

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
August 3, 2020 at 1:30 p.m.

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:
669-900-6833 OR VIA ZOOM. MEETING ID 860 2289 6821

1. Call to Order, Flag Salute, Invocation, 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 relating to any matter within the Agency's jurisdiction. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.

4. Consent Calendar:

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Regular Board Meeting, July 20, 2020* (p. 3)
- B. Approval of the Minutes of the Finance and Budget Workshop, July 27, 2020* (p. 9)
- C. Approval of the Finance and Budget Report, July 2, 2027* (p. 12)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
- B. General Counsel's Report
- C. Directors' Reports
- D. Committee Reports

6. New Business (Discussion and Possible Action)

- A. Consideration of Adoption of Resolution No. 2020-04 Setting the Appropriation Limit for Fiscal Year 2020-2021* (p. 39)
- B. Consideration of Adoption of Debt Service Budget for Fiscal Year 2020-2021
- C. Consideration of Adoption of Resolution No. 2020-05 Setting the Tax Rate for FY 2020-2021* (p. 45)

7. Topics for Future Agendas

8. Announcements -

- A. Engineering Workshop, August 10, 2020 at 1:30 p.m.
- B. Water Conservation and Education Committee, August 13, 2020 at 1:30 p.m. – Cancelled
- C. Regular Board Meeting, August 17, 2020 at 1:30 p.m.

9. 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 Avenue, Beaumont 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, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: 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 in order to make a request for a disability-related modification or accommodation.

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
July 20th, 2020

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER: 669-900-6833 OR JOIN BY ZOOM: <https://us02web.zoom.us/j/87947908794> MEETING ID 879 4790 8794

Directors Present: Ron Duncan, President
Lenny Stephenson, Vice President
Michael Thompson, Treasurer
Blair Ball, Director (arrived 1:42 pm)
David Fenn, Director
David Castaldo, Director
Steve Lehtonen, Director

Staff Present: Lance Eckhart, General Manager
General Counsel Jeff Ferre
Thomas Todd, Finance Manager
Cheryle Stiff, Executive Assistant
Casmir Olaivar, Social Media Specialist

- Call to Order, Flag Salute, Invocation, and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President Duncan at 1:30 p.m., July 20, 2020 by teleconference. President Duncan led the Pledge of Allegiance to the flag. Director Thompson gave the invocation. President Duncan requested a roll call.

<u>Roll Call:</u>	Present	Absent
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>

A quorum was present.

- Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda.* There being none the Agenda was adopted as published.

3. **Public Comment:** *President Duncan asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency that are not on today's agenda. There were no members of the public that spoke at this time.*

4. **Consent Calendar:**

- A. Approval of the Minutes of the Regular Board Meeting, July 6, 2020
- B. Approval of the Minutes of the Engineering Workshop, July 13, 2020

President Duncan asked for a motion on the Consent Calendar. Director Stephenson made a motion, seconded by Director Thompson, to adopt the consent calendar.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0-1.

5. **Reports:**

A. General Manager's Report: A written report was not provided in the agenda packet. General Fund expenditures FY 2020-21 and the General Fund sources of revenue FY 2020-21 were included in the agenda packet. General Manager Lance Eckhart stated that at the July 6, 2020 Board meeting the General Fund expenditures FY 2020-21 and the General Fund sources of revenue FY 2020-21 did not reflect a \$215,000 increase in the Statement of Charges from DWR. The Statement of Charges was received after the June 22, 2020 Finance and Budget workshop. On July 6, 2020 the Board accepted the Budget as presented with the change to reflect the increase (\$215,000) submitted by DWR. The General Fund expenditures FY 2020-21 and the General Fund sources of revenue FY 2020-21 in the agenda packet contain the stipulated increase. General Manager Eckhart provided a summary of his work activities for this past week. He mentioned that he has spoken to General Manager Jagers (BCVWD) pertaining to the upcoming UWMP. He expects that he will be providing the Board with proposals for the UWMP to consider in late August.

B. General Counsel Reports: None.

C. Directors Reports: 1) Director Stephenson reported that he attended YVWD's meeting on July 14th via Zoom.

D. Committee Reports: **1) Director Stephenson** stated that the Capacity Fee Ad-Hoc Committee did meet on July 13th; they are still waiting on additional information. The committee is hoping to have something to report soon. **2) Director Lehtonen** noted that the SGPRWA will begin resuming meetings via Zoom for August and October.

6. New Business:

A. Adoption of a Resolution for Exception to the 180-day Waiting Period to Appoint Jeffrey W. Davis to an Extra-help Position Effective July 20, 2020: A staff report and a drafted Resolution were included in the agenda package. General Counsel Ferre referred agenda items 6-A, 6-B, & 6-C to his BB&K colleague Joseph Ortiz, Esq. Mr. Ortiz stated that his focus with BB&K is labor employment. He informed the Board that the documents provided include a minor correction and the rest is clean-up. Initially the Agency had an Interim General Manager contact. He noted that the Public Employees Reform Act of 2013 requires a 180-day “wait” period after the effective date of retirement before a retiree can return to work for a public agency. A waiver took place due to the COVID-19 crisis, which ended when the new General Manager took his position on July 13, 2020. The amendments changes the term (clean-up), ending the term on July 12th. The previous rate was not the correct rate prorated rate; this is the minor correction. He stated that Mr. Davis is in agreement to the correction and clean-up items. In addition, a CalPERS expert was of the opinion that it works better to designate Jeff Davis to an extra-help position; the 180 day waiting period waiver makes more sense. Mr. Ortiz answered questions from the Board. After discussion, Director Thompson made a motion, seconded by Director Stephenson, to adopt the Resolution for exception to the 180-day waiting period in accordance with California Government Code Sections 7522.56 and 21224 to appoint Jeffrey W. Davis to an extra-help position, effective July 20, 2020. President Duncan asked for a roll call vote.

<u>Roll Call:</u>	<u>Aye</u>	<u>Noes</u>	<u>Absent</u>	<u>Abstain</u>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0-1.

B. Enter into a First Amendment to Interim General Manager Agreement with Jeff Davis Following Retirement: A staff report and a copy of an Interim General Manager Agreement were included in the agenda packet. President Duncan noted that this item was discussed during item 6A and requested a motion from the Board. Director Stephenson made a motion, seconded by Director Fenn to enter into a First Amendment to Interim

General Manager Agreement with Jeff Davis following retirement. President Duncan asked for a roll call vote.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0-1.

C. Enter into CalPERS Retiree Conditional Limited-Term Appointment Letter Agreement: A staff report and a copy of a CalPERS Retiree Conditional Limited-Term Appointment Letter Agreement were included in the agenda packet. President Duncan noted that this item was discussed during item 6A and requested a motion from the Board. Director Castaldo made a motion, seconded by Director Stephenson to enter into a First Amendment to Interim General Manager Agreement with Jeff Davis following retirement. President Duncan asked for a roll call vote.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0-1.

D. Consideration and Possible Action on Cost of Living Allowance for Agency Staff: A Staff report and a copy of a Memorandum from Finance Manager Thomas Todd, Jr. pertaining to the Consumer Price Index Information for 2019 thru 2020 were included in the agenda packet. President Duncan noted that this item was presented to the Board on June 1st, at which time the Board requested to postpone this item to a later date. President Duncan opened this item up for discussion from the Board. After discussion, Director Lehtonen made a motion, seconded by Director Castaldo to approve a COLA to staff at 2.4%. President Duncan requested a roll call vote.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion failed 3-4.

Director Castaldo made a motion to increase a COLA at 1.2%. Motion failed for lack of a second. It was the consensus of the Board to revisit a COLA increase for Staff at a Board meeting in October.

E. Appointment of Jeff Davis to Sites Reservoir Committee: A copy of the Agency Support for Sites Reservoir & Delta Conveyance PowerPoint presentation was included in the agenda packet. General Manager Eckhart stated that he will be covering item 6E and 6F at the same time. He reviewed the information with the Board pertaining to the Agency Strategic Plan Goal 1-Regional Water Supply Plan and Goal 2 – Effective Communication of Agency’s strategy and mission. General Manager Eckhart provided justification as to the purpose of keeping Jeff Davis on the Sites Reservoir Committee and also the Delta Conveyance Finance JPA Board. John Covington (Board President, BCVWD) gave explanation as to why Mr. Davis should be appointed to the Sites Reservoir Committee and to the Delta Conveyance Finance JPA Board. After discussion, Director Castaldo made a motion, seconded by President Duncan to appoint Mr. Davis to continue the Agency’s efforts on the Sites Reservoir Committee through the end of 2020. President Duncan requested a roll call vote.

<u>Roll Call:</u>	<u>Aye</u>	<u>Noes</u>	<u>Absent</u>	<u>Abstain</u>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 7-0

F. Appointment of Jeff Davis to Delta Conveyance Finance JPA Board: A copy of the Agency Support for Sites Reservoir & Delta Conveyance PowerPoint presentation was included in the agenda packet. This item was discussed during item 6E. Director Castaldo made a motion, seconded by Director Stephenson to appoint Mr. Davis to continue the Agency’s efforts on the Sites Reservoir Committee through the end of 2020. President Duncan requested a roll call vote.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 7-0.

7. Topics for Future Agendas: None.

8. Announcements:

- A. Finance & Budget Workshop, July 27, 2020 at 1:30 p.m.
– Teleconference/Zoom
- B. Regular Board Meeting, August 3, 2020 at 1:30 p.m.
– Teleconference/Zoom
- C. Engineering Workshop, August 10, 2020 at 1:30 p.m.
– Teleconference/Zoom

9. Adjournment

Time: 2:35 pm

Draft - Subject to Board Approval

Lance E. Eckhart, Secretary of the Board

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SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
July 27, 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:

Lance Eckhart, 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 Mike Thompson at 1:30 pm, July 27, 2020. Treasurer Thompson led the Pledge of Allegiance to the flag. A quorum was present.

Treasurer Thompson informed 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 June, 2020 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Duncan, seconded by Director Ball, to recommend that the Board ratify paid monthly invoices of \$1,592,011.51 and payroll of \$53,031.11 for the month of June, 2020, for a combined total of \$1,645,042.62. 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 Stephenson, seconded by Director Ball, to recommend that the Board approve payment of the pending legal invoice for June, 2020 for \$14,463.09. The motion passed 7 in favor, no opposed, by roll-call vote.

- C. Review of June, 2020 Bank Reconciliation: After review and discussion, a motion was made by Director Ball, seconded by Director Fenn, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for June, 2020 as presented. The motion passed 7 in favor, no opposed, by roll-call vote.
- D. Review of Unaudited Budget Report for June, 2020: Finance Manager Tom Todd noted that all the reports for this month are unaudited, so that some of the amounts might change when the audit was completed. He reviewed the major categories of the budget report, and pointed out some of the line items he thought might change with the audit. After further review and discussion, a motion was made by Director Fenn, seconded by Director Castaldo, to recommend that the Board acknowledge receipt of the Unaudited Budget Report for June, 2020. The motion passed 7 in favor, no opposed, by roll-call vote.
- E. Review of Unaudited Cash Reconciliation Report for June 30, 2020: Finance Manager Todd reviewed the Cash Reconciliation Report and reviewed the quarterly side-by-side comparison. He noted the trend line of the Debt Service Fund, which is following the usual annual pattern. After further review and discussion, a motion was made by Director Duncan, seconded by Director Ball, to recommend that the Board accept the Unaudited Cash Reconciliation Report for June 30, 2020. The motion passed 7 in favor, no opposed, by roll-call vote.
- F. Review of Unaudited Reserve Allocation Report for June 30, 2020: Finance Manager Todd reviewed the Reserve Allocation Report. He noted that the category of New Infrastructure showed an increase, due to additional funds, even though there was a deduction for post-construction activity at the Mt. View Turnout. After further review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board approve the Unaudited Reserve Allocation Report for June 30, 2020. The motion passed 7 in favor, no opposed, by roll-call vote.
- G. Review of Unaudited Investment Report for June 30, 2020: Finance Manager Todd reviewed the Investment Report. The first page was a summary of the location of the various cash and investment reserves. The second page was a detailed look at the investment vehicles, amounts, yields, face values and current values. Finance Manager Todd reviewed some of the transactions that had occurred during the quarter, and noted the decline in interest rates. He explained that the yield for CDs was an average, and that the renewal rate for CDs was now so low that the Agency did not purchase CDs during the last quarter. The third page was a graphical look at the percentages of the types of investments, and a comparison of interest rates. After further review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board accept the Unaudited Investment Report for June 30, 2020. The motion passed 7 in favor, no opposed, by roll-call vote.

