES	360,746.00	360,746.00
9/21/18	RIVERSIDE COUNTY	PROPERTY TAXES	654,178.21	654,178.21
9/24/18	YVWD	WATER SALES	23,048.31	23,048.31
9/26/18	TVI	CD - BOND INTEREST	21,336.76	21,336.76
TOTAL FOR SEPTEMBER 2018			1,077,118.78	1,077,118.78

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME				Comparison:	75%
INCOME					
WATER SALES	5,600,000		5,600,000	773,290.77	86.19%
TAX REVENUE	2,650,000		2,650,000	199,398.29	92.48%
INTEREST	200,000		200,000	96,529.40	51.74%
DESIGNATED REVENUES	1,750,000		1,750,000	0.00	100.00%
CAPACITY FEE	0		0	0.00	
OTHER (REIMBURSEMENTS, TRANSFERS)	29,000		29,000	27,240.86	6.07%
TOTAL GENERAL FUND INCOME	10,229,000	0	10,229,000	1,096,459.32	89.28%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	6,000,000		6,000,000	317,006.00	94.72%
TOTAL COMMODITY PURCHASE	6,000,000	0	6,000,000	317,006.00	94.72%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	470,000		470,000	117,441.04	75.01%
PAYROLL TAXES	41,000		41,000	9,759.46	76.20%
RETIREMENT	312,000		312,000	58,947.65	81.11%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	22,000		22,000	6,403.03	70.90%
HEALTH INSURANCE	67,000		67,000	21,177.72	68.39%
DENTAL INSURANCE	4,800		4,800	1,204.50	74.91%
LIFE INSURANCE	1,600		1,600	399.67	75.02%
DISABILITY INSURANCE	5,000		5,000	1,221.39	75.57%
WORKERS COMP INSURANCE	3,700		3,700	0.00	100.00%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	2,707.93	72.92%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	938,100	0	938,100	219,262.39	76.63%

8 / 25

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	75%
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	111,000		111,000	22,860.64	79.40%
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	2,408.44	83.94%
DIRECTORS MISC. MEDICAL	23,000		23,000	299.20	98.70%
OFFICE EXPENDITURES					
OFFICE EXPENSE	22,000		22,000	2,209.83	89.96%
POSTAGE	600		600	241.64	59.73%
TELEPHONE	12,000		12,000	2,604.69	78.29%
UTILITIES	4,000		4,000	866.23	78.34%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	9,000		9,000	225.00	97.50%
GENERAL MANAGER & STAFF TRAVEL	20,000		20,000	5,505.48	72.47%
INSURANCE & BONDS	24,000		24,000	0.00	100.00%
ACCOUNTING & AUDITING	21,000		21,000	13,490.00	35.76%
STATE WATER CONTRACT AUDIT	5,500		5,500	2,657.00	51.69%
DUES & ASSESSMENTS	31,500		31,500	27,884.17	11.48%
OUTSIDE PROFESSIONAL SERVICES	10,000		10,000	350.00	96.50%
BANK CHARGES	1,500		1,500	202.33	86.51%
MISCELLANEOUS EXPENSES	500		500	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	500		500	0.00	100.00%
VEHICLE REPAIR & MAINTENANCE	7,000		7,000	1,419.34	79.72%
MAINTENANCE & REPAIRS - BUILDING	15,000		15,000	3,261.80	78.25%
MAINTENANCE & REPAIRS - FIELD	4,000		4,000	67.85	98.30%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	7,000		7,000	5,286.99	24.47%
ELECTION EXPENSE	125,000		125,000	0.00	100.00%
TAX COLLECTION CHARGES	12,500		12,500	462.65	96.30%
TOTAL ADMINISTRATIVE & PROFESSIONAL	631,600	0	631,600	92,303.28	85.39%

**SAN GORGONIO PASS WATER AGENCY
 BUDGET REPORT FY 2018-19
 BUDGET VS. REVISED BUDGET VS. ACTUAL
 FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2018**

