

**SAN GORGONIO PASS WATER AGENCY**  
1210 Beaumont Ave, Beaumont, CA 92223  
**Board Finance & Budget Workshop**  
**Agenda**  
January 27, 2014, at 1:30 p.m.

**1. Call to Order, Flag Salute and Roll Call**

**2. Adoption and Adjustment of Agenda**

**3. Public Comment**

Members of the public may address the Board at this time concerning items not on the agenda. To comment on specific agenda items, please complete a speaker's request form and hand it to the Board secretary.

**4. New Business (Discussion only)**

- A. Ratification of Paid Invoices and Monthly Payroll for December, 2013 by Reviewing Check History Reports in Detail\*
- B. Review and Consideration of Pending Legal Invoices for December, 2013\*
- C. Review of December, 2013 Bank Reconciliation\*
- D. Review of Budget Report for December, 2013\*
- E. Review Cash Reconciliation Report for December, 2013\*
- F. Review Reserves Report for December, 2013\*
- G. Consideration of Options for Pre-Funding CERBT
- H. Consideration of Proposed Rate Increase by Legal Counsel\*
- I. Discussion of Potential Funding Mechanisms for Recharge Facility

**5. Announcements**

- A. Regular Board Meeting, February 3, 2014 at 1:30 p.m.
- B. Beaumont Basin Watermaster Meeting, February 5, 2014 at 10:00 a.m. at Beaumont-Cherry Valley Water District
- C. Engineering Workshop, February 10, 2014 at 1:30 p.m.
- D. The office will be closed in observance of President's Day, February 17, 2014
- E. Regular Board Meeting, Tuesday, February 18, 2014 at 1:30 p.m.

**6. Adjournment**

**\*Information Included In Agenda Packet**

1. Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Ave., Beaumont, CA 92223 during normal business hours. 2. Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, during regular business hours. When practical, these public records will also be available on the Agency's internet website, accessible at <http://www.sgpwa.com>. 3. Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951-845-2577) at least 48 hours prior to the meeting to make a request for a disability-related modification.

# BR Bank Register Report

## San Gorgonio Pass Water Agency(ASG)

01/23/2014 08:42:58

Document Number	Date	Payee Name/Description	Type	Status	Source	Amount
<b>Bank Code: WFC Wells Fargo Checking</b>					<b>Current Balance</b>	<b>(\$66,142.66)</b>
014958	12/09/2013	AHERN ADCOCK DEVLIN LLP	CHK	CLR	AP	\$3,595.00
014959	12/09/2013	AUTOMATION PRIDE	CHK	CLR	AP	\$100.00
014960	12/09/2013	BDL ALARMS, INC.	CHK	CLR	AP	\$78.00
014961	12/09/2013	BEST BEST & KRIEGER LLP	CHK	CLR	AP	\$20,563.50
014962	12/09/2013	SOUTHERN CALIFORNA WATER COMMITTEE	CHK	CLR	AP	\$850.00
014963	12/09/2013	UNLIMITED SERVICES BUILDING MAINT.	CHK	CLR	AP	\$295.00
014964	12/09/2013	WASTE MANAGEMENT INLAND EMPIRE	CHK	CLR	AP	\$92.27
014965	12/10/2013	PASS ECONOMIC DEVELOPMENT ASSOC.	CHK	O/S	AP	\$60.00
014967	12/13/2013	CALIFORNIA PUBLIC EMPLOYEES'	CHK	CLR	AP	\$6,917.21
014968	12/13/2013	FRANCHISE TAX BOARD	CHK	CLR	AP	\$147.37
014969	12/16/2013	RONALD A. DUNCAN	CHK	O/S	AP	\$106.22
014970	12/16/2013	JOHN R. JETER	CHK	CLR	AP	\$94.92
014971	12/16/2013	MARY ANN HARVEY-MELLEBY	CHK	CLR	AP	\$204.27
014972	12/16/2013	WILLIAM R. MORRIS	CHK	CLR	AP	\$37.63
014973	12/17/2013	ALBERT WEBB ASSOCIATES	CHK	CLR	AP	\$11,498.25
014974	12/17/2013	DELOACH & ASSOCIATES, LLC	CHK	CLR	AP	\$1,000.00
014975	12/17/2013	GOPHER PATROL	CHK	CLR	AP	\$48.00
014976	12/17/2013	KENNEDY/JENKS CONSULTANTS	CHK	CLR	AP	\$2,173.60
014977	12/17/2013	MACRO COMMUNICATIONS	CHK	CLR	AP	\$2,000.00
014978	12/17/2013	MATTHEW PISTILLI LANDSCAPE SERVICES	CHK	CLR	AP	\$325.00
014979	12/17/2013	SOUTHERN CALIFORNIA GAS	CHK	CLR	AP	\$60.29
014980	12/17/2013	THOMAS W. TODD, JR.	CHK	CLR	AP	\$741.04
014981	12/17/2013	VERIZON	CHK	CLR	AP	\$995.18
014982	12/17/2013	VISIONARY LOGICS	CHK	CLR	AP	\$405.00
014983	12/17/2013	WELLS FARGO REMITTANCE CENTER	CHK	CLR	AP	\$3,111.16
014984	12/20/2013	ACWA JPIA	CHK	CLR	AP	\$656.44
014985	12/20/2013	BEAUMONT-CHERRY VALLEY WATER DIST.	CHK	CLR	AP	\$378.10
014986	12/20/2013	BEAUMONT CHAMBER OF COMMERCE	CHK	CLR	AP	\$135.00
014987	12/20/2013	CALIFORNIA PUBLIC EMPLOYEES'	CHK	CLR	AP	\$6,023.20
014988	12/20/2013	CORELOGIC INFORMATION SOLUTIONS INC	CHK	CLR	AP	\$3,680.04
014989	12/20/2013	CV STRATEGIES	CHK	CLR	AP	\$1,796.28
014990	12/20/2013	JEFFREY W. DAVIS	CHK	CLR	AP	\$18.00
014991	12/20/2013	FEDERAL EXPRESS	CHK	CLR	AP	\$15.82
014992	12/20/2013	INCONTACT, INC.	CHK	CLR	AP	\$41.69
014994	12/30/2013	AT&T MOBILITY	CHK	O/S	AP	\$209.53
014995	12/30/2013	SOUTHERN CALIFORNIA EDISON	CHK	O/S	AP	\$155.01
014996	12/30/2013	VALLEY OFFICE EQUIPMENT, INC.	CHK	CLR	AP	\$142.92
014997	12/31/2013	CALIFORNIA PUBLIC EMPLOYEES'	CHK	O/S	AP	\$7,156.69
014998	12/31/2013	STANDARD INSURANCE COMPANY	CHK	O/S	AP	\$304.98
216540	12/13/2013	ELECTRONIC FEDERAL TAX PAYMNT SYSTM	CHK	CLR	AP	\$5,371.67
217240	12/13/2013	EMPLOYMENT DEVELOPMENT DEPARTMENT	CHK	CLR	AP	\$923.86
217344	12/31/2013	EMPLOYMENT DEVELOPMENT DEPARTMENT	CHK	CLR	AP	\$1,193.38
232883	12/31/2013	ELECTRONIC FEDERAL TAX PAYMNT SYSTM	CHK	CLR	AP	\$6,135.66
900078	12/13/2013	DEPARTMENT OF WATER RESOURCES	CHK	CLR	AP	\$217,603.00
900079	12/31/2013	DEPARTMENT OF WATER RESOURCES	CHK	CLR	AP	\$562,255.00