H. Review of Proposed Debt Service Fund Budget for FY 2020-21: General Manager Lance Eckhart reviewed potential State Water Project investments and risks the Agency faces in the next decades, and explained how they could impact the current proposed and future Debt Service Fund budgets and Agency reserves. After further review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board approve the Debt Service Fund Budget as proposed. The motion passed 7 in favor, no opposed, by roll-call vote. The Board asked Staff for information on a tax rate of 17.50 for the next Board meeting.

5. Announcements:

Treasurer Thompson reviewed the announcements:

- A. Regular Board meeting, August 3, 2020, 1:30 pm – Zoom/Teleconference
- B. Engineering Workshop, August 10, 2020, 1:30 pm – Zoom/Teleconference

6. Adjournment: The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 3:05 pm.

Draft - Not
Approved

Lance E. Eckhart, Secretary of the Board

Finance and Budget Workshop Report

From Treasurer Mike Thompson

The Finance and Budget Workshop was held on July 27, 2020. The following recommendations were made:

1. The Board ratify payment of Invoices of \$1,592,011.51 and Payroll of \$53,031.11 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for June, 2020 for a combined total of \$1,645,042.62.
2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$14,463.09
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3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for June, 2020
 - B. Unaudited Budget Report for June, 2020
4. The Board accept the following:
 - A. Unaudited Cash Reconciliation Report for June 30, 2020
 - B. Unaudited Investment Report for June 30, 2020
5. The Board approve the following:
 - A. Unaudited Reserve Allocation Report for June 30, 2020

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Ave, Beaumont, CA 92223
Board Finance & Budget Workshop
Agenda
July 27, 2020 at 1:30 p.m.

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:
(669) 900-6833 OR VIA ZOOM. MEETING ID 883 7668 9779

- 1. Call to Order, Flag Salute**
- 2. Adoption and Adjustment of Agenda**
- 3. Public Comment:** Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on a specific agenda item, please complete a speaker's request form and hand it to the Board secretary. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.
- 4. New Business (Discussion and possible recommendations for action at a future regular Board meeting)**
 - A. Ratification of Paid Invoices and Monthly Payroll for June, 2020 by Reviewing Check History Reports in Detail*
 - B. Review of Pending Legal Invoices*
 - C. Review of June, 2020 Bank Reconciliation*
 - D. Review of Unaudited Budget Report for June, 2020*
 - E. Review of Unaudited Cash Reconciliation Report for June 30, 2020*
 - F. Review of Unaudited Reserve Allocation Report for June 30, 2020*
 - G. Review of Unaudited Investment Report for June 30, 2020*
 - H. Review of Proposed Debt Service Fund Budget for FY 2020-21*
- 5. Announcements**
 - A. Regular Board Meeting, August 3, 2020, 1:30 pm, Teleconference/Zoom
 - B. Engineering Workshop, August 10, 2020, 1:30 pm, Teleconference/Zoom
- 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.sggwa.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 or accommodation.

San Geronio Pass Water Agency
Check History Report
 June 1 through June 30, 2020

ACCOUNTS PAYABLE

Date	Number	Name	Amount
06/04/2020	119700	BEST BEST & KRIEGER	-9,008.26
06/04/2020	119701	PROVOST & PRITCHARD	-42,197.45
06/04/2020	119702	ROBERTS CONSULTING GROUP	-9,000.00
06/10/2020	119703	ALBERT WEBB ASSOCIATES	-7,585.50
06/10/2020	119704	AVEK WATER AGENCY	-116,427.90
06/10/2020	119705	BLAIR M. BALL	-647.15
06/10/2020	119706	BDL ALARMS, INC.	-78.00
06/10/2020	119707	RONALD A. DUNCAN	-53.99
06/10/2020	119708	MACRO COMMUNICATIONS	-4,925.00
06/10/2020	119709	SOUTHERN CALIFORNIA GAS	-2.31
06/10/2020	119710	UNLIMITED SERVICES	-295.00
06/10/2020	119711	UNDERGROUND SERVICE ALERT	-18.25
06/10/2020	119712	WASTE MANAGEMENT INLAND EMPIRE	-112.59
06/11/2020	119713	CALPERS CERBT	-50,000.00
06/11/2020	119714	FRONTIER COMMUNICATIONS	-1,318.55
06/11/2020	119715	JON'S FLAGS & POLES, INC.	-638.91
06/18/2020	119716	CALPERS CERBT	-150,000.00
06/18/2020	119717	I. E. RESOURCE CONSERVATION DISTRICT	-2,840.00
06/18/2020	119718	MATTHEW PISTILLI LANDSCAPE SERVICES	-350.00
06/18/2020	119719	PETTY CASH	-28.96
06/18/2020	119720	RISK SCIENCES	-1,516.66
06/18/2020	119721	WELLS FARGO ELITE CREDIT CARD	-848.29
06/24/2020	119722	AT&T MOBILITY	-232.31
06/24/2020	119723	AUTOMATION PRIDE	-100.00
06/24/2020	119724	JEFFREY W. DAVIS	-64,883.48
06/24/2020	119725	MST BACKFLOW	-250.67
06/24/2020	119726	PROVOST & PRITCHARD	-20,693.32
06/24/2020	119727	SOUTHERN CALIFORNIA EDISON	-102.73
06/24/2020	119728	CHERYLE M. STIFF	-162.43
06/27/2020	119729	STANDARD INSURANCE COMPANY	-491.89
06/29/2020	119730	BEAUMONT-CHERRY VALLEY WATER DISTRICT	-415.96
06/29/2020	119731	DAVID J. CASTALDO	-646.20
06/29/2020	119732	EADIE AND PAYNE LLP	-1,500.00
06/29/2020	119733	STATE WATER CONTRACTORS	-15,056.00
06/13/2020	596758	EMPLOYMENT DEVELOPMENT DEPARTMENT	-1,107.98
06/13/2020	582982	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	-6,336.96
06/25/2020	528218	EMPLOYMENT DEVELOPMENT DEPARTMENT	-5,087.70
06/25/2020	579907	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	-14,794.59
06/27/2020	532630	EMPLOYMENT DEVELOPMENT DEPARTMENT	-1,181.53
06/27/2020	545011	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	-10,272.75
06/13/2020	900320	CALPERS RETIREMENT	-5,604.97
06/13/2020	900321	CAL PERS RETIREMENT - SIP-457	-1,680.00
06/27/2020	900322	CALPERS RETIREMENT	-5,604.97
06/27/2020	900323	CAL PERS RETIREMENT - SIP-457	-1,680.00
06/29/2020	900324	DEPARTMENT OF WATER RESOURCES	-1,036,232.30
		TOTAL ACCOUNTS PAYABLE CHECKS	-1,592,011.51

San Gorgonio Pass Water Agency
Check History Report
 June 1 through June 30, 2020

PAYROLL

Date	Number	Name	Amount
06/12/2020	801914	JEFFREY W. DAVIS	-5,263.99
06/12/2020	801915	KENNETH M. FALLS	-3,429.12
06/12/2020	801916	CASMIR J. OLAVAR	-608.76
06/12/2020	801917	CHERYLE M. STIFF	-2,459.43
06/12/2020	801918	THOMAS W. TODD, JR.	-3,798.63
06/26/2020	801919	BLAIR M. BALL	-1,272.58
06/26/2020	801920	DAVID J. CASTALDO	-15,062.93
06/26/2020	801921	JEFFREY W. DAVIS	-4,985.86
06/26/2020	801922	RONALD A. DUNCAN	-1,272.58
06/26/2020	801923	KENNETH M. FALLS	-3,429.12
06/26/2020	801924	DAVID L. FENN	-1,272.58
06/26/2020	801925	STEPHEN J. LEHTONEN	-1,272.58
06/26/2020	801926	CASMIR J. OLAVAR	-608.76
06/26/2020	801927	LEONARD C. STEPHENSON	-1,272.58
06/26/2020	801928	CHERYLE M. STIFF	-2,459.43
06/26/2020	801929	MICHAEL D. THOMPSON	-763.55
06/26/2020	801930	THOMAS W. TODD, JR.	-3,798.63
TOTAL PAYROLL			-53,031.11
TOTAL DISBURSEMENTS FOR JUNE, 2020			<u>-1,645,042.62</u>

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

VENDOR	_ INVOICE NBR	COMMENT _____	_ AMOUNT _
BEST, BEST & KRIEGER	200531	LEGAL SERVICES MAY 2020	14,899.34

TOTAL PENDING INVOICES FOR APPROVAL JUNE 2020 14,899.34

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
June 30, 2020**

BALANCE PER BANK ON 06/30/2020 - CHECKING ACCOUNT 362,308.56

LESS OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
119705	647.15	119730	415.96
119723	100.00	119731	646.20
119726	20,693.32	119732	1,500.00
119728	162.43	119733	15,056.00
119729	491.89		

22,094.79 17,618.16

TOTAL OUTSTANDING CHECKS -39,712.95

BALANCE PER GENERAL LEDGER 322,595.61

BALANCE PER GENERAL LEDGER ON 05/31/2020 2,979,364.65

CASH RECEIPTS FOR JUNE 7,172,402.92

CASH DISBURSEMENTS FOR JUNE

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	-1,592,011.51	
PAYROLL TRANSFER - BANK OF HEMET	<u>-43,000.00</u>	
		<u>-1,635,011.51</u>

BANK CHARGES 0.00

TRANSFER TO LAIF -8,700,000.00

TRANSFER FROM LAIF 500,000.00

TRANSFERS FROM TVI 5,839.55

BALANCE PER GENERAL LEDGER AT 06/30/2020 322,595.61

REPORT PREPARED BY:


Cheryle M. Stiff

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF JUNE 2020**

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT	TOTAL DEPOSIT AMOUNT
DEPOSIT TO CHECKING ACCOUNT				
6/2/20	RIVERSIDE COUNTY	PROPERTY TAXES	6,287,007.60	6,287,007.60
6/3/20	RIVERSIDE COUNTY	PROPERTY TAXES	10,665.30	10,665.30
6/3/20	STATE OF CALIF/DWR	TSAB DEBT SERVICE CREDIT	35,335.00	35,335.00
6/4/20	RIVERSIDE COUNTY	PROPERTY TAXES	293,833.02	293,833.02
6/5/20	STATE OF CALIF/DWR	GRANT PAYMENT INV #4	130,979.30	130,979.30
6/17/20	STATE OF CALIF/DWR	OAP TRUEUP 2018-2019	3,025.00	3,025.00
6/17/20	VARIOUS	MISCELLANEOUS CASH	36.00	36.00
6/17/20	RIVERSIDE COUNTY	PROPERTY TAXES	31,973.50	31,973.50
6/24/20	ACWA	REFUND ACWA CONF JWD + DJC	1,450.00	
6/24/20	BCVWD	WATER SALES	223,440.00	224,890.00
6/26/20	TVI	CD - BOND INTEREST	5,839.55	5,839.55
6/29/20	RIVERSIDE COUNTY	PROPERTY TAXES	41.14	41.14
6/29/20	CITY OF BANNING	WATER SALES	99,975.00	
6/29/20	DWR	GRANT PAYMENT INV #5	54,642.06	154,617.06
		TOTAL FOR JUNE 2020	7,178,242.47	7,178,242.47

UNAUDITED

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2020**

FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME				Comparison:	0%
INCOME					
WATER SALES	5,600,000		5,600,000	4,804,838.40	14.20%
TAX REVENUE	2,750,000		2,750,000	3,336,051.16	-21.31%
INTEREST	350,000		350,000	278,723.57	20.36%
DESIGNATED REVENUES	820,000		820,000	1,070,901.21	-30.60%
CAPACITY FEE	0		0	0.00	
OTHER (REIMBURSEMENTS, TRANSFERS)	31,000		31,000	37,172.58	-19.91%
TOTAL GENERAL FUND INCOME	9,551,000	0	9,551,000	9,527,686.92	0.24%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	6,100,000		6,100,000	5,425,847.88	11.05%
TOTAL COMMODITY PURCHASE	6,100,000	0	6,100,000	5,425,847.88	11.05%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	500,000		500,000	583,885.05	-16.78%
PAYROLL TAXES	43,000		43,000	47,328.79	-10.07%
RETIREMENT	250,000		250,000	280,763.57	-12.31%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	73,000		73,000	63,443.06	13.09%
HEALTH INSURANCE	68,000		68,000	65,364.97	3.88%
DENTAL INSURANCE	5,000		5,000	4,360.56	12.79%
LIFE INSURANCE	1,600		1,600	1,673.03	-4.56%
DISABILITY INSURANCE	5,200		5,200	5,198.50	0.03%
WORKERS COMP INSURANCE	3,800		3,800	4,031.54	-6.09%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	7,907.43	20.93%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	960,600	0	960,600	1,063,956.50	-10.76%

