

**Finance and Personnel Committee Meeting - June 3, 2019**

1. Agenda Packet

Documents:

[190603\\_AGENDA PACKET\\_FINANCE.PDF](#)



# SWEETWATER AUTHORITY

505 GARRETT AVENUE  
POST OFFICE BOX 2328  
CHULA VISTA, CALIFORNIA 91912-2328  
(619) 420-1413  
FAX (619) 425-7469  
<http://www.sweetwater.org>

GOVERNING BOARD  
STEVE CASTANEDA, CHAIR  
JOSE PRECIADO, VICE CHAIR  
JOSIE CALDERON-SCOTT  
JERRY GANO  
JOSÉ F. CERDA  
HECTOR MARTINEZ  
ALEJANDRA SOTELO-SOLIS

TISH BERGE  
GENERAL MANAGER

JENNIFER H. SABINE  
ASSISTANT GENERAL MANAGER

## SWEETWATER AUTHORITY FINANCE AND PERSONNEL COMMITTEE

### AGENDA

**DATE: Monday, June 3, 2019**

**TIME: 4:00 p.m.**

**1. CALL MEETING TO ORDER AND ROLL CALL.**

**2. ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED IN THE AGENDA.**

**3. PUBLIC COMMENT.**

Opportunity for members of the public to address the Committee. (Government Code Section 54954.3.)

**4. ACTION AGENDA.**

The following items on the Action Agenda call for discussion and action by the Committee. All items are placed on the Agenda so that the Committee may discuss and take action on the item if the Committee is so inclined, including items listed for information.

Consideration to Approve the South Bay Irrigation District FY 2019-20 Budget, pursuant to the Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District

**5. CLOSED SESSION.**

At any time during the regular session, the Committee may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. (Government Code Section 54954.5.)

**6. NEXT MEETING DATE: Wednesday, June 19, 2019 at 4:00 p.m.**

**7. ADJOURNMENT.**

*This agenda was posted at least seventy-two (72) hours before the meeting in a location freely accessible to the Public on the exterior bulletin board at the main entrance to the Authority's office and it is also posted on the Authority's website at [www.sweetwater.org](http://www.sweetwater.org). No action may be taken on any item not appearing on the posted agenda, except as provided by California Government Code Section 54954.2. Any writings or documents provided to a majority of the members of the Sweetwater Authority Governing Board regarding any item on this agenda will be made available for public inspection at the Authority Administration Office, located at 505 Garrett Avenue, Chula Vista, CA 91910, during normal business hours. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible.*

*To e-subscribe to receive meeting agendas and other pertinent information, please visit [www.sweetwater.org](http://www.sweetwater.org).*

This page intentionally left blank.



## BOARD ACTION

**TO:** Governing Board (Finance and Personnel Committee)

**FROM:** Management

**DATE:** May 24, 2019

**SUBJECT:** Consideration to Approve the South Bay Irrigation District FY 2019-20 Budget, pursuant to the Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District

---

### **SUMMARY**

The South Bay Irrigation District (SBID) approved its FY 2019-20 Budget on May 8, 2019. The budget includes estimated revenue funding of \$1,500 from interest earnings and a \$25,800 payment from the Authority, based on a previous mutual agreement that also requires the Authority to approve the SBID budget annually.

### **PAST BOARD ACTION(S)**

September 26, 2018 Board approved the Fund Transfer and Reimbursement Agreement (Reimbursement Agreement) between Sweetwater Authority and the South Bay Irrigation District.

### **FISCAL IMPACT**

The Authority will reimburse SBID approximately \$25,800 for FY 2019-20 operating expenditures. SBID will invoice the Authority the actual funding requirement upon the final accounting of FY 2019-20.

### **POLICY**

Reimbursement Agreement between the Sweetwater Authority and South Bay Irrigation District dated October 9, 2018.

### **ALTERNATIVES**

1. Approve the SBID FY 2019-20 Budget.
2. Renegotiate the Reimbursement Agreement with SBID.

### **STAFF RECOMMENDATION**

Staff recommends that the Governing Board approve the South Bay Irrigation District FY 2019-20 Budget.

Memo to: Governing Board (Finance and Personnel Committee)  
Subject: Consideration to Approve the South Bay Irrigation District FY 2019-20 Budget,  
pursuant to the Fund Transfer and Reimbursement Agreement between  
Sweetwater Authority and South Bay Irrigation District