	Bank Totals	Items	Total Voids	Items
<b>Checks</b>	\$869,695.18	45	\$0.00	0
<b>Deposits</b>	\$0.00	0	\$0.00	0
<b>Deductions</b>	\$0.00	0	\$0.00	0
<b>Bank Charges</b>	\$0.00	0	\$0.00	0
<b>Additions</b>	\$0.00	0	\$0.00	0

**Total for Bank Code: WFC Wells Fargo Checking**

**Net Activity: (\$869,695.18)**

# BR Bank Register Report

## San Gorgonio Pass Water Agency(ASG)

01/23/2014 08:42:58

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Document Number	Date	Payee Name/Description	Type	Status	Source	Amount
<b>Report Totals</b>						(\$66,142.66)
		<b>Bank Totals</b>	<b>Items</b>		<b>Total Current Balance</b>	
		Checks	45		Total Voids	0
		Deposits	0		Items	0
		Deductions	0		Total	0
		Bank Charges	0		Total	0
		Additions	0		Total	0
<b>Report Total</b>				<b>Net Activity:</b>	(\$869,695.18)	

**Report Selection Criteria**

<b>Bank Accounts</b>	<b>Start</b> WFC	<b>End</b> WFC
<b>Date Range</b>	Custom	
<b>Check Date</b>	12/01/2013	12/31/2013
<b>Document /Check Numbers</b>	Start	End
<b>Payee Code</b>	Start	End

**Report Type:** Single Line  
**Sort By:** Doc/Item Type  
**Includes Items posted from these source modules:** AP AR  
**Includes Items with status:** Outstanding Cleared Voided  
**Includes Items of the Activity Type:** All: Check Deduction Bank Charge Deposit Addition  
**Includes Item Notes:** No  
**Includes Bank Notes:** No

Search For 1:  
 Search For 2:  
 Search For 3:  
 And/Or:  
 Search For 4:  
 Search For 5:  
 Search For 6:

# BR Bank Register Report

## San Gorgonio Pass Water Agency(ASG)

01/23/2014 08:42:43

Document Number	Date	Payee Name/Description	Type	Status	Source	Amount
<b>Bank Code: WFC Wells Fargo Checking</b>					<b>Current Balance</b>	(\$66,142.66)
000816	12/13/2013	DAVIS, JEFFREY W.	CHK	CLR	PR	\$4,613.80
000817	12/13/2013	DICKSON, WILLIAM E.	CHK	CLR	PR	\$942.50
000818	12/13/2013	DUNCAN, RONALD A.	CHK	CLR	PR	\$1,089.87
000819	12/13/2013	FALLS, KENNETH M.	CHK	CLR	PR	\$2,374.05
000820	12/13/2013	MORRIS, WILLIAM R.	CHK	CLR	PR	\$1,089.87
000821	12/13/2013	RASMUSSEN, CHERYLE M.	CHK	CLR	PR	\$1,974.15
000822	12/13/2013	TODD, JR., THOMAS W.	CHK	CLR	PR	\$2,996.94
000823	12/31/2013	DAVIS, JEFFREY W.	CHK	CLR	PR	\$4,066.43
000824	12/31/2013	FALLS, KENNETH M.	CHK	CLR	PR	\$2,488.90
000825	12/31/2013	HARVEY-MELLEBY, MARY ANN	CHK	CLR	PR	\$1,089.87
000826	12/31/2013	RASMUSSEN, CHERYLE M.	CHK	CLR	PR	\$1,974.15
000827	12/31/2013	TODD, JR., THOMAS W.	CHK	CLR	PR	\$2,996.94
000828	12/31/2013	VOIGT, BARBARA A.	CHK	CLR	PR	\$1,089.87
014966	12/13/2013	JETER, JOHN R.	CHK	CLR	PR	\$939.87
014993	12/31/2013	HARING, THEODORE F.	CHK	CLR	PR	\$989.87

	Bank Totals	Items	Total Voids	Items
Checks	\$30,717.08	15	\$0.00	0
Deposits	\$0.00	0	\$0.00	0
Deductions	\$0.00	0	\$0.00	0
Bank Charges	\$0.00	0	\$0.00	0
Additions	\$0.00	0	\$0.00	0

Total for Bank Code: WFC Wells Fargo Checking Net Activity: (\$30,717.08)

Report Totals	Bank Totals	Items	Total Current Balance	Items
			Total Voids	
Checks	\$30,717.08	15	\$0.00	0
Deposits	\$0.00	0	\$0.00	0
Deductions	\$0.00	0	\$0.00	0
Bank Charges	\$0.00	0	\$0.00	0
Additions	\$0.00	0	\$0.00	0

Report Total Net Activity: (\$30,717.08)

**Report Selection Criteria**

	Start	End
Bank Accounts	WFC	WFC
Date Range	Custom	
Check Date	12/01/2013	12/31/2013
Document /Check Numbers	Start	End
Payee Code	Start	End

Report Type: Single Line  
 Sort By: Doc/Item Type  
 Includes Items posted from these source modules: PR AR  
 Includes Items with status: Outstanding Cleared Voided  
 Includes Items of the Activity Type: All: Check Deduction Bank Charge Deposit Addition  
 Includes Item Notes: No  
 Includes Bank Notes: No

Search For 1:  
 Search For 2:  
 Search For 3:  
 And/Or:  
 Search For 4:  
 Search For 5:  
 Search For 6:

**SAN GORGONIO PASS WATER AGENCY**

**LEGAL INVOICES  
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NUMBER</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	131231	LEGAL SERVICES DEC13	8,379.88
METROPOLITAN WATER DISTRICT	40665	AREA OF ORIGIN LEGAL JUL13	59.04
METROPOLITAN WATER DISTRICT	40665	AREA OF ORIGIN LEGAL AUG13	20.93

TOTAL PENDING INVOICES FOR JANUARY 2014

8,459.85

**SAN GORGONIO PASS WATER AGENCY  
BANK RECONCILIATION  
December 31, 2013**

BALANCE PER BANK AT 12/31/2013 - CHECKING ACCOUNT	332,130.66
	332,130.66
LESS OUTSTANDING CHECKS	

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
14965	60.00		
14969	106.22		
14994	209.53		
14995	155.01		
14997	7,156.69		
14998	304.98		
	7,992.43		-

TOTAL OUTSTANDING CHECKS	(7,992.43)
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BALANCE PER GENERAL LEDGER	324,138.23
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BALANCE PER GENERAL LEDGER AT 11/30/2013	617,516.71
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CASH RECEIPTS FOR DECEMBER	4,107,108.90
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CASH DISBURSEMENTS FOR DECEMBER

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	(869,695.18)	
NET PAYROLL FOR DECEMBER	(30,717.08)	(900,412.26)

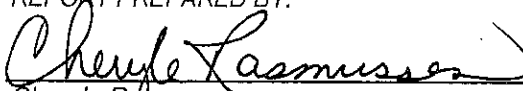
BANK CHARGES	(75.12)
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TRANSFERS FROM LAIF

TRANSFERS TO LAIF	(3,500,000.00)
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BALANCE PER GENERAL LEDGER AT 12/31/2013	324,138.23
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REPORT PREPARED BY:

  
 Cheryl Rasmussen

**SAN GORGONIO PASS WATER AGENCY  
DEPOSIT RECAP  
FOR THE MONTH OF DECEMBER 2013**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
<b>DEPOSIT TO CHECKING ACCOUNT</b>				
12/02/13	WELLS FARGO SECURITIES	MONEY MARKET INTEREST	12.60	12.60
12/09/13	RIVERSIDE COUNTY	PROPERTY TAXES	32,231.26	32,231.26
12/09/13	BCVWD	WATER SALES	272,620.00	272,620.00
12/16/13	RIVERSIDE COUNTY	PROPERTY TAXES	3,755,737.76	3,755,737.76
12/30/13	YVWD	WATER SALES	14,807.28	14,807.28
12/30/13	CITY OF BANNING	WATER SALES	31,700.00	31,700.00
TOTAL FOR DECEMBER, 2013			4,107,108.90	4,107,108.90

**SAN GORGONIO PASS WATER AGENCY**  
**FISCAL YEAR BUDGET 2013-14**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2013**

FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - INCOME</b>					
INCOME					
WATER SALES	3,100,000		3,100,000	1,469,204.38	52.61%
TAX REVENUE	1,900,000		1,900,000	643,185.98	66.15%
INTEREST	32,000		32,000	13,971.17	56.34%
PASS-THRU	0		0		
GRANTS	0		0		
OTHER (REIMBURSEMENTS, TRANSFERS)	52,000		52,000	7,472.85	85.63%
<b>TOTAL GENERAL FUND INCOME</b>	<b>5,084,000</b>	<b>0</b>	<b>5,084,000</b>	<b>2,133,834.38</b>	<b>58.03%</b>
<b>GENERAL FUND - EXPENSES</b>					
COMMODITY PURCHASE					
PURCHASED WATER	2,800,000		2,800,000	1,176,416.82	57.99%
<b>TOTAL COMMODITY PURCHASE</b>	<b>2,800,000</b>	<b>0</b>	<b>2,800,000</b>	<b>1,176,416.82</b>	<b>57.99%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>					
SALARIES	386,500		386,500	194,200.72	49.75%
PAYROLL TAXES	33,000		33,000	15,551.00	52.88%
WORKERS COMP INSURANCE	4,300		4,300	848.27	80.27%
RETIREMENT	127,000		127,000	63,226.31	50.22%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	66,000		66,000	11,341.73	82.82%
HEALTH INSURANCE	47,000		47,000	29,482.01	37.27%
DENTAL INSURANCE	5,355		5,355	3,313.73	50.85%
SGPWA STAFF MISC. MEDICAL	7,000		7,000	2,631.98	76.55%
LONG TERM DISABILITY	3,100		3,100	1,641.67	47.04%
EMPLOYEE EDUCATION	2,000		2,000	125.00	93.75%
<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>681,255</b>	<b>0</b>	<b>681,255</b>	<b>322,362.42</b>	<b>52.68%</b>



**SAN GORGONIO PASS WATER AGENCY**  
**FISCAL YEAR BUDGET 2013-14**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2013**

FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - EXPENSES</b>					
<b>ADMINISTRATIVE &amp; PROFESSIONAL</b>					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	102,000		102,000	49,330.27	51.64%
DIRECTORS TRAVEL & EDUCATION	35,000		35,000	6,161.81	82.39%
DIRECTORS MISC. MEDICAL	22,000		22,000	3,747.57	82.97%
OFFICE EXPENDITURES					
OFFICE EXPENSE	12,000		12,000	2,755.60	77.04%
POSTAGE	1,200		1,200	771.27	35.73%
TELEPHONE	7,000		7,000	4,119.14	41.16%
UTILITIES	4,500		4,500	1,937.62	56.94%
SOFTWARE EXPENDITURES					
COMPUTER, WEB SITE AND TELEPHONE SUPPORT & SERVICE	4,500		4,500	5,991.33	-33.14%
GENERAL MANAGER & STAFF TRAVEL	15,000		15,000	12,241.29	18.39%
INSURANCE & BONDS	24,000		24,000	20,023.00	16.57%
ACCOUNTING & AUDITING	21,000		21,000	20,345.00	3.12%
STATE WATER CONTRACT AUDIT	5,300		5,300	4,229.00	20.21%
OUTSIDE PROFESSIONAL SERVICES	4,000		4,000	2,900.00	27.50%
DUES & ASSESSMENTS	32,000		32,000	35,944.04	-12.33%
BANK CHARGES	1,500		1,500	450.53	69.96%
MISCELLANEOUS EXPENSES	1,000		1,000	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	2,000		2,000	173.65	91.32%
VEHICLE REPAIR & MAINTENANCE	13,000		13,000	7,388.93	43.16%
MAINTENANCE & REPAIRS - BUILDING	10,000		10,000	6,070.24	39.30%
MAINTENANCE & REPAIRS - FIELD	30,000		30,000	54.89	99.82%
CONTRACT OPERATIONS AND MAINTENANCE	160,000		160,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	3,200		3,200	3,358.76	-4.96%
ELECTION EXPENSE	0		0	0.00	
TAX COLLECTION CHARGES	7,500		7,500	1,853.62	75.29%
<b>TOTAL ADMINISTRATIVE &amp; PROFESSIONAL</b>	<b>517,700</b>	<b>0</b>	<b>517,700</b>	<b>189,847.56</b>	<b>63.33%</b>