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UNAUDITED

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2020**

FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020

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	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	0%
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	115,000		115,000	1,111,733.34	3.3%
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	8,253.37	44.98%
DIRECTORS MISC. MEDICAL	21,000		21,000	11,104.03	47.12%
OFFICE EXPENDITURES					
OFFICE EXPENSE	15,000		15,000	10,598.53	29.34%
POSTAGE	700		700	398.12	43.13%
TELEPHONE	11,500		11,500	11,662.21	-1.41%
UTILITIES	5,000		5,000	4,836.66	3.27%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	17,000		17,000	6,820.49	59.88%
GENERAL MANAGER & STAFF TRAVEL	18,000		18,000	21,793.74	-21.08%
INSURANCE & BONDS	23,000		23,000	23,281.65	-1.22%
ACCOUNTING & AUDITING	21,000		21,000	19,785.00	5.79%
STATE WATER CONTRACT AUDIT	5,500		5,500	5,471.00	0.53%
DUES & ASSESSMENTS	30,000		30,000	45,950.00	-53.17%
OUTSIDE PROFESSIONAL SERVICES	7,500		7,500	47,477.13	-533.03%
BANK CHARGES	1,000		1,000	1,034.94	-3.49%
MISCELLANEOUS EXPENSES and PENALTIES	500		500	35,000.00	-6900.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	500		500	941.57	-88.31%
VEHICLE REPAIR & MAINTENANCE	5,000		5,000	7,812.85	-56.26%
MAINTENANCE & REPAIRS - BUILDING	30,000		30,000	12,814.82	57.28%
MAINTENANCE & REPAIRS - FIELD	8,000		8,000	4,505.84	43.68%
CONTRACT OPERATIONS AND MAINTENANCE	125,000		125,000	89,352.91	28.52%
WATER TREATMENT EXPENSE	0	75,000	75,000	63,139.91	15.81%
COUNTY EXPENDITURES					
LAFCO COST SHARE	6,000		6,000	6,651.71	-10.86%
ELECTION EXPENSE	0		0	0.00	0.00%
TAX COLLECTION CHARGES	11,000		11,000	9,237.79	16.02%
TOTAL ADMINISTRATIVE & PROFESSIONAL	492,200	75,000	567,200	559,097.61	1.43%

UNAUDITED

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2020**

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FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	0%
GENERAL ENGINEERING					
NEW WATER					
UPDATED STUDY ON AVAILABLE SOURCES	16,000		16,000	1,278.50	92.01%
SGMA SUPPORT					
GSP CONSULTANT	500,000		500,000	237,519.63	52.50%
WEBSITE SERVICES	3,000		3,000	4,925.00	-64.17%
YUCAIPA GSA	0	30,000.00	30,000	13,406.26	55.31%
UWMP CONSULTANT	35,000		35,000	0.00	100.00%
STUDIES					
USGS	115,000		115,000	150,817.98	-31.15%
WATER RATE NEXUS STUDY	35,000		35,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	15,000		15,000	16,219.19	-8.13%
CAPACITY FEE NEXUS STUDY UPDATE	48,000		48,000	12,290.00	74.40%
WHEELING RATE STUDY	0		0	0.00	0.00%
OTHER PROJECTS					
IRWMP IMPLEMENTATION PROPOSAL	22,000		22,000	0.00	100.00%
FLUME MONITORING	30,000		30,000	30,000.00	0.00%
INFRASTRUCTURE PLAN	30,000		30,000	24,036.50	19.88%
BASIN MONITORING TASK FORCE	18,000		18,000	18,046.00	-0.26%
GENERAL AGENCY - CEQA AND GIS SERVICES	7,000		7,000	52,600	92.49%
TOTAL GENERAL ENGINEERING	874,000	30,000	904,000	509,065.06	43.69%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	150,000		150,000	115,302.74	23.13%
TOTAL LEGAL SERVICES	150,000	0	150,000	115,302.74	23.13%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	12,000		12,000	8,060.00	32.83%
ADULT EDUCATION PROGRAMS	5,000		5,000	0.00	100.00%
SPONSORSHIPS	10,000		10,000	0.00	100.00%
OTHER CONSERVATION, EDUCATION AND P. R.	15,000		15,000	0.00	100.00%
TOTAL CONSERVATION & EDUCATION	42,000	0	42,000	8,060.00	80.81%

UNAUDITED

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2020**

FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	0%
GENERAL FUND CAPITAL EXPENDITURES					
BUILDING & EQUIPMENT					
BUILDING	10,000		10,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	25,000		25,000	0.00	100.00%
OTHER EQUIPMENT	0		0	0.00	0.00%
FIESTA RECHARGE FACILITY					
POST DESIGN	20,000		20,000	95,773.10	-378.87%
CONSTRUCTION	76,000		76,000	551,856.65	-626.13%
BUNKER HILL CONJUNCTIVE USE PROJECT	0		0	0.00	0.00%
NOBLE TURNOUT EXPANSION					
POST DESIGN	8,000		8,000	15,326.25	-91.58%
CONSTRUCTION	1,500		1,500	29,250.00	-1850.00%
SITES RESERVOIR	322,000		322,000	302,057.17	6.19%
MONITORING WELLS USGS	250,000		250,000	299,873.26	-19.95%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	712,500	0	712,500	1,294,136.43	-81.63%
TRANSFERS TO OTHER FUNDS	0		0	0.00	
TOTAL GENERAL FUND EXPENSES	9,331,300	105,000	9,436,300	8,975,466.22	4.88%
WITHDRAWALS FROM RESERVES	1,326,000		1,326,000		
TOTAL TRANSFERS TO/FROM RESERVES	1,326,000		1,326,000	0.00	
GENERAL FUND NET INCOME YEAR TO DATE	1,545,700	-105,000	1,440,700	552,220.70	

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UNAUDITED

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2020**

FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME				Comparison:	0%
INCOME					
TAX REVENUE	23,995,229		23,995,229	25,783,681.34	-7.45%
INTEREST	650,000		650,000	863,112.26	-32.79%
DWR CREDITS - BOND COVER, OTHER	3,031,777		3,031,777	3,332,429.66	-9.92%
TOTAL DEBT SERVICE FUND INCOME	27,677,006	0	27,677,006	29,979,223.26	-8.32%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	60,000		60,000	61,199.30	-2.00%
PAYROLL TAXES	4,700		4,700	5,385.26	-14.58%
BENEFITS	74,000		74,000	55,868.96	24.50%
STATE WATER CONTRACT PAYMENTS	24,500,000		24,500,000	22,264,348.00	9.13%
WATER TRANSFERS	1,625,000		1,625,000	328,122.05	79.81%
SWC CONTRACTOR DUES	75,000		75,000	38,049.00	49.27%
DELTA CONVEYANCE FACILITY AUTHORITY	40,000		40,000	50,000.00	-25.00%
EBX CONTRACT OPERATIONS AND MAINTENANCE	125,000		125,000	89,352.90	28.52%
SWP ENGINEERING AND MAINTENANCE	450,000		450,000	342,922.16	23.80%
DEBT SERVICE UTILITIES	11,000		11,000	11,005.81	-0.05%
STATE WATER PROJECT LEGAL SERVICES	0		0	1,850.28	0.00%
TAX COLLECTION CHARGES	70,000		70,000	81,739.66	-16.77%
TOTAL DEBT SERVICE FUND EXPENSES	27,034,700	0	27,034,700	23,329,843.38	13.70%
TRANSFERS FROM RESERVES	0		0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	642,306	0	642,306	6,649,379.88	

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UNAUDITED**SAN GORGONIO PASS WATER AGENCY
CASH RECONCILIATION REPORT
FY 2019-20****FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2020****DEBT SERVICE FUND - RESTRICTED**

BEGINNING BALANCE - JULY 1, 2019		
RESERVE FOR STATE WATER PROJECT	<u>51,024,575</u>	
DEBT SERVICE ACTIVITY		
DEBT SERVICE DEPOSITS		
PROPERTY TAX - DEBT SERVICE DEPOSITS	25,783,681	
INTEREST INCOME	863,112	
DWR REFUNDS	3,332,430	
DEBT SERVICE DISBURSEMENTS	(23,636,776)	
ENDING RESTRICTED FUNDS BALANCE - - - 6/30/20	<u>57,367,022</u>	<u>57,367,022</u>

GENERAL FUND - UNRESTRICTED

BEGINNING BALANCE - JULY 1, 2019	<u>14,475,387</u>	
GENERAL FUND ACTIVITY		
GENERAL FUND DEPOSITS		
WATER SALES	4,804,838	
PROPERTY TAX - GENERAL PURPOSE DEPOSITS	3,336,051	
INTEREST INCOME	278,724	
OTHER INCOME	1,070,901	
CHANGE IN RECEIVABLES	926,208	
GENERAL FUND DISBURSEMENTS		
CHANGE IN LIABILITIES	(1,087,497)	
CHANGE IN CAPITAL ASSETS	(1,561,484)	
OPERATING EXPENDITURES	(7,125,344)	
ENDING UNRESTRICTED FUNDS BALANCE - - - 6/30/20	<u>15,117,784</u>	<u>15,117,784</u>
<u>TOTAL CASH - - - 6/30/20</u>		<u>72,484,807</u>

LOCATION OF CASH - - - 6/30/20

PETTY CASH	100
CASH IN WELLS FARGO CHECKING ACCOUNT	322,596
CASH IN BANK OF HEMET CHECKING ACCOUNT	10,811
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	517,663
LOCAL AGENCY INVESTMENT FUND	35,232,891
CALTRUST	20,945,746
TIME VALUE INVESTMENTS	15,455,000

<u>TOTAL - - - 6/30/20</u>	<u>72,484,807</u>
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UNAUDITED**SAN GORGONIO PASS WATER AGENCY****CASH RECONCILIATION REPORT**

FY 2019-20

BY QUARTER

	SEP 30, 19	DEC 31, 19	MAR 31, 20	JUN 30, 20
DEBT SERVICE FUND - RESTRICTED				
BEGINNING BALANCE - JULY 1, 2019				
RESERVE FOR STATE WATER PROJECT	51,024,575	51,024,575	51,024,575	51,024,575
DEBT SERVICE ACTIVITY				
DEBT SERVICE DEPOSITS				
PROPERTY TAX - D. S. DEPOSITS	679,779	6,075,623	14,836,174	25,783,681
INTEREST INCOME	245,968	551,612	756,302	863,112
DWR REFUNDS	29,929	1,568,209	1,568,209	3,332,430
DEBT SERVICE DISBURSEMENTS	(12,424,530)	(14,544,596)	(21,797,877)	(23,636,776)
ENDING RESTRICTED FUNDS BALANCE	39,555,721	44,675,423	46,387,384	57,367,022
GENERAL FUND - UNRESTRICTED				
BEGINNING BALANCE - JULY 1, 2019	14,475,387	14,475,387	14,475,387	14,475,387
GENERAL FUND ACTIVITY				
GENERAL FUND DEPOSITS				
WATER SALES	1,181,100	2,846,925	3,932,205	4,804,838
PROPERTY TAX - GENERAL DEPOSITS	124,935	984,471	1,972,347	3,336,051
INTEREST INCOME	69,376	176,764	244,994	278,724
OTHER INCOME	50,049	109,823	781,744	1,070,901
CHANGE IN RECEIVABLES	926,208	926,208	926,208	926,208
GENERAL FUND DISBURSEMENTS				
CHANGE IN LIABILITIES	(1,018,232)	(1,179,436)	(1,087,497)	(1,087,497)
CHANGE IN CAPITAL ASSETS	(465,420)	(1,179,314)	(1,734,873)	(1,561,484)
OPERATING EXPENDITURES	(1,199,153)	(2,383,928)	(5,238,432)	(7,125,344)
ENDING UNRESTRICTED FUNDS BALANCE	14,144,249	14,776,900	14,272,083	15,117,784
TOTAL CASH - END OF QUARTER	53,699,970	59,452,323	60,659,466	72,484,807
CASH AND INVESTMENTS				
PETTY CASH	100	100	100	100
CASH IN W. F. CHECKING ACCOUNT	728,402	522,646	845,945	322,596
CASH IN B. OF H. CHECKING ACCOUNT	8,750	6,498	11,780	10,811
BANK OF HEMET L A M M A	515,401	516,246	517,083	517,663
LOCAL AGENCY INVESTMENT FUND	8,740,203	14,598,594	15,382,891	35,232,891
CALTRUST	20,684,114	20,790,239	20,883,667	20,945,746
TIME VALUE INVESTMENTS	23,023,000	23,018,000	23,018,000	15,455,000
TOTAL - END OF QUARTER	53,699,970	59,452,323	60,659,466	72,484,807