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	75%
GENERAL ENGINEERING					
GRANT WRITER	20,000		20,000	0.00	100.00%
NEW WATER					
PROGRAMATIC EIR	0		0	0.00	
UPDATED STUDY ON AVAILABLE SOURCES	7,500		7,500	0.00	100.00%
SGMA SUPPORT	200,000		200,000	0.00	100.00%
STUDIES					
USGS	115,000		115,000	45,151.87	60.74%
WATER RATE NEXUS STUDY	25,000		25,000	6,694.91	73.22%
WATER RATE FINANCIAL MODELING	12,000		12,000	4,850.00	59.58%
CAPACITY FEE NEXUS STUDY UPDATE	25,000		25,000	0.00	100.00%
WHEELING RATE STUDY	10,000		10,000	0.00	100.00%
OTHER PROJECTS					
BASIN MONITORING TASK FORCE	18,000		18,000	13,712.00	23.82%
EAST BRANCH MEETINGS	18,000		18,000	3,417.44	81.01%
GENERAL AGENCY - CEQA AND GIS SERVICES	10,000		10,000	0.00	100.00%
TOTAL GENERAL ENGINEERING	460,500	0	460,500	73,826.22	83.97%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	190,000		190,000	32,351.96	82.97%
TOTAL LEGAL SERVICES	190,000	0	190,000	32,351.96	82.97%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	14,000		14,000	0.00	100.00%
ADULT EDUCATION PROGRAMS	5,000		5,000	0.00	100.00%
OTHER CONSERVATION, EDUCATION AND P. R.	35,000		35,000	10,000.00	71.43%
TOTAL CONSERVATION & EDUCATION	54,000	0	54,000	10,000.00	81.48%

10 / 25

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	75%
GENERAL FUND CAPITAL EXPENDITURES					
BUILDING & EQUIPMENT					
BUILDING	10,000		10,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	10,000		10,000	0.00	100.00%
OTHER EQUIPMENT	0		0	0.00	
TRANSPORTATION EQUIPMENT	0		0	0.00	
FIESTA RECHARGE FACILITY					
POST DESIGN	450,000		450,000	84,982.16	81.12%
CONSTRUCTION	3,950,000		3,950,000	0.00	100.00%
FENCING	100,000		100,000	0.00	100.00%
MITIGATION	15,000		15,000	0.00	100.00%
LANDSCAPING/POWER/WATER	60,000		60,000	0.00	100.00%
BUNKER HILL CONJUNCTIVE USE PROJECT	10,000		10,000	0.00	100.00%
NOBLE TURNOUT EXPANSION					
DESIGN	25,000		25,000	0.00	100.00%
CONSTRUCTION	295,000		295,000	0.00	100.00%
POST DESIGN	30,000		30,000	0.00	100.00%
SITES RESERVOIR	0		0	0.00	
MONITORING WELLS USGS	1,020,000		1,020,000	3,747.53	99.63%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	5,975,000	0	5,975,000	88,729.69	98.51%
TRANSFERS TO OTHER FUNDS	0		0	0.00	
TOTAL GENERAL FUND EXPENSES	14,249,200	0	14,249,200	833,479.54	94.15%
WITHDRAWALS FROM RESERVES	4,575,000		4,575,000		
TOTAL TRANSFERS TO/FROM RESERVES	4,575,000		4,575,000	0.00	
GENERAL FUND NET INCOME YEAR TO DATE	554,800	0	554,800	262,979.78	

11 / 25

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME				Comparison:	75%
INCOME					
TAX REVENUE	23,586,539		23,586,539	1,172,878.12	95.03%
INTEREST	415,000		415,000	171,607.83	58.65%
GRANTS	0		0	0.00	
DWR CREDITS - BOND COVER, OTHER	2,977,993		2,977,993	29,037.37	99.02%
TOTAL DEBT SERVICE FUND INCOME	26,979,532	0	26,979,532	1,373,523.32	94.91%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	58,000		58,000	14,847.04	74.40%
PAYROLL TAXES	4,500		4,500	1,135.81	74.76%
BENEFITS	33,000		33,000	11,374.24	65.53%
SWC CONTRACTOR DUES	75,000		75,000	64,199.00	14.40%
STATE WATER CONTRACT PAYMENTS	19,200,000		19,200,000	9,906,248.00	48.40%
WATER TRANSFERS	2,250,000		2,250,000	2,249,470.50	0.02%
STATE WATER PROJECT LEGAL SERVICES	0		0	0.00	
USGS	0		0	0.00	0.00%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
SWP ENGINEERING	75,000		75,000	0.00	100.00%
DEBT SERVICE UTILITIES	11,000		11,000	2,629.90	76.09%
TAX COLLECTION CHARGES	70,000		70,000	2,621.71	96.25%
TOTAL DEBT SERVICE FUND EXPENSES	21,926,500	0	21,926,500	12,252,526.20	44.12%
TRANSFERS FROM RESERVES	0		0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	5,053,032	0	5,053,032	-10,879,002.88	