**SAN GORGONIO PASS WATER AGENCY  
FISCAL YEAR BUDGET 2013-14  
BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2013**

FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - EXPENSES</b>					
<b>GENERAL ENGINEERING</b>					
<b>RECHARGE</b>					
BEAMONT AVE. RECHARGE FACILITY CEQA	42,000		42,000	29,194.46	30.49%
B.A.R.F. SERVICE CONNECTION (MT. VIEW CONNEX.)	100,000		100,000	0.00	100.00%
B.A.R.F. DESIGN PIPELINE	59,000		59,000	15,159.40	74.31%
B.A.R.F. DESIGN RECHARGE FACILITY	30,000		30,000	20,100.00	33.00%
B.A.R.F. POST DESIGN	25,000		25,000	0.00	100.00%
BANNING PIPELINE CEQA	30,000	-30,000	0	0.00	
B. JING PIPELINE DESIGN	80,000	-80,000	0	0.00	
<b>STUDIES</b>					
U.S. - Agreement #23100	135,000	110,000	245,000	17,315.71	92.93%
WATER RATE NEXUS STUDY	75,000		75,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	45,000		45,000	0.00	100.00%
SUPPORT - CAPACITY FEE & COOPERATIVE AGREEMENTS	30,000		30,000	0.00	100.00%
EMERGING CONTAMINANTS TASK FORCE	5,000		5,000	2,110.00	57.80%
WATER SUPPLY UPDATE	27,000		27,000	19,812.08	26.62%
UPDATED UWMP	35,000		35,000	2,861.30	91.82%
<b>OTHER PROJECTS</b>					
STRATEGIC PLAN IMPLEMENTATION - COMMUNICATIONS	15,000		15,000	3,300.00	78.00%
WATER QUALITY MODELING (SAN TIMETEO)	5,000		5,000	0.00	100.00%
SUPPLEMENTAL FUNDING AGREEMENT FOR BDCP	65,000		65,000	64,848.00	0.23%
DISTRICT VALUATION	0	10,000	10,000		
GENERAL AGENCY - CEQA ANALYSIS AND GIS SERVICES	5,000		5,000	6,403.63	-28.07%
<b>TOTAL GENERAL ENGINEERING</b>	<b>808,000</b>	<b>10,000</b>	<b>818,000</b>	<b>181,104.58</b>	<b>77.86%</b>

**SAN GORGONIO PASS WATER AGENCY  
FISCAL YEAR BUDGET 2013-14**

**BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2013**

FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - EXPENSES</b>					
<b>LEGAL SERVICES</b>					
LEGAL SERVICES - GENERAL	125,000		125,000	53,806.00	56.96%
<b>TOTAL LEGAL SERVICES</b>	125,000	0	125,000	53,806.00	56.96%
<b>CONSERVATION &amp; EDUCATION</b>					
SCHOOL EDUCATION PROGRAMS	8,000		8,000	4,000.00	50.00%
A LT EDUCATION PROGRAMS	2,500		2,500	0.00	100.00%
OTHER CONSERVATION, EDUCATION AND PUBLIC RELATIONS	0	40,000	40,000	3,240.03	91.90%
<b>TOTAL CONSERVATION &amp; EDUCATION</b>	10,500	0	50,500	7,240.03	85.66%
<b>GENERAL FUND CAPITAL EXPENDITURES</b>					
BUILDING	15,000		15,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	5,000		5,000	0.00	100.00%
OTHER EQUIPMENT	5,000		5,000	0.00	100.00%
B.A.R.F. PIPELINE CONSTRUCTION	50,000		50,000	0.00	100.00%
<b>TOTAL GENERAL FUND CAPITAL EXPENDITURES</b>	75,000	0	75,000	0.00	100.00%
<b>TRANSFERS TO OTHER FUNDS</b>					
TRANSFERS FROM RESERVES - NEW WATER	253,000		253,000	0.00	
<b>TOTAL GENERAL FUND EXPENSES</b>	5,017,455	10,000	5,067,455	1,930,777.41	61.90%
<b>GENERAL FUND NET INCOME YEAR TO DATE</b>					
	319,545	-10,000	269,545	203,056.97	