UNAUDITED**SAN GORGONIO PASS WATER AGENCY****RESERVE ALLOCATION REPORT****FY 2019-20****FOR THE TWELVE MONTHS ENDING JUNE 30, 2020**

	JUN 30, 19	SEP 30, 19	DEC 31, 19	MAR 31, 20	JUN 30, 20
RESTRICTED					
STATE WATER CONTRACT FUND	51,024,575	39,555,721	44,675,423	46,387,384	57,367,022
UNRESTRICTED					
OPERATIONS	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
NEW INFRASTRUCTURE	9,422,177	9,778,050	9,446,911	9,594,641	9,089,823
Additions or Adjustments	3,120,609	-331,139	591,133	-343,939	889,051
Expenditures	-2,764,737		-443,403	-160,879	-43,348
Ending Balance	9,778,050	9,446,911	9,594,641	9,089,823	9,935,526
ADDITIONAL WATER	4,175,505	1,647,338	1,647,338	2,132,259	2,132,259
Adjustments from Other Sources			500,000		
Ratepayer - Balance Forward					
Ratepayer - Current Contribution					
Rate Stabilization - Balance Forward					
Excess Rate Stabilization - Current					
Expenditures	-2,528,167		-15,079		
Ending Balance	1,647,338	1,647,338	2,132,259	2,132,259	2,132,259
RATE STABILIZATION					
Taxpayer Contribution	0	0			
Previous Ratepayer Balance	150,000	150,000	150,000	150,000	150,000
Ratepayer Contribution					
Excess Contribut.-To Addnl. Water					
Expenditures					
Ending Balance	150,000	150,000	150,000	150,000	150,000
REPLACEMENTS	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
UNEXPECTED LEGAL SERVICES	150,000	150,000	150,000	150,000	150,000
TOTAL UNRESTRICTED RESERVES	14,475,387	14,144,249	14,776,900	14,272,082	15,117,785
TOTAL RESERVES	65,499,962	53,699,970	59,452,323	60,659,466	72,484,807
CASH LOCATION					
Petty Cash	100	100	100	100	100
Wells Fargo Checking Account	161,848	728,402	522,646	845,945	322,596
Bank of Hemet Checking Account	9,288	8,750	6,498	11,780	10,811
Bank of Hemet L A M M A	514,539	515,401	516,246	517,083	517,663
LAIF	21,217,212	8,740,203	14,598,594	15,382,891	35,232,891
CalTRUST	20,566,975	20,684,114	20,790,239	20,883,667	20,945,746
Time Value Investments	23,030,000	23,023,000	23,018,000	23,018,000	15,455,000
TOTAL CASH	65,499,962	53,699,970	59,452,323	60,659,466	72,484,807

UNAUDITED

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2019-20
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2020**

Accounting convention defines Current Assets as assets that can be liquidated within 1 year. By this definition, funds invested in Wells Fargo accounts, Bank of Hemet accounts, LAIF and CalTRUST accounts would all be considered Current Assets, or short-term investments.

The Agency categorizes its investments into three groups: Short-Term (can be liquidated or mature in 1 year); Medium-Term (mature in more than 1 year up to 5 years) and Long-Term (mature after 5 years).

For the purposes of this report, a “Hybrid” category is included for investments that can be liquidated in a year, but whose underlying securities may mature in more than one year. LAIF and CalTRUST both fall into this category.

This report includes a summary of cash and investments, and a detail of investments by category. The summary can be compared to the Cash Reconciliation Report. The detail of investments may differ slightly from the summary, due to rounding differences. This report also includes charts to show graphically the different investment categories, and what they are earning.

CASH AND INVESTMENT SUMMARY

LOCATION - INSTITUTION

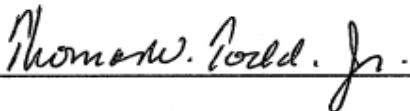
PETTY CASH	100
WELLS FARGO CHECKING ACCOUNT	322,596
BANK OF HEMET CHECKING ACCOUNT	10,811
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	517,663
STATE OF CALIFORNIA LAIF	35,232,891
CALTRUST SHORT-TERM	20,945,746
TIME VALUE INVESTMENTS	15,455,000
US TREASURY	-

TOTAL

72,484,807

ALL INVESTMENTS LISTED ON THE INVESTMENT REPORT AND HELD BY THE SAN 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.



July 22, 20220

UNAUDITED

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2019-20
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2020**

INVESTMENT DETAIL**SHORT-TERM**

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
Bank of Hemet	Local Agency Money Market	0.45%	6/30/20	517,663.48

BROKER: TIME VALUE INVESTMENTS T-BILLS

ISSUER	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
					0.00

HYBRID

INSTITUTION	Account	YIELD RATE		STATEMENT DATE	BOOK VALUE	CURRENT VALUE
State of California	LAIF	1.22%	*	6/30/20	35,232,891.16	35,232,891.16
CalTRUST	Short-Term	1.02%	*	6/30/20	20,945,745.70	21,147,385.00

*Average for June, 2020

MEDIUM-TERM**BROKER: TIME VALUE INVESTMENTS BONDS**

ISSUER	TYPE	PURCHASE AMOUNT	YIELD to Maturity	MATURITY DATE	FACE VALUE	CURRENT VALUE
TRNOTE	Callable*	1,907,310	1.56%	11/15/22	2,000,000	1,991,080.00
TRNOTE	Callable*	2,035,716	1.13%	9/30/21	2,050,000	2,074,354.00
FFCB	Callable*	1,000,000	1.60%	2/10/23	1,000,000	1,005,790.00
TOTALS		4,943,026	1.43%		5,050,000	5,071,224.00

* Can be redeemed before maturity date.

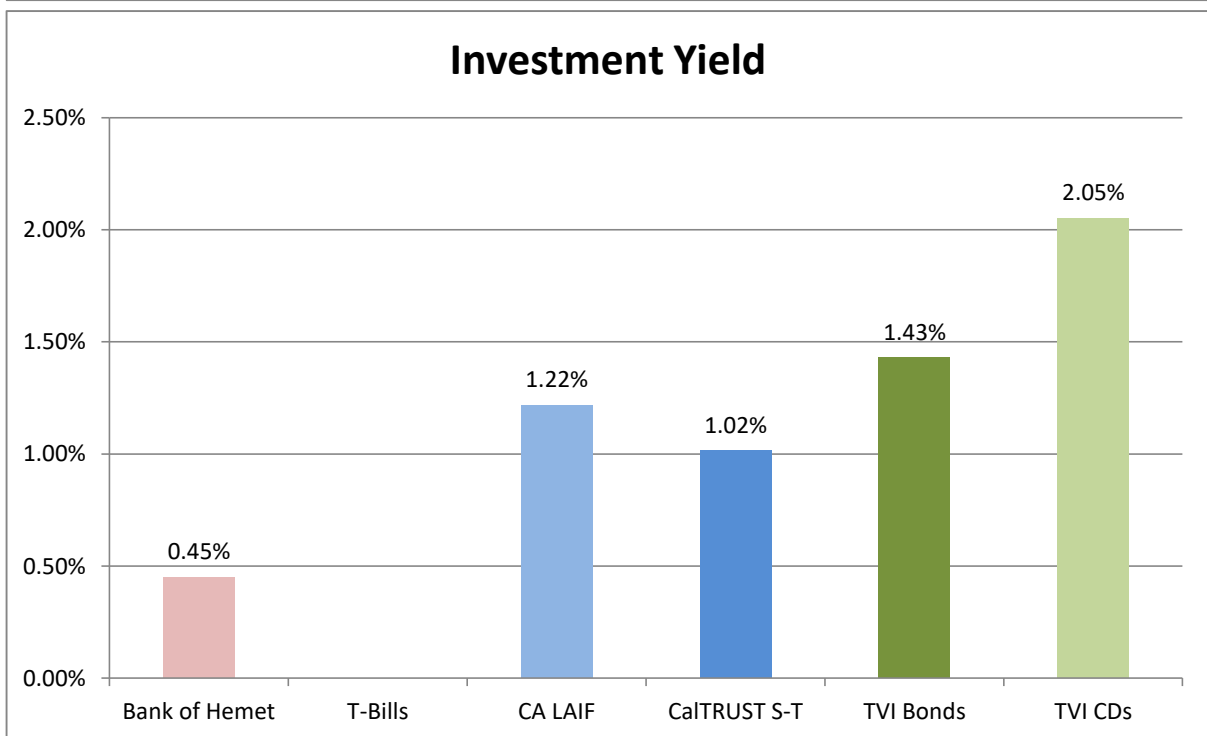
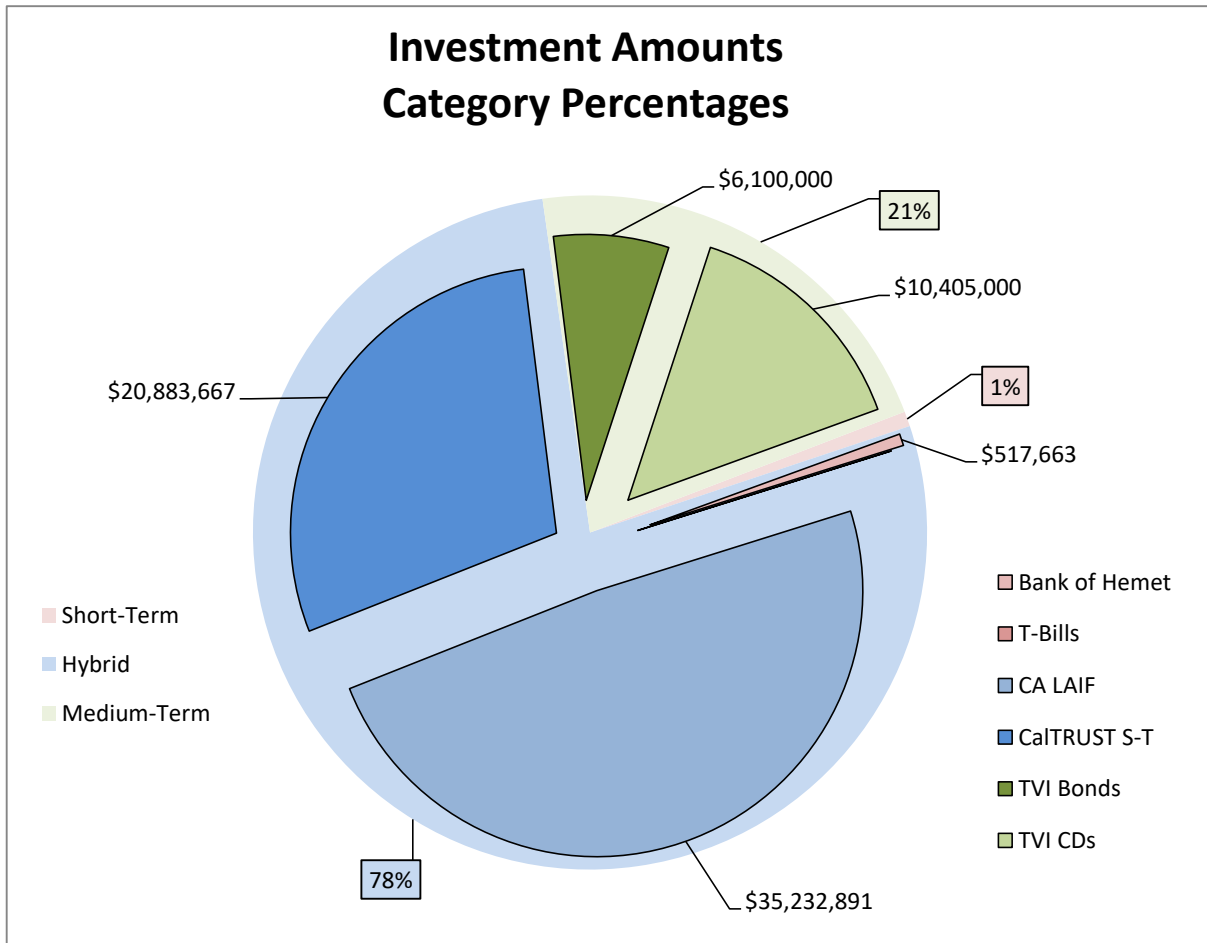
BROKER: TIME VALUE INVESTMENTS CDs

ISSUER	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
Various banks	10,405,000	2.05%	2-24 months	10,405,000	10,572,501.06

LONG-TERM*The Agency has no Long-Term investments at the date of this report.***PERCENTAGE OF PORTFOLIO**

