

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

Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager
Casmir Olaivar, Social Media Intern

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, May 26, 2020. Treasurer Thompson led the Pledge of Allegiance to the flag. A quorum was present.

Treasurer Thompson informed the 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 April, 2020 by Reviewing Check History Reports in Detail:** After review and discussion, a motion was made by Director Lehtonen, seconded by President Duncan, to recommend that the Board ratify paid monthly invoices of \$1,078,623.12 and payroll of \$38,961.79 for the month of April, 2020, for a combined total of \$1,117,584.91. 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 Fenn, seconded by President Duncan, to recommend that the Board approve payment of the pending legal invoice for April, 2020 for \$9,008.26. The motion passed 7 in favor, no opposed, by roll-call vote.

- C. Review of April, 2020 Bank Reconciliation: After review and discussion, a motion was made by President Duncan, seconded by Director Castaldo, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for April, 2020 as presented. The motion passed 7 in favor, no opposed, by roll-call vote.

- D. Review of Budget Report for April, 2020: General Manager Jeff Davis reviewed the budget report. He briefly highlighted a few items, and noted that the Agency had a positive net income at this time. After further review and discussion, a motion was made by Director Ball, seconded by President Duncan, to recommend that the Board acknowledge receipt of the Budget Report for April, 2020. The motion passed 7 in favor, no opposed, by roll-call vote.

- E. Discussion about Local Agency Investment Fund (LAIF) Safety: In response to a request from a director at a previous Board meeting, Finance Manager Tom Todd reviewed the two statutes passed by the California legislature that insures LAIF will not be touched by the State of California to cover budget shortfalls.

- F. Discussion about Water Rate Worksheet: In response to a request from a director at a previous Board meeting, Finance Manager Todd reviewed a spreadsheet that summarized income and expenses related to water sales in 2020. After review and discussion, and suggestions for additional items to be included in the summary, including the total amount of water available for sale, the consensus of the Board was that this information should be compiled quarterly, and reviewed by the Board semi-annually—after water orders are received in September, and after all costs for the previous year are accounted for in February or March.

- G. Discussion of COLA Increase for FY 2020-21: Finance Manager Todd reviewed the cost-of-living information from the Bureau of Labor Statistics as presented in the agenda packet. After review and discussion, a motion was made by Vice-President Stephenson, seconded by President Duncan, to recommend that the Board consider this item at the next Board meeting. The motion passed 7 in favor, no opposed, by roll-call vote.

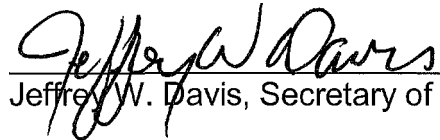
- H. Discussion of Proposed General Fund Budget for FY 2020-21: General Manager Davis started with an overview of the entire budget, before discussing the budget items line by line. His major points were: 1. The proposed budget includes funds for a new position for the Agency. 2. The cost of delivering water for the fiscal year will exceed the revenue derived from water sales. 3. Other items of note included additional amounts for Other Professional Services, Election Expense, and Sites Reservoir. After review, the consensus of the Board was that the job description of the new position should be presented to the Board for their review and for consideration by the new General Manager. No changes to the proposed General Fund Budget for FY 2020-21 were suggested.

5. Announcements:

Treasurer Thompson reviewed the announcements:

- A. Special Board meeting, May 27, 2020, 1:30 pm, Zoom/Teleconference
- B. Regular Board meeting, June 1, 2020, 1:30 pm, Zoom/Teleconference
- C. President Duncan reminded the Board members about the arrangements for the Special Board meeting on May 27.

6. Adjournment: The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 3:44 pm.



Jeffrey W. Davis, Secretary of the Board