

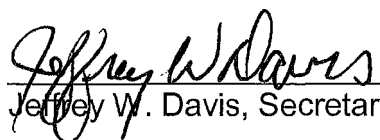
SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
July 19, 2019

Directors Present: Ron Duncan, President
Lenny Stephenson, Vice President
Steve Lehtonen, Treasurer
Blair Ball, Director; arrived at 6:03 pm
David Castaldo, Director
David Fenn, Director
Mike Thompson, 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 Steve Lehtonen at 6:00 pm, July 19, 2019, in the Agency Board Room at 1210 Beaumont Avenue, Beaumont, California. Treasurer Lehtonen 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 June, 2019 by Reviewing Check History Reports in Detail:** After review and discussion, a motion was made by Director Duncan, seconded by Director Fenn, to recommend that the Board ratify paid monthly invoices of \$1,218,230.45 and payroll of \$38,855.62 for the month of June, 2019, for a combined total of \$1,257,086.07. The motion passed 6 in favor, no opposed, with Director Ball not yet arrived.
 - B. Review Pending Legal Invoices:** After review and discussion, a motion was made by Director Duncan, seconded by Director Castaldo, to recommend that the Board approve payment of the pending legal invoice for June, 2019 for \$8,926.59. The motion passed 6 in favor, no opposed, with Director Ball not yet arrived.
 - C. Review of June, 2019 Bank Reconciliation:** After review and discussion, a motion was made by Director Castaldo, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for June, 2019 as presented. The motion passed 7 in favor, no opposed.

- D. Review of Unaudited Budget Report for June, 2019: General Manager Jeff Davis explained the purpose for an unaudited report, and briefly highlighted some items. After review and discussion, a motion was made by Director Fenn, seconded by Director Stephenson, to recommend that the Board acknowledge receipt of the Unaudited Budget Report for June, 2019. The motion passed 7 in favor, no opposed.
- E. Review of Unaudited Cash Reconciliation Report for June 30, 2019: Finance Manager Tom Todd introduced the report, and explained that the annual financial audit would likely produce some minor changes to this report. The Board reviewed the report, but the consensus was that no approval was necessary, as this was an interim report.
- F. Review of Unaudited Investment Report for June 30, 2019: Finance Manager Todd reviewed this report, and explained that there might be minor changes as the annual financial audit was completed. The information about the rates and amounts of holdings would not change. The Board reviewed the report, but the consensus was that no approval was necessary, as this was an interim report.
- G. Review of Proposed Debt Service Fund Budget for FY 2019-20: General Manager Davis reviewed the proposed budget. Next, he introduced the annually updated planning document that Finance Manager Todd handed out. This planning document makes numerous assumptions, and projects potential income, expenses and the resulting reserves balance through the year 2035. The Board has used this in the past for guidance in setting the coming year's tax rate. General Manager Davis reviewed the document, and described some potential new uncertainties, including compression of bond payments as the extension of the contract with DWR is delayed, the potential charges to the Agency for the cost of the Oroville repairs, and fixing the effects of subsidence that has occurred throughout the aqueduct. The Board discussed the potential impact of various tax rates. After further review and discussion, the Board directed Staff to prepare 4 versions of the planning document with specific rates for the upcoming Board meeting on August 5.
5. **Announcements:** Director Lehtonen reviewed the announcements:
- A. Regular Board Meeting, August 5, 2019, 1:30 pm
 - B. Water Conservation and Education Workshop, August 8, 2019, 1:30 pm
 - C. Engineering Workshop August 12, 2019, 1:30 pm
6. **Adjournment:** The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 7:38 pm.



Jeffrey W. Davis, Secretary of the Board