LAIF	US Treasury	CDs	Bonds	Money Market
49%	0%	15%	7%	29%

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2019-20
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2020**



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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2020-21**

DEBT SERVICE EXPENDITURES			
DEPARTMENT OF WATER RESOURCES - STATEMENT OF CHARGES			
INVOICE NUMBER	FOR THE PERIOD JUL - DEC 2020	FOR THE PERIOD JAN - JUN 2021	
xx-022-T - ATTACHMENT 1 (Water Supply)	3,760,080	3,499,919	
xx-005-DCC - ATTACHMENT 1A (Devil Canyon)	153,139	153,634	
xx-020-O - ATTACHMENT 1-1 (OAP)	8,567	8,752	
xx-087-U - ATTACHMENT 1-2 (RAS)	0	0	
xx 002-X - ATTACHMENT 1-5 (EBX)	10,141,577	4,573,731	
xx-012-TAB - ATTACHMENT 1-6 (TEHACHAPI)	16,965		
DWR FIXED CHARGES	14,080,328	8,236,036	
TOTAL DWR STATEMENT OF CHARGES		22,316,364	
OTHER DWR CHARGES			
Delta Conveyance Project - Gap Funding		375,000	
TOTAL OTHER CHARGES		375,000	
TOTAL PROJECTE DDWR EXPENDITURES		23,000,000	
ADDITIONAL DEBT SERVICE EXPENSES			
Debt Service Salaries		63,000	
Debt Servie Payroll Taxes		6,000	
Debt Service Benefits		77,000	
Debt Service Utilities		11,000	
State Water Contractor Dues		75,000	
SWP Legal Services		0	
EBX Contract Operations		150,000	
SWP Engineering and Maintenance		250,000	
SB MWD Joint Facilities Payoff		3,129,634	
Delta Conveyance Facility Authority		0	
Tax Collection Charges		90,000	
TOTAL ADDITIONAL EXPENSES		3,851,634	
WATER TRANSFERS			
Ventura Water Transfer		1,405,000	
Casitas Water Transfer		702,500	
TOTAL WATER TRANSFERS		2,107,500	
GRAND TOTAL DEBT SERVICE EXPENDITURES		28,959,134	

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2020-21**

DEBT SERVICE REVENUE			
ESTIMATED DWR REFUNDS + INTEREST			
ESTIMATE OF BOND REFUNDS			3,247,573
DWR ~ ALLOCATION OF EARNED INTEREST 2019			60,000
TOTAL ESTIMATE OF DWR REFUNDS + INTEREST			3,307,573
SGPWA ALLOCATED EARNED INTEREST			600,000
TOTAL REFUNDS + INTEREST			3,907,573
DEBT SERVICE TAX REVENUE			
DEBT SERVICE INCOME FY 2019-20	25,783,681		
Deduction for extraordinary receipts	(400,000)		
ADJUSTED DEBT SERVICE INCOME	25,383,681		
TAX REVENUE PER CENT OF TAX LEVY			
(Current Tax Rate: 17.75 Cents)	17.75	1,430,067	
Projection for FY 2020-21			
2.5% increase		35,752	
ESTIMATED TAX REVENUE PER CENT OF TAX LEVY, FY 2020-21		1,465,818	
ESTIMATED REVENUE AT 17.75 CENTS	17.75		26,018,273
TAX REVENUE ESTIMATE			26,018,273
TOTAL ESTIMATED REVENUE (REFUNDS + TAX)			29,925,846
DEBT SERVICE EXPENDITURES COMBINED WITH REVENUE AT TAX RATE OF 17.75 CENTS			966,712



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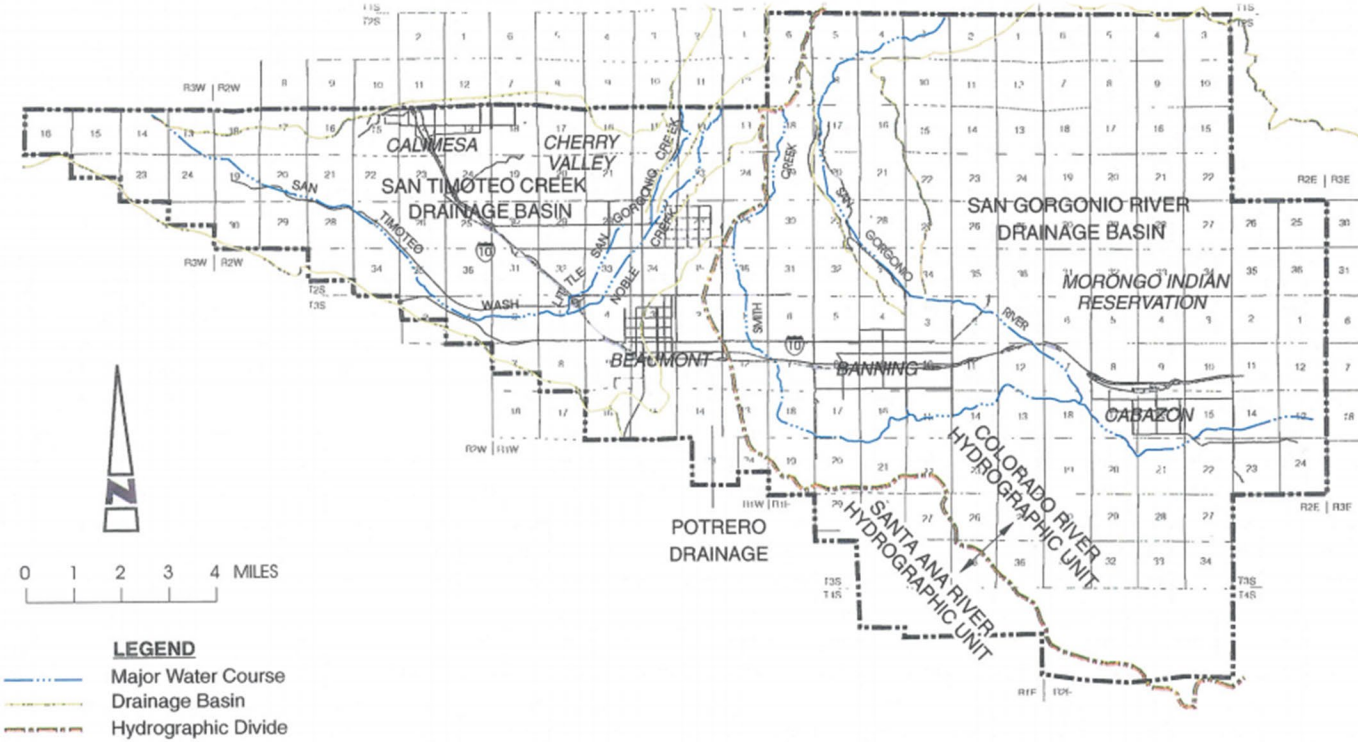
REVIEW OF DEBT SERVICE FUND BUDGET FY 2020-21

FINANCE & BUDGET BOARD WORKSHOP JULY 27, 2020





State Water Project



2019 STRATEGIC PLAN





CHANGE AND BIG CHALLENGES AHEAD

Debt Service Income has come in higher than the previous year. This puts the Agency in a good position to address major investments and risk mitigation that is anticipated in the near term future.

Investments: EBX, Delta Conveyance, Sites, Water Bank, Foothill Capacity, Additional Table A

Risk: Aging Infrastructure, Subsidence, DWR Fixed Costs, Contract Compression, Recession

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

1

Year	INCOME	EXPENSES					RESERVES	
	DEBT SERVICE TOTAL INCOME Note 1	Statement of Charges	EBX (Current and Projected)	Other Debt Service Expenses	DCP Sites Reservoir Water Transfers Other	TOTAL EXPENSES	DIFFERENCE	RESERVES (June)
	1	2	3	4	5	6	7	8
2004	6,137,727	2,100,865	4,299,939	663,484		7,064,288		8,575,893
2005	7,680,435	1,895,298	927,589	435,335		3,258,222		8,909,347
2006	9,409,975	1,957,662	1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,680		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,852
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392		8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643		7,144,033		29,693,705
2014	16,984,001	4,284,111	1,835,322	636,864		6,756,297		32,964,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031	454,774		9,230,659		42,217,597
2018	26,421,116	2,592,511	13,869,200	291,028	8,105,985	24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754	831,821	364,486	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721	1,065,495	0	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135	3,851,634	2,482,500	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766	14,875,643	858,855	4,311,361	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,378	14,570,732	886,768	5,765,526	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508	14,465,185	915,588	7,255,713	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451	14,357,630	945,345	8,496,210	32,928,636	2,013,206	71,132,258
2026	35,974,214	9,631,571	15,841,999	978,432	9,737,021	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308	17,943,253	1,012,677	10,978,151	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180	21,031,258	1,048,120	12,219,604	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789	20,933,112	1,084,805	13,461,382	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828	12,490,988	1,122,773	15,203,490	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078	12,484,133	1,164,877	16,231,646	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,280,423	12,548,943	1,208,560	17,260,140	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846	12,548,508	1,253,881	18,288,976	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442	13,087,362	1,300,901	19,318,158	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422	13,088,178	1,349,685	20,347,690	50,379,975	-6,195,426	36,254,890
2036								
2037								
2038								
2039								
2040								

↑ Actual
Projected
↓

Actual
Projected, SOC included
Projected

ASSUMPTIONS	TAX RATE: 17.75	ANNUAL INCREASE: 2.50%	INTEREST RATE: 1.00%
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Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

1

Year	INCOME	EXPENSES					RESERVES	
	DEBT SERVICE TOTAL INCOME Note 1	Statement of Charges	EBX (Current and Projected)	Other Debt Service Expenses	DCP Sites Reservoir Water Transfers Other	TOTAL EXPENSES	DIFFERENCE	RESERVES (June)
	1	2	3	4	5	6	7	8
2004	6,137,727	2,100,865	4,299,939	663,484		7,064,288		8,575,893
2005	7,680,435	1,895,298	927,589	435,335		3,258,222		8,909,347
2006	9,409,975	1,957,662	1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,680		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,852
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392		8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643		7,144,033		29,693,705
2014	16,984,001	4,284,111	1,835,322	636,864		6,756,297		32,964,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031	454,774		9,230,659		42,217,597
2018	26,421,116	2,592,511	13,869,200	291,028	8,105,985	24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754	831,821	364,486	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721	1,065,495	0	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135	3,851,634	2,482,500	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766	14,875,643	858,855	4,311,361	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,378	14,570,732	886,768	5,765,526	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508	14,465,185	915,588	7,255,713	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451	14,357,630	945,345	8,496,210	32,928,636	2,913,295	71,432,358
2026	35,974,214	9,631,571	15,841,999	978,432	9,737,021	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308	17,943,253	1,012,677	10,978,151	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180	21,031,258	1,048,120	12,219,604	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789	20,933,112	1,084,805	13,461,382	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828	22,490,968	1,122,773	15,203,490	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078	12,484,133	1,164,877	16,231,646	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,280,423	12,548,943	1,208,580	17,260,140	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846	12,548,508	1,253,881	18,288,976	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442	13,087,362	1,300,901	19,318,158	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422	13,088,178	1,349,685	20,347,680	50,379,975	-6,195,426	36,254,890
2036								
2037								
2038								
2039								
2040								

↑ Actual
Projected
↓

Actual
Projected, SOC included
Projected

ASSUMPTIONS	TAX RATE: 17.75	ANNUAL INCREASE: 2.50%	INTEREST RATE: 1.00%
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Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

36/61
24/26

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

1

Year	INCOME	EXPENSES					RESERVES	
	DEBT SERVICE TOTAL INCOME Note 1	Statement of Charges	EBX (Current and Projected)	Other Debt Service Expenses	DCP Sites Reservoir Water Transfers Other	TOTAL EXPENSES	DIFFERENCE	RESERVES (June)
	1	2	3	4	5	6	7	8
2004			4,299,939	663,484		7,064,288		8,575,893
2005		Fixed Costs	927,589	435,335		3,258,222		8,909,347
2006	9,409,973		1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,680		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,952
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392		8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643		7,144,033		29,693,705
2014	16,984,001	4,284,111	1,835,322	636,864		6,756,297		32,984,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031			9,230,659		42,217,597
2018	26,421,116	2,592,511	13,869,200			24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754		8,105,985	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721		364,486	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135		0	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766		858,855	2,482,500	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,378		886,768	4,311,361	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508		915,588	5,765,526	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451		945,345	7,255,713	32,928,636	2,013,286	71,132,358
2026	35,974,214	9,631,571		978,432	8,496,210	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308		1,012,677	9,737,021	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180		1,048,120	10,978,151	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789		1,084,805	12,219,604	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828		1,122,773	13,461,382	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078		1,164,877	15,203,490	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,280,423		1,208,560	16,231,646	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846		1,253,881	17,260,140	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442		1,300,901	18,288,976	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422		1,349,685	19,318,158	50,379,975	-6,195,426	36,254,890
2036					20,347,690			
2037		Compression						
2038								
2039								
2040								

Major CIP Investments & Transfers

Foothill Capacity

Balloon Payments

Paid Off

↑ Actual
↓ Projected

Actual
Projected, SOC included
Projected

ASSUMPTIONS	TAX RATE: 17.75	ANNUAL INCREASE: 2.50%	INTEREST RATE: 1.00%
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Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

2/16/26

OBSERVATION

The Debt Service Fund Budget (DSFB) for FY 2020-21 is adequate to cover all anticipated near term expenses.

