



Salinas Valley Basin

Groundwater Sustainability Agency

REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: September 14, 2017

AGENDA ITEM: 8

SUBJECT: Resolution Appointing the Regional Government Services Authority CFO, as the Agency Treasurer and Auditor

RECOMMENDATION: Appoint Richard Averett, Executive Director/CFO of Regional Government Services (RGS) as the Agency's Treasurer and Auditor.

FISCAL IMPACT

The costs of the Treasurer and Auditor position are covered within the contract with RGS for management services.

DISCUSSION & ANALYSIS

The Agency needs a Treasurer and Auditor to handle the receipt, deposit and payment of Agency monies. Normally this position would be held by an officer or employee of the Agency. Since the Agency contracted with RGS to provide full management services, including those core financial services required, RGS is essentially performing the functions of an officer of the Agency. With the Board's approval, RGS will therefore establish banking and investment pool accounts in the Agency's name and perform all Agency accounting services using RGS' existing internal controls. Richard Averett, Executive Director/CFO of RGS, performs Treasurer services for RGS as well as for several other joint powers authorities.

The attached resolution appoints Mr. Averett (by designation as the RGS CFO) as Treasurer and Auditor for the Agency. It also authorizes him to carry out all the Treasurer and Auditor functions of the Agency as specified in Government Code Sections 6505 and 6505.5. The Agency must contract with a certified public accountant to perform necessary annual audits.

Additionally, until the Agency adopts bylaws, the attached resolution gives Mr. Averett signing authority as the Treasurer to sign for documents necessary to fully establish the Agency. At this point RGS is waiting on authority to sign the Employer Identification Number application to get a taxpayer identification number, which is needed for open the Agency bank accounts. RGS also

needs authority to sign on behalf of the Agency the insurance applications to obtain needed insurance policies for the Agency.

BACKGROUND

Section 9.1 (b) of the Joint Exercise of Powers Agreement (“JPA Agreement”) forming the Salinas Valley Basin Groundwater Sustainability Agency (“Agency”) states that the City of Salinas shall serve as the initial Treasurer. Subsequent to formation of the Agency, the Board may appoint a separate Treasurer and a separate Auditor.

Sections 6505 and 6505.5 of the California Government Code provide for the duties of the Treasurer and Auditor. Section 6505.6 authorizes the appointment of an officer of the Agency to perform both functions.

ATTACHMENT(S)

A- Resolution

RESOLUTION NO. 2017 -

A RESOLUTION OF THE SALINAS VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
APPOINTING THE CFO OF REGIONAL GOVERNMENT SERVICES AS THE TREASURER
AND AUDITOR OF THE AGENCY

WHEREAS, pursuant to Section 9.1 (b) of the Salinas Valley Basin Groundwater Sustainability Agency Joint Powers Agreement, the Agency Board may appoint a Treasurer and Auditor to serve at its pleasure; and

WHEREAS, the Agency has contracted with Regional Government Services ("RGS") to provide full management services, including banking and accounting services, thereby effectively performing the functions of an officer of the Agency; and

WHEREAS, RGS needs authority to sign applications on behalf of the Agency to open bank accounts, obtain taxpayer identification number and apply for insurance policies; and

WHEREAS, California law permits the Agency to designate an officer to perform the functions of Auditor and Treasurer;

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Salinas Valley Basin Groundwater Sustainability Agency as follows:

1. The CFO of Regional Government Services is hereby appointed as the Treasurer and Auditor of the Agency to carry out all duties required by law and as may be assigned.
2. The CFO of Regional Government Services is hereby authorized to sign on behalf of the Agency for the purpose of filling out applications as needed for administrative purposes.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Basin Groundwater Sustainability Agency at its regular meeting duly held on the 14th day of September 2017, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Joseph Gunter, Chairman

ATTEST:

Ann Camel, Clerk of the Board