12/25

SAN GORGONIO PASS WATER AGENCY
RESERVE ALLOCATION REPORT
FY 2017-18
FOR THE TWELVE MONTHS ENDING JUNE 30, 2018

	JUN 30, 17	SEP 30, 17	DEC 31, 17	MAR 31, 18	JUN 30, 18
RESTRICTED					
STATE WATER CONTRACT FUND	42,217,597	33,073,299	37,768,186	34,311,583	45,115,484
UNRESTRICTED					
OPERATIONS	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
NEW INFRASTRUCTURE	3,363,588	4,389,567	4,293,632	5,126,743	11,213,867
Additions or Adjustments	1,002,036	-95,935	833,111	6,087,124	1,241,334
Expenditures					-929,885
Ending Balance	4,365,624	4,293,632	5,126,743	11,213,867	11,525,316
ADDITIONAL WATER	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Adjustments from Other Sources	2,000,000	1,536,274	1,536,274	1,536,274	1,536,274
Ratepayer - Balance Forward	1,537,950	1,537,950	1,636,035	346,110	398,152
Ratepayer - Current Contribution		98,085	94,149	52,042	78,971
Rate Stabilization - Balance Forward	621,676	621,856	670,898	716,973	742,994
Excess Rate Stabilization - Current		49,042	46,075	26,021	39,486
Expenditures	-360,677	103,049	-1,384,074	0	-1,869,985
Ending Balance	6,298,949	6,446,256	5,099,356	5,177,420	3,425,891
RATE STABILIZATION					
Taxpayer Contribution	0	0	0		
Previous Ratepayer Balance	150,000	150,000	150,000	150,000	150,000
Ratepayer Contribution		49,042	46,075	26,021	39,486
Excess Contribut.-To Addnl. Water		-49,042	-46,075	-26,021	-39,486
Expenditures					
Ending Balance	150,000	150,000	150,000	150,000	150,000
REPLACEMENTS	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
UNEXPECTED LEGAL SERVICES	150,000	150,000	150,000	150,000	150,000
TOTAL UNRESTRICTED RESERVES	13,714,573	13,789,888	13,276,099	19,441,287	18,001,207
TOTAL RESERVES	55,932,171	46,863,187	51,044,285	53,752,870	63,116,691

CASH LOCATION

Petty Cash	100	100	100	100	100
Checking Accounts	156,128	3,102,158	206,424	307,024	287,171
Wells Fargo M.M. Savings	1,267,082	767,313	67,413	15,428	15,432
Local Agency M M Acct. BofH	509,816	510,007	510,197	510,388	511,216
LAIF	16,274,975	4,691,169	12,415,746	14,984,434	24,234,434
CalTRUST	19,789,070	19,857,440	19,930,405	20,013,497	20,107,339
Time Value Investments	17,935,000	17,935,000	17,914,000	17,922,000	17,961,000
TOTAL CASH	55,932,171	46,863,187	51,044,285	53,752,870	63,116,691

**SAN GORGONIO PASS WATER AGENCY
CASH RECONCILIATION REPORT**

FY 2017-18

UNAUDITED

FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2018

DEBT SERVICE FUND - RESTRICTED

BEGINNING BALANCE - JULY 1, 2017		
RESERVE FOR STATE WATER PROJECT	<u>42,217,597</u>	
DEBT SERVICE ACTIVITY		
DEBT SERVICE DEPOSITS		
PROPERTY TAX - DEBT SERVICE DEPOSITS	23,011,258	
INTEREST INCOME	416,334	
DWR REFUNDS	2,936,128	
DEBT SERVICE DISBURSEMENTS	(17,609,847)	
TRANSFER TO GENERAL FUND - JOINT FACILITIES	<u>(5,855,985)</u>	
ENDING RESTRICTED FUNDS BALANCE - - - JUN 30 2018	<u>45,115,484</u>	<u>45,115,484</u>

GENERAL FUND - UNRESTRICTED

BEGINNING BALANCE - JULY 1, 2017		
	<u>13,714,574</u>	
GENERAL FUND ACTIVITY		
GENERAL FUND DEPOSITS		
WATER SALES	4,213,213	
PROPERTY TAX - GENERAL PURPOSE DEPOSITS	2,540,440	
INTEREST INCOME	192,796	
OTHER INCOME	199,295	
CHANGE IN RECEIVABLES	664,332	
TRANSFER FRM DEBT SERVICE FUND - JOINT FACILITIES	5,855,985	
GENERAL FUND DISBURSEMENTS		
CHANGE IN LIABILITIES	(757,577)	
CHANGE IN CAPITAL ASSETS	(1,334,240)	
OPERATING EXPENDITURES	<u>(7,287,611)</u>	
ENDING UNRESTRICTED FUNDS BALANCE - - - JUN 30 2018	<u>18,001,208</u>	<u>18,001,208</u>

<u>TOTAL CASH - - - JUN 30 2018</u>		<u>63,116,691</u>
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LOCATION OF CASH - - - JUN 30 2018