Maintaining the DSFB will be important in future years to have the ability to pay for upcoming long-term investments in supply as well as anticipated projected expenses.



San Geronio Pass Water Agency

DATE: August 3, 2020
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Finance Manager
SUBJECT: APPROPRIATIONS LIMIT FOR FY 2020-2021

RECOMMENDATION

Staff recommends that the Board adopt Resolution 2020-04 in accordance with California law.

PREVIOUS CONSIDERATION BY COMMITTEE/BOARD OF DIRECTORS

- Finance and Budget Workshop – July 27, 2020: The Committee discussed this item and recommended it be presented to the Board for consideration.

BACKGROUND

Each year, the Agency, along with all other public agencies in California, is required by the California Constitution to set an appropriations limit. The limit is calculated based on a formula, and is not related to the Agency's budget for the year. For this fiscal year, the formula amount is \$67,204,996. The Agency's debt service and general fund budgets combined will be just over half this amount.

ANALYSIS

The attached resolution is a routine action that the Board is required to take each year. By law, the appropriations limit must be posted in a public place for at least 15 days prior to the Board adopting the resolution. The information has been posted for more than 15 days on the bulletin board outside the administration building, clearly visible to the public.

FISCAL IMPACT

None

ACTION

Motion to adopt Resolution 2020-04 in accordance with California law.

ATTACHMENT

Attachment 1: Appropriations Limit Calculation FY 2020-21



**SAN GORGONIO PASS WATER AGENCY
 APPROPRIATIONS LIMIT
 FISCAL YEAR 2020-21**

FY 2019-2020 APPROPRIATIONS LIMIT			64,280,573
	<u>Percent</u>	<u>Ratio</u>	
FY 2019-2020 ADJUSTMENT FOR PERCENTAGE CHANGES IN:			
CALIFORNIA PER CAPITA PERSONAL INCOME	3.73	1.0373	
POPULATION PERCENT CHANGE 2019 - 2020	0.79	1.0079	
PERCENT CHANGE AS A FACTOR			<u>104.5495%</u>
FY 2020-2021 APPROPRIATIONS LIMIT			<u><u>67,204,996</u></u>

THE ABOVE APPROPRIATION LIMITS WERE CALCULATED IN ACCORDANCE WITH PROPOSITION III WHICH AMENDED ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION.

Posted 6-17-20

RESOLUTION NO. 2020-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN GORGONIO PASS WATER AGENCY ESTABLISHING THE
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020-2021**

WHEREAS, Article XIII B of the California Constitution places an annual limitation upon appropriations from proceeds of taxes by each local government of the State of California; and

WHEREAS, Section 7910 of the California Government Code implements Article XIII B of the California Constitution by requiring each local jurisdiction to establish, by resolution, its appropriations limit for each fiscal year, and to make the documentation used in determining the appropriations limit available to the public fifteen days prior to adoption of the resolution establishing the appropriations limit; and

WHEREAS, The San Gorgonio Pass Water Agency has documented its calculations of the Agency's appropriations limit for Fiscal Year 2020-21, and notice of said calculations has been posted on the Agency's outside Bulletin Board (said notice being visible from the public walkway in front of the Agency's building) and the calculations have been made available to the public at least fifteen days prior to the adoption of this resolution;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the San Gorgonio Pass Water Agency as follows:

1. The appropriation limit applicable to this Agency pursuant to Article XIII B of the California Constitution for Fiscal Year 2020-21 is hereby established and determined to be in the sum of \$67,204,996.
2. A copy of the documentation used in the determination of the Fiscal Year 2020-21 appropriations limit shall be affixed hereto and shall be available for public inspection.
3. Pursuant to Section 7910 of the California Government Code, any judicial action or proceeding to attach, review, set aside, void or annul the establishment of the Fiscal Year 2020-21 appropriations limit as set forth herein must be commenced within forty-five days of the adoption of this resolution.

Resolution No. 2020-04 was adopted by the following roll call vote:

Ayes:
Noes:
Abstain:
Absent:

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2020-04 adopted by the Board of Directors of San Gorgonio Pass Water Agency at its meeting on August 3, 2020.

Lance E. Eckhart, Secretary to the Board

DRAFT

**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2020-21**

DEBT SERVICE EXPENDITURES			
DEPARTMENT OF WATER RESOURCES - STATEMENT OF CHARGES			
INVOICE NUMBER	FOR THE PERIOD JUL - DEC 2020	FOR THE PERIOD JAN - JUN 2021	
xx-022-T - ATTACHMENT 1 (Water Supply)	3,760,080	3,499,919	
xx-005-DCC - ATTACHMENT 1A (Devil Canyon)	153,139	153,634	
xx-020-O - ATTACHMENT 1-1 (OAP)	8,567	8,752	
xx-087-U - ATTACHMENT 1-2 (RAS)	0	0	
xx-002-X - ATTACHMENT 1-5 (EBX)	10,141,577	4,573,731	
xx-012-TAB - ATTACHMENT 1-6 (TEHACHAPI)	16,965		
DWR FIXED CHARGES	14,080,328	8,236,036	
TOTAL DWR STATEMENT OF CHARGES		22,316,364	
OTHER DWR CHARGES			
Delta Conveyance Project - Gap Funding		375,000	
TOTAL OTHER CHARGES		375,000	
TOTAL PROJECTED DWR EXPENDITURES		23,000,000	
ADDITIONAL DEBT SERVICE EXPENSES			
Debt Service Salaries		63,000	
Debt Service Payroll Taxes		6,000	
Debt Service Benefits		77,000	
Debt Service Utilities		11,000	
State Water Contractor Dues		75,000	
SWP Legal Services		0	
EBX Contract Operations		150,000	
SWP Engineering and Maintenance		250,000	
SBVMWD Joint Facilities Payoff		3,129,634	
Delta Conveyance Facility Authority		0	
Tax Collection Charges		90,000	
TOTAL ADDITIONAL EXPENSES		3,851,634	
WATER TRANSFERS			
Ventura Water Transfer		1,405,000	
Casitas Water Transfer		702,500	
TOTAL WATER TRANSFERS		2,107,500	
GRAND TOTAL DEBT SERVICE EXPENDITURES		28,959,134	

DRAFT

**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

1

Year	INCOME	EXPENSES					RESERVES	
	DEBT SERVICE TOTAL INCOME <i>Note 1</i>	Statement of Charges	EBX (Current and Projected)	Other Debt Service Expenses	DCP Sites Reservoir Water Transfers Other	TOTAL EXPENSES	DIFFERENCE	RESERVES (June)
	1	2	3	4	5	6	7	8
2004	6,137,727	2,100,865	4,299,939	663,484		7,064,288		8,575,893
2005	7,680,435	1,895,298	927,589	435,335		3,258,222		8,909,347
2006	9,409,975	1,957,662	1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,690		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,952
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392		8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643		7,144,033		29,693,705
2014	16,984,001	4,264,111	1,835,322	636,864		6,756,297		32,984,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031	454,774		9,230,659		42,217,597
2018	26,421,116	2,582,511	13,869,200	291,028	8,105,985	24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754	831,821	364,486	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721	1,065,495	0	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135	3,851,634	2,482,500	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766	14,675,643	858,855	4,311,361	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,376	14,570,732	886,768	5,765,526	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508	14,465,185	915,588	7,255,713	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451	14,357,630	945,345	8,496,210	32,928,636	2,013,206	71,132,258
2026	35,974,214	9,631,571	15,841,999	978,432	9,737,021	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308	17,943,253	1,012,677	10,978,151	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180	21,031,258	1,048,120	12,219,604	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789	20,933,112	1,084,805	13,461,382	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828	12,490,988	1,122,773	15,203,490	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078	12,484,133	1,164,877	16,231,646	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,260,423	12,548,943	1,208,560	17,260,140	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846	12,548,508	1,253,881	18,288,976	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442	13,087,362	1,300,901	19,318,158	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422	13,088,178	1,349,685	20,347,690	50,379,975	-6,195,426	36,254,890
2036								
2037								
2038								
2039								
2040								
Actual								
Projected, SOC included								
Projected								
ASSUMPTIONS		TAX RATE: 17.75		ANNUAL INCREASE: 2.50%		INTEREST RATE: 1.00%		

Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

↑ Actual
↓ Projected

DRAFT

**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

1

Year	INCOME		EXPENSES				RESERVES	
	DEBT SERVICE TOTAL INCOME <i>Note 1</i>	Statement of Charges	EBX (Current and Projected)	Other Debt Service Expenses	DCP Sites Reservoir Water Transfers Other	TOTAL EXPENSES	DIFFERENCE	RESERVES (June)
	1	2	3	4	5	6	7	8
2004			4,299,939	663,484		7,064,288		8,575,893
2005	Recession	Fixed Costs	927,589	435,335		3,258,222		8,909,347
2006	9,409,975		1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,680		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,952
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392	Major CIP Investments & Transfers	8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643		7,144,033		29,693,705
2014	16,984,001	4,284,111	1,835,322	636,864		6,756,297		32,984,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031			9,230,659		42,217,597
2018	26,421,116	2,592,511	13,869,200		Foothill Capacity	24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754		8,105,985	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721		364,486	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135	3,851,634	2,482,500	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766		858,855	4,311,361	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,378	Balloon Payments	886,768	5,765,526	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508		915,588	7,255,713	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451	14,357,630	945,345	8,496,210	32,928,636	2,943,996	71,422,958
2026	35,974,214	9,631,571	15,841,999	978,432	9,737,021	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308	17,943,253	1,012,677	10,978,151	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180	21,031,258	1,048,120	12,219,604	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789	20,933,112	1,084,805	13,461,382	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828	12,490,988	1,122,773	15,203,490	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078	12,484,133	1,164,877	16,231,646	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,280,423	12,548,943	1,208,560	17,260,140	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846	12,548,508	1,253,881	18,288,976	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442	13,087,362	1,300,901	19,318,158	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422	13,088,178	1,349,685	20,347,690	50,379,975	-6,195,426	36,254,890
2036								
2037		Compression						
2038			Paid Off					
2039								
2040								
Actual								
Projected, SOC included								
Projected								

↑ Actual
↓ Projected

ASSUMPTIONS	TAX RATE: 17.75	ANNUAL INCREASE: 2.50%	INTEREST RATE: 1.00%
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Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

San Geronio Pass Water Agency

DATE: August 3, 2020
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Lance Eckhart, General Manager
SUBJECT: ADOPTION OF RESOLUTION 2020-05 SETTING THE STATE WATER PROJECT TAX RATE FOR FY 2020-2021

RECOMMENDATION

Staff recommends that the Board continue with the present tax rate and adopt a tax rate of 17.75 cents for the FY 2020-21.

PREVIOUS CONSIDERATION BY COMMITTEE/BOARD OF DIRECTORS

- Finance and Budget Workshop – July 27, 2020: The Committee discussed this item and recommended it be presented to the Board for consideration. Additional information about a 17.5 cent tax rate was requested.

BACKGROUND

The Burns-Porter Act of 1960 authorized residents of California to vote on a \$1.75 billion bond that would fund construction of the State Water Project. The bill explicitly stated that the State's General Fund would not pay off the bonds sold for the Project, but that any water agency who contracted with the State to purchase the water produced would have to back the bonds by levying property taxes within their service area or through other revenue streams. The bond issue passed.

This is the purpose of the Agency's ad valorem tax levied by the Board each year—to pay the Agency's share of the debt service on the State Water Project, along with miscellaneous other costs associated with operating and maintaining the Project.

When the Agency constructed Phase 1 of the East Branch Extension (EBX 1) in the 1990's, the Board raised the tax rate to pay the additional debt service (from 8.83 cents in 1992 to 17 cents in 2000). In return, the region was able to receive State Water Project water through the East Branch Extension and to begin alleviating long-term groundwater overdraft.