**SAN GORGONIO PASS WATER AGENCY  
FISCAL YEAR BUDGET 2013-14**

**BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2013**

	FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>DEBT SERVICE FUND - INCOME</b>					
<b>INCOME</b>					
TAX REVENUE	15,039,000		15,039,000	4,383,004.54	70.86%
INTEREST	72,000		72,000	32,443.74	54.94%
GRANTS	0		0	0.00	
OTHER	1,910,000		1,910,000	1,194,094.00	37.48%
<b>TOTAL DEBT SERVICE FUND INCOME</b>	<b>17,021,000</b>	<b>0</b>	<b>17,021,000</b>	<b>5,609,542.28</b>	<b>67.04%</b>
<b>DEBT SERVICE FUND - EXPENSES</b>					
<b>EXPENSES</b>					
SALARIES	46,000		46,000	23,339.72	49.26%
PAYROLL TAXES	3,500		3,500	1,785.45	48.99%
BENEFITS	31,500		31,500	13,547.50	56.99%
SWC CONTRACTOR DUES	37,000		37,000	36,173.00	2.24%
STATE WATER CONTRACT PAYMENTS	16,270,649		16,270,649	7,675,528.00	52.83%
PURCHASED WATER	242,000		242,000	184,012.18	23.96%
STATE WATER PROJECT LEGAL SERVICES	5,000		5,000	113.68	97.73%
USGS - Agreement #23100	50,000		50,000	0.00	100.00%
CONTRACT OPERATIONS AND MAINTENANCE	200,000		200,000	596.28	99.70%
SWP ENGINEERING	10,000		10,000	0.00	100.00%
DEBT SERVICE UTILITIES	9,000		9,000	4,245.28	52.83%
TAX COLLECTION CHARGES	45,000		45,000	10,503.82	76.66%
<b>TOTAL DEBT SERVICE FUND EXPENSES</b>	<b>16,949,649</b>	<b>0</b>	<b>16,949,649</b>	<b>7,949,844.91</b>	<b>53.10%</b>
<b>DEBT SERVICE FUND NET INCOME YEAR TO DATE</b>					
	71,351	0	71,351	-2,340,302.63	

**SAN GORONIO PASS WATER AGENCY  
CASH RECONCILIATION REPORT  
FY 2013-14  
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2013**

**DEBT SERVICE FUND - RESTRICTED**

BEGINNING BALANCE - JULY 1, 2013		
RESERVE FOR STATE WATER PROJECT	<b>29,693,705</b>	
DEBT SERVICE ACTIVITY		
DEBT SERVICE DEPOSITS		
PROPERTY TAX - DEBT SERVICE DEPOSITS	4,383,004	
INTEREST INCOME	32,444	
DWR REFUNDS	1,194,094	
DEBT SERVICE DISBURSEMENTS	(7,949,845)	
<b>ENDING RESTRICTED FUNDS BALANCE - DEC 31 2013</b>	<b>27,353,402</b>	<b>27,353,402</b>

**GENERAL FUND - UNRESTRICTED**

BEGINNING BALANCE - JULY 1, 2013	<b>11,691,732</b>	
GENERAL FUND ACTIVITY		
GENERAL FUND DEPOSITS		
WATER SALES	1,469,204	
PROPERTY TAX - GENERAL PURPOSE DEPOSITS	643,186	
INTEREST INCOME	13,971	
OTHER INCOME	7,473	
CHANGE IN RECEIVABLES	277,608	
GENERAL FUND DISBURSEMENTS		
CHANGE IN LIABILITIES	(418,112)	
CHANGE IN CAPITAL ASSETS	(81,769)	
OPERATING EXPENDITURES	(1,849,008)	
<b>ENDING UNRESTRICTED FUNDS BALANCE - DEC 31 2013</b>	<b>11,754,285</b>	<b>11,754,285</b>
<b><u>TOTAL CASH - DEC 31 2013</u></b>		<b>39,107,687</b>

**CASH LOCATION - DEC 31 2013**

PETTY CASH	100
CASH IN CHECKING ACCOUNTS	324,138
CASH IN WELLS FARGO TRUST ACCOUNT	-
LOCAL AGENCY INVESTMENT FUND	25,303,057
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	10,480,392
WELLS FARGO SECURITIES	3,000,000
<b><u>TOTAL CASH - DEC 31 2013</u></b>	<b>39,107,687</b>

**SAN GORGONIO PASS WATER AGENCY  
CASH RECONCILIATION REPORT  
FY 2013-14  
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2013**

**TREASURY BILL INFORMATION**

<u>CUSIP</u>	<u>MATURITY DATE</u>	<u>TOTAL PAR</u>	<u>ISSUE DATE</u>	<u>PURCHASE PRICE / \$100</u>	<u>YIELD RATE</u>	<u>TERM</u>
<i>No Treasury Bills at this time</i>						

**CERTIFICATE OF DEPOSIT INFORMATION**

<u>INSTITUTION</u>	<u>PURCHASE AMOUNT</u>	<u>YIELD RATE</u>	<u>MATURITY DATE</u>	<u>CURRENT VALUE</u>
<i>No CDs at this time</i>				