PETTY CASH		100
CASH IN CHECKING ACCOUNTS		287,171
WELLS FARGO MONEY MARKET SAVINGS		15,432
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT		511,216
LOCAL AGENCY INVESTMENT FUND		24,234,434
CALTRUST		20,107,339
TIME VALUE INVESTMENTS		17,961,000
<u>TOTAL - - - JUN 30 2018</u>		<u>63,116,691</u>

SAN GORGONIO PASS WATER AGENCY

CASH RECONCILIATION REPORT

FY 2017-18

BY QUARTER

UNAUDITED

SEP 30, 17

DEC 31, 17

MAR 31, 18

JUN 30, 18

DEBT SERVICE FUND - RESTRICTED

BEGINNING BALANCE - JULY 1, 2017

RESERVE FOR STATE WATER PROJECT

42,217,597

42,217,597

42,217,597

42,217,597

DEBT SERVICE ACTIVITY

DEBT SERVICE DEPOSITS

PROPERTY TAX - D. S. DEPOSITS

1,217,492

5,816,868

13,317,189

23,011,258

INTEREST INCOME

104,854

197,390

333,271

416,334

DWR REFUNDS

37,724

1,427,272

1,427,272

2,936,128

DEBT SERVICE DISBURSEMENTS

(10,504,368)

(11,890,941)

(17,122,721)

(17,609,847)

TRANSFER TO GENERAL FUND

(5,855,985)

(5,855,985)

ENDING RESTRICTED FUNDS BALANCE

33,073,299

37,768,186

34,316,623

45,115,484

GENERAL FUND - UNRESTRICTED

BEGINNING BALANCE - JULY 1, 2016

13,714,574

13,714,574

13,714,574

13,714,574

GENERAL FUND ACTIVITY

GENERAL FUND DEPOSITS

WATER SALES

1,129,414

2,527,944

3,485,211

4,213,213

PROPERTY TAX - GENERAL DEPOSITS

192,349

849,836

1,590,578

2,540,440

INTEREST INCOME

34,951

72,748

146,074

192,796

OTHER INCOME

129,372

193,279

193,372

199,295

CHANGE IN RECEIVABLES

476,351

476,351

664,332

664,332

TRANSFER FROM DEBT SERVICE FUND

5,855,985

5,855,985

GENERAL FUND DISBURSEMENTS

CHANGE IN LIABILITIES

(755,156)

(754,871)

(816,842)

(757,577)

CHANGE IN CAPITAL ASSETS

(61,343)

(322,283)

(434,462)

(1,334,240)

OPERATING EXPENDITURES

(1,070,624)

(3,481,478)

(4,962,575)

(7,287,611)

ENDING UNRESTRICTED FUNDS BALANCE

13,789,888

13,276,099

19,436,247

18,001,208

TOTAL CASH - END OF QUARTER

46,863,187

51,044,285

53,752,870

63,116,691

CASH AND INVESTMENTS

PETTY CASH

100

100

100

100

CASH IN CHECKING ACCOUNTS

3,102,158

206,424

307,024

287,171

WELLS FARGO MM SAVINGS

767,313

67,413

15,428

15,432

BANK OF HEMET L.A.M.M.A.

510,007

510,197

510,388

511,216

LOCAL AGENCY INVESTMENT FUND

4,691,169

12,415,746

14,984,434

24,234,434

CALTRUST

19,857,440

19,930,405

20,013,497

20,107,339

TIME VALUE INVESTMENTS

17,935,000

17,914,000

17,922,000

17,961,000

TOTAL - END OF QUARTER

46,863,187

51,044,285

53,752,870

63,116,691

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2017-18
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2018**

Accounting convention defines Current Assets as assets that can be liquidated within 1 year. By this definition, funds invested in Wells Fargo accounts, Bank of Hemet accounts, LAIF and CalTRUST accounts would all be considered Current Assets, or short-term investments.

The Agency categorizes its investments into three groups: Short-Term (can be liquidated or mature in 1 year); Medium-Term (mature in more than 1 year up to 5 years) and Long-Term (mature after 5 years).

For the purposes of this report, a “Hybrid” category is included for investments that can be liquidated in a year, but whose underlying securities may mature in more than one year. LAIF and CalTRUST both fall into this category.

This report includes a summary of cash and investments, and a detail of investments by category. The summary can be compared to the Cash Reconciliation Report. The detail of investments may differ slightly from the summary, due to rounding differences. This report also includes charts to show graphically the different investment categories, and what they are earning.