The Board decided to phase the construction of the EBX partly to reduce costs and partly because it recognized that water demands at the time were not high enough to justify paying a higher amount for a pipeline that would only be partially utilized for a

number of years. Since the completion of EBX 2, debt service payments have increased significantly.

EBX 2 was needed so that the Agency could import all available water in wet years. With only Phase 1 of the pipeline installed, the Agency could not import all the water available in any year with an allocation greater than 60%. With EBX 2 online, and with additional facilities to store the water, the future of the area will be more secure, as the Agency will be able to import and store more water in wet years to help offset lesser amounts of water available in dry and average years. The 60% average reliability of the State Water Project is reduced even more if the Agency cannot take all available water in wet years. The construction of EBX 2 and the ability to convey the additional water out of the pipeline and into storage were necessary to meet the region's long-term supply needs.

In order to prepare for paying off EBX 2 bonds in 2011 the Board voted to increase the ad valorem tax rate from 17 cents to 18.5 cents. In 2016, the Board voted to reduce this to 18.25, as data presented by staff indicated that the Agency could likely continue to make projected payments with the reduced tax rate, even taking into account the future balloon payments that need to be made starting in 2026.

The Agency is still in a good situation financially with its Debt Service Fund reserve. However, a large number of uncertainties related to extending the SWP contract, maintaining aging Project infrastructure and funding construction to alleviate problems associated with subsidence in the San Joaquin Valley, in addition to the future balloon payments on EBX bonds, are reasons to be cautious with the Agency's Debt Service Fund. Additionally, participation in the Delta Conveyance project as well as potentially utilizing the debt service fund to participate in the Sites Reservoir Project have been called "generational opportunities" that have strong potential to address the region's water supply challenges identified in the Agency's 2015 Urban Water Management Plan. The Debt Service Fund will be a primary tool to fully participate and derive value from the aforementioned Project improvements.

After a discussion at the July Finance and Budget workshop, the Board did not decide on maintaining the current tax rate, and directed staff to bring information regarding a 17.5 cent rate for consideration by the Board. Staff presented a Debt Service Budget spreadsheet along with forward projections through 2035. Staff discussed the many cost uncertainties associated with maintaining the Project as well as costs associated with the region being fully positioned to take advantage of major Project improvements that are being considered.

ANALYSIS

Each year Riverside County requires that the tax rate be reviewed and a resolution adopted by the Board of Directors. This is an annual recurring process to set the tax rate for the upcoming property tax levy.

Property taxes received by the Agency in the last few years have been more than the conservative projections, primarily due to increasing property values and development in the region. These funds have resulted in reserves that allows the Agency to pay for increasing Project costs and potentially participate in major Project improvements that will help the Agency meet the region's long term supply needs.

FISCAL IMPACT

While the current year difference between 17.75 cents and 17.5 cents is a reduction in tax revenue of around \$370,000, the long-term projections could affect the Agency negatively by millions of dollars. Unfortunately, the unknowns cannot be quantitatively modeled at this time with the information available to us. The current tax rate has allowed the Agency to build reserves that will be relied on to pay for anticipated project fixed costs, and can put the Agency in a good position to participate in material Project improvements that may address the region's long-term supply deficits.

A copy of the Debt Service Budget with comments as presented at the July 27, 2020 Finance and Board Workshop is included (Attachment 1). A comparison of the current 17.75 cents tax rate vs. 17.5 cents tax rate is included (Attachment 2).

ACTION

Approve the resolution to maintain the tax rate at 17.75 cents.

ATTACHMENTS

Attachment 1: Debt Service Budget with comments

Attachment 2: 17.75 cents tax rate vs. 17.5 cents tax rate comparison

DRAFT

**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2020-21**

DEBT SERVICE EXPENDITURES			
DEPARTMENT OF WATER RESOURCES - STATEMENT OF CHARGES			
INVOICE NUMBER	FOR THE PERIOD JUL - DEC 2020	FOR THE PERIOD JAN - JUN 2021	
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xx-005-DCC - ATTACHMENT 1A (Devil Canyon)	153,139	153,634	
xx-020-O - ATTACHMENT 1-1 (OAP)	8,567	8,752	
xx-087-U - ATTACHMENT 1-2 (RAS)	0	0	
xx-002-X - ATTACHMENT 1-5 (EBX)	10,141,577	4,573,731	
xx-012-TAB - ATTACHMENT 1-6 (TEHACHAPI)	16,965		
DWR FIXED CHARGES	14,080,328	8,236,036	
TOTAL DWR STATEMENT OF CHARGES		22,316,364	
OTHER DWR CHARGES			
Delta Conveyance Project - Gap Funding		375,000	
TOTAL OTHER CHARGES		375,000	
TOTAL PROJECTED DWR EXPENDITURES		23,000,000	
ADDITIONAL DEBT SERVICE EXPENSES			
Debt Service Salaries		63,000	
Debt Service Payroll Taxes		6,000	
Debt Service Benefits		77,000	
Debt Service Utilities		11,000	
State Water Contractor Dues		75,000	
SWP Legal Services		0	
EBX Contract Operations		150,000	
SWP Engineering and Maintenance		250,000	
SBVMWD Joint Facilities Payoff		3,129,634	
Delta Conveyance Facility Authority		0	
Tax Collection Charges		90,000	
TOTAL ADDITIONAL EXPENSES		3,851,634	
WATER TRANSFERS			
Ventura Water Transfer		1,405,000	
Casitas Water Transfer		702,500	
TOTAL WATER TRANSFERS		2,107,500	
GRAND TOTAL DEBT SERVICE EXPENDITURES		28,959,134	

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

1

Year	INCOME	EXPENSES					RESERVES	
	DEBT SERVICE TOTAL INCOME Note 1	Statement of Charges	EBX (Current and Projected)	Other Debt Service Expenses	DCP Sites Reservoir Water Transfers Other	TOTAL EXPENSES	DIFFERENCE	RESERVES (June)
	1	2	3	4	5	6	7	8
2004	6,137,727	2,100,865	4,299,939	663,484		7,064,288		8,575,893
2005	7,680,435	1,895,298	927,589	435,335		3,258,222		8,909,347
2006	9,409,975	1,957,662	1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,680		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,852
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392		8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643		7,144,033		29,693,705
2014	16,984,001	4,284,111	1,835,322	636,864		6,756,297		32,964,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031	454,774		9,230,659		42,217,597
2018	26,421,116	2,592,511	13,869,200	291,028	8,105,985	24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754	831,821	364,486	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721	1,065,495	0	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135	3,851,634	2,482,500	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766	14,875,643	858,855	4,311,361	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,378	14,570,732	886,768	5,765,526	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508	14,465,185	915,588	7,255,713	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451	14,357,630	945,345	8,496,210	32,928,636	2,013,206	71,132,258
2026	35,974,214	9,631,571	15,841,999	978,432	9,737,021	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308	17,943,253	1,012,677	10,978,151	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180	21,031,258	1,048,120	12,219,604	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789	20,933,112	1,084,805	13,461,382	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828	12,490,988	1,122,773	15,203,490	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078	12,484,133	1,164,877	16,231,646	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,280,423	12,548,943	1,208,560	17,260,140	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846	12,548,508	1,253,881	18,288,976	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442	13,087,362	1,300,901	19,318,158	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422	13,088,178	1,349,685	20,347,690	50,379,975	-6,195,426	36,254,890
2036								
2037								
2038								
2039								
2040								

↑ Actual
Projected
↓

Actual
Projected, SOC included
Projected

ASSUMPTIONS	TAX RATE: 17.75	ANNUAL INCREASE: 2.50%	INTEREST RATE: 1.00%
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Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

1

Year	INCOME	EXPENSES					RESERVES	
	DEBT SERVICE TOTAL INCOME Note 1	Statement of Charges	EBX (Current and Projected)	Other Debt Service Expenses	DCP Sites Reservoir Water Transfers Other	TOTAL EXPENSES	DIFFERENCE	RESERVES (June)
	1	2	3	4	5	6	7	8
2004			4,299,939	663,484		7,064,288		8,575,893
2005		Fixed Costs	927,589	435,335		3,258,222		8,909,347
2006	9,409,975		1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,680		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,952
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392		8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643		7,144,033		29,693,705
2014	16,984,001	4,284,111	1,835,322	636,864		6,756,297		32,984,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031			9,230,659		42,217,597
2018	26,421,116	2,592,511	13,869,200			24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754		8,105,985	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721		364,486	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135		0	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766		858,855	2,482,500	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,378		886,768	4,311,361	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508		915,588	5,765,526	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451		945,345	7,255,713	32,928,636	2,013,286	71,132,258
2026	35,974,214	9,631,571		978,432	8,496,210	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308		1,012,677	9,737,021	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180		1,048,120	10,978,151	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789		1,084,805	12,219,604	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828		1,122,773	13,461,382	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078		1,164,877	15,203,490	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,280,423		1,208,560	16,231,646	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846		1,253,881	17,260,140	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442		1,300,901	18,288,976	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422		1,349,685	19,318,158	50,379,975	-6,195,426	36,254,890
2036					20,347,690			
2037		Compression						
2038			Paid Off					
2039								
2040								

↑ Actual
Projected
↓

Actual
Projected, SOC included
Projected

ASSUMPTIONS	TAX RATE: 17.75	ANNUAL INCREASE: 2.50%	INTEREST RATE: 1.00%
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Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2020-21**

DEBT SERVICE REVENUE			
ESTIMATED DWR REFUNDS + INTEREST			
ESTIMATE OF BOND REFUNDS			3,247,573
DWR ~ ALLOCATION OF EARNED INTEREST 2019			60,000
TOTAL ESTIMATE OF DWR REFUNDS + INTEREST			3,307,573
SGPWA ALLOCATED EARNED INTEREST			600,000
TOTAL REFUNDS + INTEREST			3,907,573
DEBT SERVICE TAX REVENUE			
DEBT SERVICE INCOME FY 2019-20		25,783,681	
Deduction for extraordinary receipts		(400,000)	
ADJUSTED DEBT SERVICE INCOME		25,383,681	
TAX REVENUE PER CENT OF TAX LEVY			
(Current Tax Rate: 17.75 Cents)	17.75	1,430,067	
Projection for FY 2020-21			
2.5% increase		35,752	
ESTIMATED TAX REVENUE PER CENT OF TAX LEVY, FY 2020-21		1,465,818	
CALCULATIONS FOR ESTIMATES OF TAX REVENUE AT VARIOUS RATES			
ESTIMATED REVENUE AT 17.75 CENTS	17.75		26,018,273
TOTAL ESTIMATED REVENUE (REFUNDS + TAX)			29,925,846
DEBT SERVICE EXPENDITURES COMBINED WITH REVENUE AT TAX RATE OF 17.75 CENTS			
			966,712
ESTIMATED REVENUE AT 17.50 CENTS	17.50		25,651,818
TOTAL ESTIMATED REVENUE (REFUNDS + TAX)			29,559,391
DEBT SERVICE EXPENDITURES COMBINED WITH REVENUE AT TAX RATE OF 17.50 CENTS			
			600,257