May 24, 2019

Page 2 of 2

**ATTACHMENT(S)**

1. South Bay Irrigation District FY 2019-20 Budget
2. Reimbursement Agreement

# South Bay Irrigation District

## FY 2019-20 Budget

	Actual FY 2016-17	Actual FY 2017-18	Budget FY 2018-19	Est. Actual FY 2018-19	Budget FY 2019-20
<b>Revenues</b>					
Interest	5,048	10,690	14,820	6,590	1,500
Sweetwater Authority Funding Agreement (beginning 10/9/18)	30,283	9,431	15,630	19,880	25,800
<b>Total Revenues</b>	<b>35,331</b>	<b>20,121</b>	<b>30,450</b>	<b>26,470</b>	<b>27,300</b>
<b>Expenses</b>					
Sweetwater Authority Staff	4,080	4,080	4,080	4,080	4,080
Office Supplies & Expenses	61	15	120	15	20
Conferences & Meetings	209	188	240	88	100
Membership Fees & Dues	160	168	170	648	930
Directors Fees	3,900	5,100	5,000	4,700	5,000
Payroll Expense	298	390	420	360	480
Legal Fees & Costs	11,489	6,957	7,200	6,361	6,360
Audits & Accounting	2,150	3,000	3,000	3,000	3,000
Telephone	213	223	220	232	240
Elections & Public Info	12,770	0	10,000	4,937	0
General & Property Insurance				1,986	1,990
Workers Compensation Ins				63	100
Community Outreach					5,000
<b>Total Expenses</b>	<b>35,331</b>	<b>20,121</b>	<b>30,450</b>	<b>26,470</b>	<b>27,300</b>
<b>Net Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Fund</b>					
Beginning Balance	844,429	813,606	795,840	804,175	100,564
Transfers In/(Out)	(30,823)	(9,431)	(15,630)	(703,611)	0
<b>Ending Balance</b>	<b>813,606</b>	<b>804,175</b>	<b>780,210</b>	<b>100,564</b>	<b>100,564</b>

Notes:

1. Interest earnings are based on the Local Agency Investment Fund and estimated at 2.436%.
2. Per October 9, 2018 agreement, Sweetwater Authority commits to funding SBID's annual operating costs in perpetuity. Funding amount will be based on actual costs tabulated at the end of the year.
3. Per Policy 119, Director's fee is \$100 per day.
4. Memberships increased due to new ACWA Membership requirement for insurance program.
5. General & Property and Workers Compensation Insurance are new expenses.
6. No election cost will be incurred in FY2019-2020.
7. New expense for Community outreach.

This page intentionally left blank.

**FUND TRANSFER AND REIMBURSEMENT AGREEMENT  
BETWEEN THE SWEETWATER AUTHORITY  
AND SOUTH BAY IRRIGATION DISTRICT**

This Fund Transfer and Reimbursement Agreement (this "**Agreement**") is dated as of October 9, 2018 ("**Effective Date**"), by and between the Sweetwater Authority, a California joint powers agency ("**Authority**"), and the South Bay Irrigation District, a California irrigation district ("**District**"). The Authority and the District may each be referred to herein individually as a "Party" and collectively as the "Parties."

**RECITALS**

A. The Authority is a joint powers agency existing and operating pursuant to that certain Joint Powers Agreement of 1972, as Amended and Readopted in 1977, between the District and the City of National City ("**City**") Creating the Sweetwater Authority ("**JPA Agreement**").

B. Under the JPA Agreement, the Authority has certain powers common to the District and the City, and is authorized, in its own name, to do all acts necessary, convenient or appropriate for the exercise of such common powers.

C. As a joint powers agency, the Authority relies on the existence of both its member agencies, the District and the City. Therefore, the Authority has a strong interest in the ongoing existence and financial stability of the District, which has limited revenue sources available to it.

D. For these reasons, the Parties desire for the District to transfer the majority of its existing funds to the Authority for the Authority's use and, in exchange, for the Authority to reimburse the District for its operating expenses on a continuing basis.

E. The Parties desire to enter into this Agreement to set forth the terms and conditions of such transfer of funds and ongoing reimbursement, and for related purposes.

**NOW, THEREFORE**, in consideration of the mutual promises set forth herein, the Parties agree as follows:

**AGREEMENT**

1. **Term of Agreement.** This Agreement shall begin on the Effective Date and shall remain in effect until terminated pursuant to the provisions of Section 7 of this Agreement ("**Term**").

2. **One-time Transfer of Funds by District to Authority.** Within thirty (30) calendar days of the Effective Date, the District shall transfer to the Authority the entirety of the District's current accounts and reserves; provided, however, that at the



time of the transfer the District shall retain \$100,000 in its accounts or reserves. The Authority will use the transferred funds in any lawful manner as determined by the Governing Board of the Authority.

**3. Annual Reimbursement of District Operating Expenses by the Authority.**

- (a) During the Term of this Agreement, the District shall draw upon and expend its own funds for its Operating Expenses (as defined below) during each Fiscal Year (as also defined below). Within sixty (60) days of the end of each Fiscal Year, the District shall submit an invoice to the Authority stating the amount of its Operating Expenses for such prior Fiscal Year, and the Authority shall reimburse the District for its Operating Expenses from Authority funds. The District's annual invoice shall summarize the Operating Expenses incurred by the District during the prior Fiscal Year. The Authority shall pay to the District the total amount of Operating Expenses stated in the invoice within thirty (30) days of its receipt by the Authority.
- (b) For purposes of this Agreement, the term "**Fiscal Year**" means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period prescribed by law for irrigation districts in the State of California.
- (c) For purposes of this Agreement, the term "**Operating Expenses**" means the reasonable and necessary costs spent or incurred by the District for its operations as a California irrigation district. Operating Expenses shall be included in the District's Annual Operating Budget and shall include, but not be limited to, the maintenance, repair, and operations of any District property; administrative costs of the District; compensation of District employees and officers; overhead; insurance; taxes (if any); expenses and fees of auditors, accountants, attorneys, engineers or other contractors or consultants; and all other reasonable and necessary administrative costs, charges, fees, and liabilities.
- (d) For purposes of this Agreement, the term "**Annual Operating Budget**" is a document that includes all estimated Operating Expenses to be incurred by the District in a Fiscal Year. The Annual Operating Budget shall be adopted by the District and the Authority on or before June 30 preceding each Fiscal Year. The Annual Operating Budget may be amended upon approval of the District and the Authority.