UNAUDITED

CASH AND INVESTMENT SUMMARY

LOCATION - INSTITUTION

PETTY CASH	100
CASH IN CHECKING ACCOUNTS	287,171
WELLS FARGO MONEY MARKET SAVINGS	15,432
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	511,216
LOCAL AGENCY INVESTMENT FUND	24,234,434
CALTRUST SHORT-TERM	5,140,377
CALTRUST MEDIUM-TERM	14,966,962
TIME VALUE INVESTMENTS	17,961,000
US TREASURY	-

<u>TOTAL</u>	63,116,691
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ALL INVESTMENTS LISTED ON THE INVESTMENT REPORT AND HELD BY THE SAN GORGONIO PASS WATER AGENCY ARE IN COMPLIANCE WITH THE AGENCY'S STATEMENT OF INVESTMENT POLICY.

THE AGENCY CAN MEET ITS EXPENDITURE REQUIREMENTS FOR THE NEXT SIX MONTHS.

Thomas W. Poole, Jr.

October 17, 2018

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2017-18
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2018**

INVESTMENT DETAIL

SHORT-TERM

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
Wells Fargo	Money Market Savings	0.10%	6/30/18	15,431.71
Bank of Hemet	Local Agency Money Market	0.65%	6/30/18	511,215.76

HYBRID

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
State of California	Local Agency Investment Fund	1.85%	* 6/30/18	24,234,433.75
CalTRUST	Short-Term	2.02%	* 6/30/18	5,140,377.05
CalTRUST	Medium-Term	1.96%	* 6/30/18	14,966,961.63

*Average for June, 2018

MEDIUM-TERM

BROKER: TIME VALUE INVESTMENTS BONDS

ISSUER	TYPE	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
FFCB	Callable*	999,200	1.12%	02/22/2019	1,000,000	992,640
FFCB	Callable*	1,001,474	1.02%	07/12/2019	1,000,000	985,240
FFCB	Callable*	1,000,770	1.38%	03/02/2020	1,000,000	978,960
FNMA	Callable*	1,050,000	1.40%	11/25/2020	1,050,000	1,020,915
FHLB	Callable*	1,998,676	2.50%	08/20/2021	2,000,000	1,980,060
TOTAL		6,050,120	1.65%	TOTAL	6,050,000	5,957,815.00

* Can be redeemed before maturity date.

BROKER: TIME VALUE INVESTMENTS CDs

ISSUER	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
Various banks	9,911,000	1.75%	2-22 months	9,911,000	9,855,897.28