**LOCAL AGENCY INVESTMENT FUND (LAIF) INFORMATION**

<u>INSTITUTION</u>	<u>YIELD RATE</u>	<u>STATEMENT DATE</u>	<u>CURRENT VALUE</u>
State of California - PMIA	0.26%	12/31/13	25,303,057.36

**BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT**

<u>INSTITUTION</u>	<u>YIELD RATE</u>	<u>STATEMENT DATE</u>	<u>CURRENT VALUE</u>
Bank of Hemet	0.15%	12/31/13	10,480,391.52

**WELLS FARGO SECURITIES**

<u>TYPE OF SECURITY</u>	<u>PURCHASE AMOUNT</u>	<u>YIELD RATE</u>	<u>MATURITY DATE</u>	<u>CURRENT VALUE ^</u>
FNMA Callable*	1,000,000	0.50%	11/15/2017	1,000,000
W.F. Money Market	2,000,000			2,000,000
			TOTAL	3,000,000

^ Current Value at purchase cost.

\* Interest rates adjust upward at various intervals.

ALL INVESTMENTS LISTED ON THE QUARTERLY CASH RECONCILIATION REPORT AND HELD BY THE GORGONIO PASS WATER AGENCY ARE IN COMPLIANCE WITH THE AGENCY'S STATEMENT OF INVESTMENT POLICY.

THE AGENCY CAN MEET ITS EXPENDITURE REQUIREMENTS FOR THE NEXT SIX MONTHS.

**SAN GORGONIO PASS WATER AGENCY  
CASH RECONCILIATION REPORT  
FY 2013 - 14  
BY QUARTER**

	SEP 30, 13	DEC 31, 13	MAR 31, 14	JUN 30, 14
<b><u>DEBT SERVICE FUND - RESTRICTED</u></b>				
BEGINNING BALANCE - JULY 1, 2013				
RESERVE FOR STATE WATER PROJECT	<u>29,693,705</u>	<u>29,693,705</u>	<u>29,693,705</u>	<u>29,693,705</u>
DEBT SERVICE ACTIVITY				
DEBT SERVICE DEPOSITS				
PROPERTY TAX - D. S. DEPOSITS	1,042,374	4,383,004		
INTEREST INCOME	15,869	32,444		
DWR REFUNDS	223,948	1,194,094		
DEBT SERVICE DISBURSEMENTS	(6,815,810)	(7,949,845)		
<b><u>ENDING RESTRICTED FUNDS BALANCE</u></b>	<u>24,160,086</u>	<u>27,353,402</u>	<u>29,693,705</u>	<u>29,693,705</u>
<b><u>GENERAL FUND - UNRESTRICTED</u></b>				
BEGINNING BALANCE - JULY 1, 2013	<u>11,691,732</u>	<u>11,691,732</u>	<u>11,691,732</u>	<u>11,691,732</u>
GENERAL FUND ACTIVITY				
GENERAL FUND DEPOSITS				
WATER SALES	569,434	1,469,204		
PROPERTY TAX - GENERAL DEPOSITS	167,055	643,186		
INTEREST INCOME	6,171	13,971		
OTHER INCOME	1,928	7,473		
CHANGE IN RECEIVABLES	227,608	277,608		
GENERAL FUND DISBURSEMENTS				
CHANGE IN LIABILITIES	(419,602)	(418,112)		
CHANGE IN CAPITAL ASSETS	(28,990)	(81,769)		
OPERATING EXPENDITURES	(955,176)	(1,849,008)		
<b><u>ENDING UNRESTRICTED FUNDS BALANCE</u></b>	<u>11,260,160</u>	<u>11,754,285</u>	<u>11,691,732</u>	<u>11,691,732</u>
<b><u>TOTAL CASH - END OF QUARTER</u></b>	<u>35,420,246</u>	<u>39,107,687</u>	<u>41,385,437</u>	<u>41,385,437</u>
<b><u>CASH LOCATION - END OF QUARTER</u></b>				
PETTY CASH	100	100		
CASH IN CHECKING ACCOUNTS	288,641	324,138		
TRUST ACCOUNT - SAVINGS	366,112	-		
LOCAL AGENCY INVESTMENT FUND	21,338,963	25,303,057		
LOCAL AGENCY MM ACCT. BOFH	10,476,430	10,480,392		
TREASURY BILLS	-	-		
CDs	-	-		
WELLS FARGO SECURITIES	3,000,000	3,000,000		
<b><u>TOTAL CASH - END OF QUARTER</u></b>	<u>35,470,246</u>	<u>39,107,687</u>	<u>-</u>	<u>-</u>

**SAN GORGONIO PASS WATER AGENCY  
RESERVE ALLOCATION REPORT  
FY 2013-14  
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013**