**4. Maintenance of Records.** Books, documents, papers, accounting records, and other evidence pertaining to expenses incurred by the District shall be maintained by the District and made available at all reasonable times during the Term for four (4) years from the date of payment, or for such longer period as required by law or applicable records retention policy.

**5. Insurance.** During the Term of this Agreement, the Authority and the District shall maintain in full force and effect:

- (a) commercial general liability insurance or equivalent risk management coverage covering bodily injury, property damage, personal/advertising injury, premises/operations liability, products/completed operations liability, and contractual liability, in an amount no less than \$1,000,000 per occurrence/\$2,000,000 aggregate;
- (b) automobile liability insurance or equivalent risk management coverage in an amount no less than \$1,000,000 per occurrence for bodily injury and property damage; and
- (c) workers' compensation insurance or equivalent risk management coverage as required by law.

**6. Indemnification.** Each Party shall indemnify, defend, protect and hold harmless the other Party, their elected officials, officers, agents, employees, and authorized volunteers from and against any and all claims (including, without limitation, claims for bodily injury, death, or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate to any violation of the obligations of the indemnifying Party under this Agreement.

**7. Termination of Agreement.**

- (a) The Parties may terminate this Agreement at any time upon mutual written Agreement of the Parties.
- (b) If the JPA Agreement is terminated in accordance with its terms, this Agreement shall automatically terminate upon the effective date of the termination of the JPA Agreement.

**8. Laws and Venue.** This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.

**9. Notice.** Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

**AUTHORITY:**

Sweetwater Authority  
Attn: General Manager  
P.O. Box 2328  
Chula Vista, CA 91912

**DISTRICT:**

South Bay Irrigation District  
Attn: Board President  
505 Garrett Avenue  
Chula Vista, CA 91910

and shall be effective upon receipt thereof.

**10. Third Party Rights.** Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Authority and the District.

**11. Entire Agreement.** This Agreement represents the entire understanding of Authority and the District as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

**12. Severability.** The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid, or illegal.

**13. Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, District shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of Authority. Any attempted assignment without such consent shall be invalid and void.


**14. Non-Waiver.** None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

15. **Headings.** The headings in this Agreement are for convenience only and are not to be construed as modifying or explain the language in the section referred to.

IN WITNESS THEREOF, the Parties hereto have caused this Fund Transfer and Reimbursement Agreement between the Sweetwater Authority and South Bay Irrigation District to be executed and attested by their duly authorized officers as of the date first above written.

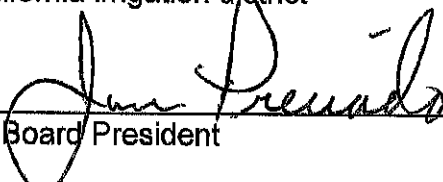
**AUTHORITY:**

SWEETWATER AUTHORITY, a  
California joint powers agency

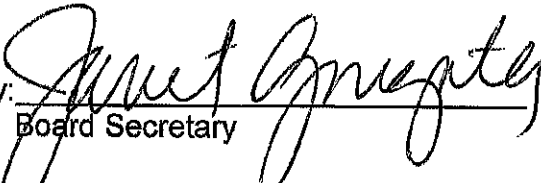
By:   
Board Chair

**DISTRICT:**

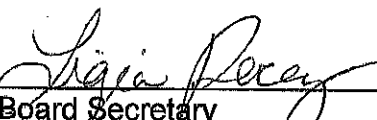
SOUTH BAY IRRIGATION DISTRICT, a  
California irrigation district

By:   
Board President

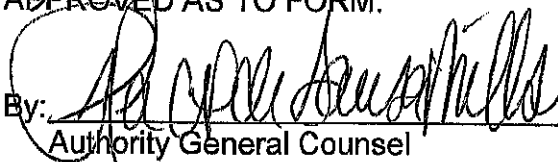
**ATTEST:**

By:   
Board Secretary

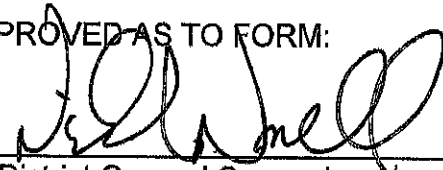
**ATTEST:**

By:   
Board Secretary

**APPROVED AS TO FORM:**

By:   
Authority General Counsel

**APPROVED AS TO FORM:**

By:   
District General Counsel