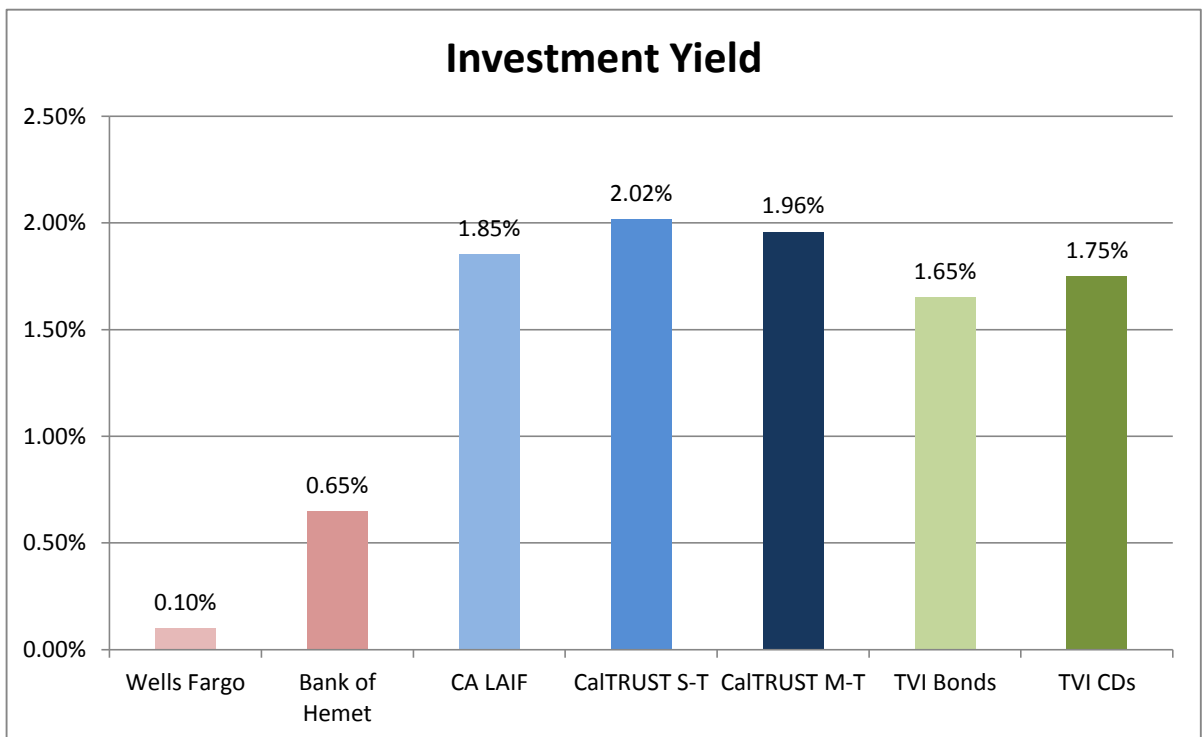
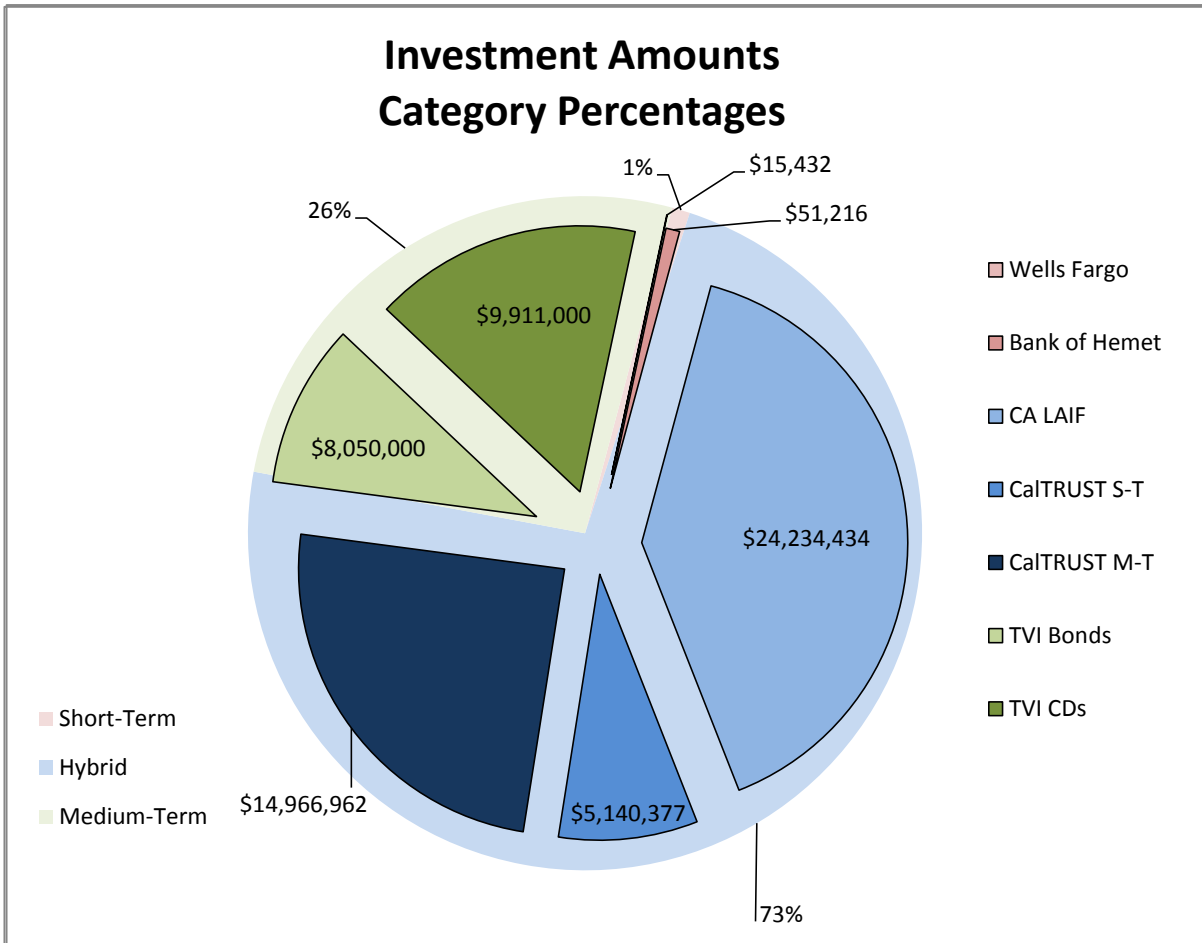
BROKER: TIME VALUE INVESTMENTS MONEY MARKET

Bond matured 6/18/18, replacement not selected at 6/30/18.	2,000,000.00
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LONG-TERM

The Agency has no Long-Term investments at the date of this report.

