

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
June 26, 2017

Directors Present: David Fenn, President
Ron Duncan, Vice President, left at 4:30 pm
Lenny Stephenson, Treasurer
Blair Ball, Director, arrived at 4:05 pm
David Castaldo, Director, arrived at 4:26 pm
Mike Thompson, Director

Directors Absent: 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 Treasurer Lenny Stephenson at 4:02 pm, June 26, 2017, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. Director 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 May, 2017 by Reviewing Check History Reports in Detail:** After review and discussion, a motion was made by Director Duncan, seconded by Director Thompson, to recommend that the Board ratify paid monthly invoices of \$863,070.37 and payroll of \$34,511.87 for the month of May, 2017, for a combined total of \$897,582.24. The motion passed, 4 in favor, no opposed, with Director Lehtonen absent, and Directors Ball and Castaldo not yet arrived.
 - B. **Review Pending Legal Invoices:** After review and discussion, a motion was made by Director Duncan, seconded by Director Fenn, to recommend that the Board approve payment of the pending legal invoices for May, 2017. The motion passed, 5 in favor, no opposed, with Director Lehtonen absent, and Director Castaldo not yet arrived.
 - C. **Review of May, 2017 Bank Reconciliation:** After review and discussion, a motion was made by Director Thompson, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Wells Fargo bank

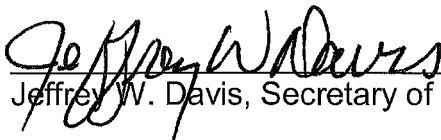
reconciliation for May, 2017 as presented. The motion passed, 5 in favor, no opposed, with Director Lehtonen absent, and Director Castaldo not yet arrived.

- D. Review of Budget Report for May, 2017: After review and discussion, a motion was made by Director Duncan, seconded by Director Thompson, to recommend that the Board acknowledge receipt of the Budget Report for May, 2017. The motion passed, 5 in favor, no opposed, with Director Lehtonen absent, and Director Castaldo not yet arrived.
- E. Review of Proposed General Fund Budget for FY 2017-18: General Manager Jeff Davis opened the discussion by reviewing the budget presented at the April Finance and Budget workshop, then noting suggested changes. The Board reviewed the revised proposed budget. After further review and discussion, a motion was made by Director Fenn, seconded by Director Thompson, to recommend that the Board approve the General Fund Budget for FY 2017-18 with changes as presented by General Manager Davis. The motion passed, 5 in favor, no opposed, with Director Lehtonen absent, and Director Duncan having left.
- F. Review of Debt Service Projected Income and Expense for Future Years: General Manager Davis opened the discussion by suggesting that one of the most important actions the Directors take each year is to set a tax rate. The material he presented was to help them understand some of the aspects of that decision. Finance Manager Tom Todd handed out a graph that compared percentage changes year-to-year of tax revenue and Debt Service expense. Next, Finance Manger Todd handed out a graph that compared year-to-year total tax revenue and Debt Service expense. Finally, Finance Manager Todd handed out a chart of estimated Debt Service expenses compared to estimated income for future years. The Board reviewed and discussed the information.

5. Announcements: Director Stephenson reviewed the announcements:

- A. San Gorgonio Pass Regional Water Alliance, June 28, 2017
1. Regular Meeting at 5:30 pm – Banning City Hall
B. Canceled: Regular Board Meeting, July 3, 2017, 7:00 pm
C. The office will be closed in observance of Independence Day, July 4, 2017.
D. Combined Board Meeting and Engineering Workshop, July 10, 2017, 4:00 pm

6. Adjournment: The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 5:29 pm.



Jeffrey W. Davis, Secretary of the Board