	JUN 30, 13	SEP 30, 13	DEC 31, 13	MAR 31, 14	JUN 30, 14
<b>RESTRICTED</b>					
STATE WATER CONTRACT FUND	29,693,705	24,160,086	27,353,402		
<b>UNRESTRICTED</b>					
OPERATIONS	1,500,000	1,500,000	1,500,000		
NEW INFRASTRUCTURE	3,170,000	3,170,000	3,170,000		
Additions	416,887	34,887	374,082		
Expenditures					
Ending Balance	3,586,887	3,204,887	3,544,082	0	0
ADDITIONAL WATER	2,500,000	2,500,000	2,500,000		
Adjustments from Other Sources	1,500,000	1,500,000	1,500,000		
Ratepayer Contribution	877,160	944,112	1,013,945		
Rate Stabilization Previous Quarter	0	27,865	61,341		
From Excess Rate Stabilization	27,685	33,476	34,917		
Expenditures					
Ending Balance	4,904,845	5,005,453	5,110,203	0	0
RATE STABILIZATION					
Taxpayer Contribution	0	0	0		
Previous Ratepayer Balance	150,000	150,000	150,000		
Ratepayer Contribution	27,685	33,476	34,917		
Excess Contribut.-To Addnl. Water	-27,685	-33,476	-34,917		
Expenditures					
Ending Balance	150,000	150,000	150,000	0	0
REPLACEMENTS	1,300,000	1,300,000	1,300,000		
UNEXPECTED LEGAL SERVICES	250,000	150,000	150,000		
<b>TOTAL UNRESTRICTED RESERVES</b>	<b>11,691,732</b>	<b>11,310,340</b>	<b>11,754,285</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESERVES</b>	<b>41,385,437</b>	<b>35,470,426</b>	<b>39,107,687</b>	<b>0</b>	<b>0</b>

**CASH LOCATION**

Petty Cash	100	100	100		
Checking Accounts	239,889	288,641	324,138		
Trust Account - Business Savings	366,020	366,112	0		
LAIF	27,307,173	21,338,963	25,303,057		
Local Agency M M Acct. BofH	10,472,255	10,476,430	10,480,392		
Investments					
Treasury Bills	0	0	0		
CD's	0	0	0		
Wells Fargo Securities	3,000,000	3,000,000	3,000,000		
<b>TOTAL CASH</b>	<b>41,385,437</b>	<b>35,470,246</b>	<b>39,107,687</b>	<b>0</b>	<b>0</b>





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File No. 55397.00009

January 16, 2014

Jeff Davis, General Manager  
San Gorgonio Pass Water Agency  
1210 Beaumont Ave  
Beaumont, CA 92223

Dear Jeff:

I have completed a review of our current billing rates for the Agency and I believe it is time to propose an adjustment. Although the firm annually reviews and adjusts rates for our private entity clients, that is not the case in regard to public agency clients of the size of the Agency. We are acutely aware of the financial pressures that public agencies face. As a result, there has not been a rate adjustment for the Agency since 2008.

We are honored to have had the opportunity to serve as legal counsel for the Agency for many years and do not address this issue lightly. Taking into account the fact that a large amount of the work is done by partners, and the need to adequately price the services of our specialists, we would propose that the rates be adjusted as follows:

Current rates: \$235/hour for partners; \$200/hour for senior associates; \$175/hour for junior associates.

Proposed rates, with an annual COLA adjustment:

Basic General Counsel Services: \$255/hour for partners; \$225/hour for associates; and \$135/hour for paralegals.

Examples of Basic General Counsel Services: (a) Attendance at meetings of the Board or Staff; (b) Advice to the Board and Staff on matters including, but not limited to, the Water Code, Government Code, Brown Act, Public Records Act, and conflict of interest issues; (c) Preparation of ordinances, resolutions and contracts; and (d) phone calls, emails and other correspondence on a day-to-day basis. The travel discount would still apply in that travel time and costs would only be charged from the Riverside office to the Agency office.



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

January 16, 2014  
Page 2

Special Counsel Services: \$295/hour for partners; \$265/hour for associates; and \$150/hour for paralegals.

Special Counsel Services Include The Following: (a) Environmental – CEQA, NEPA, and Endangered Species; (b) Real Property – eminent domain, easements, leases, and other property interests; (c) Public Works Construction – bidding, contract development, and contractor disputes; (d) Labor Relations and Employment; (e) Water Rights, Water Supply and Water Quality; (f) Taxes, Rates and Charges; (g) Renewable Energy; and (h) Litigation And Formal Administrative Hearing Matters/Enforcement of Policies and Contracts.

It is proposed that these rates go into effect as of January 1, 2014. The COLA adjustment would be implemented as of July 1 of each year.

We respectfully request that you sign this letter as indicated below and return to our offices via email, fax or mail. If you have any questions, please let me know. We are very honored to be general counsel for the Agency and look forward to working with you for many years to come.

Do not hesitate to call me with any questions or comments.

Very truly yours,

Russell G. Behrens  
of BEST BEST & KRIEGER LLP

ACCEPTED AND AGREED:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

RGB:SP