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2017-18
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2018**



MEMORANDUM

TO: Board of Directors – Finance & Budget Workshop

FROM: General Counsel

RE: Consideration and Possible Action To Approve Participation In The Public Policy & Ethics Program For Fiscal Year 2018-2019

DATE: October 22, 2018

Summary:

The Agency has participated in BBK's Public Policy & Ethics Program in past years. The Board has requested additional information regarding the Program in order to determine whether the Board wishes to renew its participation. Since the Finance & Budget Committee considers matters regarding payment for legal services, the Board requested that this matter be considered for approval at a Finance & Budget Workshop.

Pricing:

The Program provides information on laws that directly impact public agencies such as the Political Reform Act, Fair Political Practices Commission Regulations, Brown Act, and Public Records Act. The Program also provides updates on new legislation and judicial decisions affecting local governments. By providing updates to a large pool of participants, BBK is able to divide the overall cost of the products among all participants and charge only a fraction of the total costs to the individual client agencies. There are approximately 85 BBK public agency clients that participate in this Program. Billing for clients is determined based on population tiers as follows:

Cities:	Tier 1 – 300,000+
	Tier 2 – 10,000–29,999
	Tier 3 – to 9,000

Special Districts:	Tier 1 – 26,000
	Tier 2 – 4,000–25,999
	Tier 3 – to 3,999
Schools (students):	Tier 1 - 30,000
	Tier 2 – 5,001–29,999
	Tier 3 – to 5,000

Based on the size of the population served, the Agency would be charged a onetime fee at the Tier 1 level, for fiscal year 2018-2019, in the amount of \$4,600. The amounts charged per Tier are as follows:

- Tier 1 - \$4,600
- Tier 2 - \$3,300
- Tier 3 - \$2100

Work Product

The annual fee covers the following services under the Program. In addition, a listing of the work product provided over the past few years is enclosed for your reference.

1. Advice concerning matters that affect local government such as new legislation, regulations, court decisions and Attorney General opinions.
2. Annual updates on the Brown Act, the Public Records Act, the Political Reform Act, and other conflict of interest laws.
3. Participants are offered the following legal services at a discounted rate in addition to the annual fee:
 - (a) Customized, on-site training regarding Statements of Economic Interests (Form 700s).
 - (b) BBK-hosted presentations related to the Political Reform Act and the client's role as: (1) the Filing Officer receiving and filing Statements of Economic Interests (Form 700s); and (2) development and implementation of the Agency's Conflict of Interest Code.

(c) Customized, on-site ethics training required under AB 1234.

(d) Customized on-site training in the Brown Act.

(e) Customized, on-site training in the Public Records Act.

(f) BBK training webinars.

Recommendation

It is recommended that the Board of Directors – Finance & Budget Committee take one of the following actions:

1. Approve participation in the Program for fiscal year 2018-2019 and approve payment to BBK in the amount of \$4,600; or
2. Defer consideration of whether to participate in the Program to a subsequent fiscal year.

PUBLIC POLICY AND ETHICS PROGRAM
DISTRIBUTIONS 2014 – 2018

2014

- UPDATE ON COMPLIANCE WITH THE PATIENT PROTECTION AND AFFORDABLE CARE ACT (“ACA”) AND ITS IMPACTS ON HEALTH PLANS OF PUBLIC AND PRIVATE EMPLOYERS
- AMENDMENTS TO FPPC CONFLICT OF INTEREST MATERIALITY STANDARDS FOR FINANCIAL INTERESTS IN BUSINESS ENTITIES – WHEN DOES A BOARD MEMBER HAVE A CONFLICT OF INTEREST?
- AMENDMENTS TO THE BROWN ACT UPDATE FOR 2014 – HANDBOOK/GUIDE PREPARED BY BBK
- FPPC ADOPTS NEW REGULATIONS 18706 AND 18706.1 (REASONABLY FORESEEABLE) – WHEN DOES A BOARD MEMBER HAVE A CONFLICT OF INTEREST?
- ENHANCED AUTHORITY OF STATE TO ENFORCE CAMPAIGN CONTRIBUTION AND EXPENDITURE LAWS (AB 800)
- MANDATORY DUTY OF AGENCIES TO REVIEW THEIR CONFLICT OF INTEREST CODES FOR 2014
- RULES AND REGULATIONS FOR PUBLIC OFFICIALS REGARDING MEALS – WHEN CAN MEALS BE ACCEPTED AND HOW MUST THEY BE REPORTED?
- FPPC: NEW GIFT TO AGENCY RULES (REGULATION 18944) – GIFTS TO AN AGENCY THAT ARE THEN UTILIZED BY BOARD MEMBERS – FOR EXAMPLE, TICKETS TO EVENTS
- FPPC: NEW TRAVEL RULES (REGULATIONS 18950 – 18950.3)

2015

- GOVERNMENT CODE § 1090 IMPLICATIONS FOR CONTRACTS WHERE A BOARD MEMBER HAS A FINANCIAL INTEREST IN A CONTRACT MADE BY THE AGENCY
- YEAR END RECAP OF LEGISLATIVE CHANGES AFFECTING PUBLIC INTEGRITY, GOVERNMENT TRANSPARENCY AND RELATED STATUTES
- LIMITATIONS ON ACCEPTING HOLIDAY GIFTS

2016

- SUMMARY OF LEGISLATION PASSED IN 2016 AFFECTING PUBLIC INTEGRITY AND VOTING/ELECTIONS LAWS
- HOW STAFF SHOULD RECUSE THEMSELVES WHEN THEY HAVE A CONFLICT UNDER THE POLITICAL REFORM ACT OR GOVERNMENT CODE § 1090 – CONTRACTUAL CONFLICTS OF INTEREST – NEW REQUIREMENTS
- HOW BOARD MEMBERS SHOULD DISCLOSE AND RECUSE UNDER THE POLITICAL REFORM ACT AND GOVERNMENT CODE 1090 – CONTRACTUAL CONFLICTS OF INTEREST – NEW REQUIREMENTS
- ANALYSIS AND GUIDANCE ON THE CALIFORNIA VOTING RIGHTS ACT – UPDATE ON NEW LAWS IN PREPARATION FOR ELECTION CYCLE
- 2016 MANDATORY DUTY OF AGENCIES TO REVIEW THEIR CONFLICT-OF-INTEREST CODES
- GIFTS: TICKETS OR PASSES – NEW REQUIREMENTS
- NEW REQUIREMENT ON AGENCIES UNDER THE PUBLIC RECORDS ACT - AGENCIES MUST CREATE A CATALOG OF ENTERPRISE SYSTEMS (SB 272)

2017

- REVOLVING DOOR PROHIBITIONS – WHAT ARE THE LIMITATIONS ON A BOARD MEMBER OR STAFF LEAVING THE AGENCY AND THEN REPRESENTING PRIVATE INDIVIDUALS/ENTITIES BEFORE THAT AGENCY BOARD?
- LAWS, RULES AND POLICIES GOVERNING INCOMPATIBLE OFFICES - FOR EXAMPLE, WHEN IS AN ELECTED OFFICIAL PROHIBITED FROM HOLDING SEATS ON TWO DIFFERENT PUBLIC AGENCIES?
- RECENT CALIFORNIA SUPREME COURT DECISION THAT CHANGES THE STANDARD FOR WHEN A CONSULTANT OR INDEPENDENT CONTRACTOR CAN BE CONSIDERED AN “EMPLOYEE” SUBJECT TO GOVERNMENT CODE § 1090 – FOR EXAMPLE, A COMPANY PREPARES THE PLANS FOR A PROJECT AND THEN WANTS TO BID ON THE CONSTRUCTION THAT IS BASED ON THAT COMPANY’S PLANS – IS THAT A PROHIBITED CONTRACTUAL CONFLICT OF INTEREST?

- ACWA DUES: NEW REQUIREMENTS ON ACWA MEMBERS TO REPORT THEIR DUES AS A “LOBBYING EXPENSE”
- CALIFORNIA SUPREME COURT DECISION IN *CITY OF SAN JOSE V. SUPERIOR COURT* : ELECTRONIC COMMUNICATIONS HELD ON PRIVATE, NONGOVERNMENTAL ACCOUNTS OF PUBLIC AGENCY OFFICIALS COULD BE SUBJECT TO DISCLOSURE UNDER THE PUBLIC RECORDS ACT

2018 (to date)

- 2017 LEGISLATIVE ROUNDUP: POLITICAL REFORM ACT AND CALIFORNIA PUBLIC RECORDS ACT
- 2018 MANDATORY DUTY ON AGENCIES TO REVIEW THEIR CONFLICT-OF-INTEREST CODES
- MASS MAILING PROHIBITION AND EXCEPTIONS (SB 45) – NEW REQUIREMENTS
- PROCESSES AND REMEDIES FOR PUBLIC INTEGRITY LAW VIOLATIONS: PART I. THE POLITICAL REFORM ACT; PART II. GOVERNMENT CODE SECTION 1090; PART III. THE BROWN ACT, OPEN MEETINGS LAW, AND PUBLIC RECORDS ACT
- GUIDELINES TO PREVENT SERIAL MEETINGS WHICH VIOLATE THE BROWN ACT