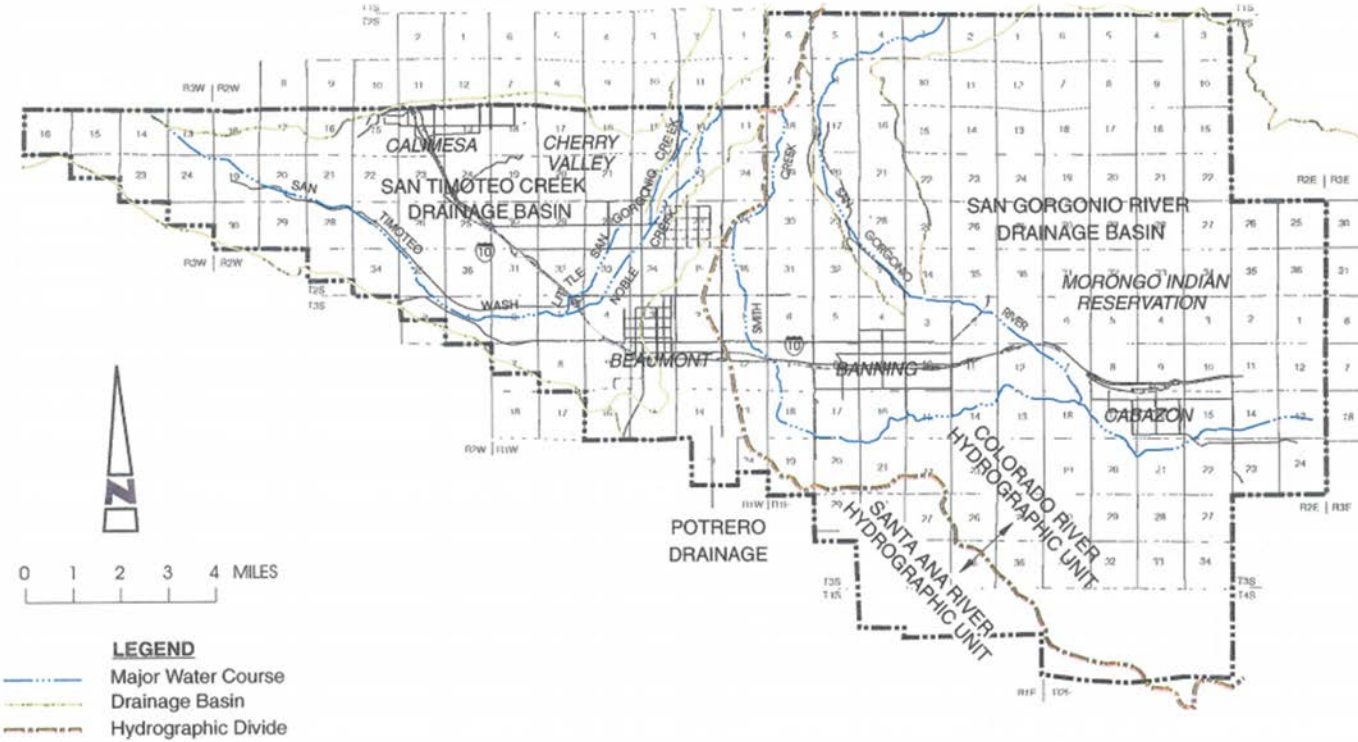


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REVIEW OF DEBT SERVICE FUND BUDGET FY 2020-21

BOARD OF DIRECTORS, AUGUST 3, 2020





2019 STRATEGIC PLAN



Goal 4: Regional Infrastructure Plan

Goal 5. Financial Plan



CHANGE AND BIG CHALLENGES AHEAD

Debt Service Income has come in higher than the previous year. This puts the Agency in a good position to address major investments and risk mitigation that is anticipated in the near term future.

Investments: EBX, Delta Conveyance, Sites, Water Bank, Foothill Capacity, Additional Table A

Risk: Aging Infrastructure, Subsidence, DWR Fixed Costs, Contract Compression, Recession

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

1

Year	INCOME	EXPENSES					RESERVES	
	DEBT SERVICE TOTAL INCOME Note 1	Statement of Charges	EBX (Current and Projected)	Other Debt Service Expenses	DCP Sites Reservoir Water Transfers Other	TOTAL EXPENSES	DIFFERENCE	RESERVES (June)
	1	2	3	4	5	6	7	8
2004	6,137,727	2,100,865	4,299,939	663,484		7,064,288		8,575,893
2005	7,680,435	1,895,298	927,589	435,335		3,258,222		8,909,347
2006	9,409,975	1,957,662	1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,680		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,952
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392		8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643		7,144,033		29,693,705
2014	16,984,001	4,284,111	1,835,322	636,864		6,756,297		32,984,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031	454,774		9,230,659		42,217,597
2018	26,421,116	2,592,511	13,869,200	291,028	8,105,965	24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754	831,821	364,486	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721	1,065,495	0	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135	3,851,634	2,482,500	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766	14,875,643	858,855	4,311,361	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,378	14,570,732	886,768	5,765,526	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508	14,465,185	915,588	7,255,713	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451	14,357,630	945,345	8,496,210	32,928,636	2,013,206	71,132,258
2026	35,974,214	9,631,571	15,841,999	978,432	9,737,021	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308	17,943,253	1,012,677	10,978,151	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180	21,031,258	1,048,120	12,219,604	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789	20,933,112	1,084,805	13,461,382	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828	12,490,988	1,122,773	15,203,490	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078	12,484,133	1,164,877	16,231,646	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,280,423	12,548,943	1,208,560	17,260,140	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846	12,548,508	1,253,881	18,288,976	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442	13,087,362	1,300,901	19,318,158	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422	13,088,178	1,349,685	20,347,690	50,379,975	-6,195,426	36,254,890
2036								
2037								
2038								
2039								
2040								

↑ Actual
Projected
↓

Actual
Projected, SOC included
Projected

ASSUMPTIONS	TAX RATE: 17.75	ANNUAL INCREASE: 2.50%	INTEREST RATE: 1.00%
--------------------	------------------------	-------------------------------	-----------------------------

Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

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**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

1

Year	INCOME	EXPENSES					RESERVES	
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2006	9,409,975	1,957,662	1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,680		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,852
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392		8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643		7,144,033		29,693,705
2014	16,984,001	4,284,111	1,835,322	636,864		6,756,297		32,964,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031	454,774		9,230,659		42,217,597
2018	26,421,116	2,592,511	13,869,200	291,028	8,105,985	24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754	831,821	364,486	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721	1,065,495	0	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135	3,851,834	2,482,500	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766	14,875,643	858,855	4,311,361	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,378	14,570,732	886,768	5,765,526	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508	14,465,185	915,588	7,255,713	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451	14,357,630	945,345	8,496,210	32,928,636	2,913,295	71,432,358
2026	35,974,214	9,631,571	15,841,999	978,432	9,737,021	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308	17,943,253	1,012,677	10,978,151	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180	21,031,258	1,048,120	12,219,604	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789	20,933,112	1,084,805	13,461,382	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828	12,490,968	1,122,773	15,203,490	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078	12,484,133	1,164,877	16,231,646	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,280,423	12,548,943	1,208,560	17,260,140	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846	12,548,508	1,253,881	18,288,976	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442	13,087,362	1,300,901	19,318,158	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422	13,088,178	1,349,685	20,347,680	50,379,975	-6,195,426	36,254,890
2036								
2037								
2038								
2039								
2040								

↑ Actual
Projected
↓

Actual
Projected, SOC included
Projected

ASSUMPTIONS	TAX RATE: 17.75	ANNUAL INCREASE: 2.50%	INTEREST RATE: 1.00%
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Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE INCOME, EXPENDITURES and RESERVES
ESTIMATES - ACTUAL AND PROJECTED
2008 - 2035**

Year	INCOME	EXPENSES					RESERVES	
	DEBT SERVICE TOTAL INCOME <i>Note 1</i>	Statement of Charges	EBX (Current and Projected)	Other Debt Service Expenses	DCP Sites Reservoir Water Transfers Other	TOTAL EXPENSES	DIFFERENCE	RESERVES (June)
	1	2	3	4	5	6	7	8
2004			4,299,939	663,484		7,064,288		8,575,893
2005	Recession	Fixed Costs	927,589	435,335		3,258,222		8,909,347
2006	9,409,975		1,060,689	692,814		3,711,165		10,451,061
2007	13,773,289	2,659,243	1,084,389	1,333,048		5,076,680		14,814,386
2008	14,855,134	3,361,840	802,786	1,421,477		5,586,103		21,085,657
2009	14,959,004	6,549,958	1,457,607	965,653		8,973,218		23,493,952
2010	14,172,478	5,897,432	1,462,776	1,019,082		8,379,290		23,431,245
2011	13,546,188	5,744,534	1,450,940	750,353		7,945,827		23,179,870
2012	16,607,976	5,827,218	1,446,795	878,392		8,152,405		25,727,239
2013	17,079,862	4,701,132	1,697,258	745,643	Major CIP Investments & Transfers	7,144,033		29,693,705
2014	16,984,001	4,284,111	1,835,322	636,864		6,756,297		32,984,738
2015	20,022,696	5,639,856	3,305,756	375,666		9,321,278		35,901,824
2016	21,915,393	5,436,297	2,539,354	321,878		8,297,529		36,816,064
2017	24,418,236	6,180,854	2,595,031			9,230,659		42,217,597
2018	26,421,116	2,592,511	13,869,200			24,858,724	1,562,392	44,268,814
2019	28,293,703	7,840,575	14,562,754	Foothill Capacity	8,105,985	23,599,636	4,694,067	50,482,076
2020	29,908,624	7,576,530	14,818,721		364,486	23,460,746	6,447,878	57,367,022
2021	30,386,561	7,369,446	14,912,135	3,851,634	2,482,500	28,615,715	1,770,846	59,137,868
2022	31,648,205	7,774,766		858,855	4,311,361	27,820,625	3,827,579	62,965,448
2023	32,948,119	8,202,378	Balloon Payments	886,768	5,765,526	29,425,404	3,522,715	66,488,163
2024	33,920,883	8,653,508		915,588	7,255,713	31,289,994	2,630,889	69,119,052
2025	34,941,842	9,129,451	14,357,630	945,345	8,496,210	32,928,636	2,013,286	71,132,256
2026	35,974,214	9,631,571	15,841,999	978,432	9,737,021	36,189,023	-214,809	70,917,449
2027	37,319,561	10,161,308	17,943,253	1,012,677	10,978,151	40,095,388	-2,775,827	68,141,622
2028	38,779,715	10,720,180	21,031,258	1,048,120	12,219,604	45,019,161	-6,239,446	61,902,175
2029	40,419,238	11,309,789	20,933,112	1,084,805	13,461,382	46,789,087	-6,369,849	55,532,326
2030	41,440,745	11,931,828	12,490,988	1,122,773	15,203,490	40,749,078	691,667	56,223,993
2031	40,606,615	12,588,078	12,484,133	1,164,877	16,231,646	42,468,733	-1,862,118	54,361,875
2032	41,453,204	13,280,423	12,548,943	1,208,560	17,260,140	44,298,065	-2,844,861	51,517,014
2033	42,325,650	14,010,846	12,548,508	1,253,881	18,288,976	46,102,211	-3,776,561	47,740,453
2034	43,197,726	14,781,442	13,087,362	1,300,901	19,318,158	48,487,863	-5,290,137	42,450,316
2035	44,184,549	15,594,422	13,088,178	1,349,685	20,347,690	50,379,975	-6,195,426	36,254,890
2036								
2037		Compression		Paid Off				
2038								
2039								
2040								

↑ Actual
Projected
↓

Actual
Projected, SOC included
Projected

ASSUMPTIONS	TAX RATE: 17.75	ANNUAL INCREASE: 2.50%	INTEREST RATE: 1.00%
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Note 1: Includes payment for 4,000 AF of Sites Reservoir participation from BCVWD.

RECOMMENDATION

The Debt Service Fund Budget (DSFB) for FY 2020-21 is adequate to cover all anticipated near term expenses.

Maintaining the DSFB will be important in future years to have the ability to pay for upcoming long-term investments in supply as well as anticipated projected expenses.



RESOLUTION NO. 2020-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY DETERMINING THE AMOUNT OF MONEY NEEDED TO MAKE ANNUAL PAYMENTS FOR THE INTEREST AND PRINCIPAL ON GENERAL OBLIGATION BONDS AND FOR OTHER INDEBTEDNESS APPROVED BY THE VOTERS PRIOR TO JULY 1, 1978, AND/OR FOR WHICH A TAX LEVY IS REQUIRED UNDER ARTICLE 1, SECTION 10 OF THE UNITED STATES CONSTITUTION AND MAKING A TAX LEVY THEREOF.

WHEREAS, the Attorney General of the State of California has ruled in his opinion No. CV 78/90 that property taxes levied by local water districts necessary to provide for payments to the state under the state water supply contract fall within Section 1 (b) of Article XIII A of the California Constitution; now therefore,

BE IT RESOLVED by the Board of Directors of the San Gorgonio Pass Water Agency, as follows:

1. That said Board of Directors has determined that the amount of money needed to make annual payments during the fiscal year beginning July 1, 2020, and ending June 30, 2021, for the interest and principal on general obligation bonds and other indebtedness approved by the voters prior to July 1, 1978, and/or required by Article 1, Section 10 of the United States Constitution is **\$28,959,134** for payments on the Contract between the State of California Department of Water Resources and San Gorgonio Pass Water Agency for a water supply dated November 16, 1962, and hereby fixes the rate of tax which will raise the amount of money required by said Agency at the following amounts per hundred dollars of assessed valuation of taxable property within said Agency:

\$ 0.17xx State Water Contract

2. That the Board of Directors of the San Gorgonio Pass Water Agency does hereby certify the rate so fixed, and as herein before set forth, to the Board of Supervisors of the County of Riverside, State of California, and to the County Auditor of said County.

3. That pursuant to California Water Code - Appendix Section 101-27 the determination of the amount necessary to be raised by taxation for such purpose during the fiscal year and the order fixing the rate of tax made herein shall constitute a valid assessment of the property within the Agency and a valid levy of the taxes so fixed. Said levy is permitted by California Revenue and Taxation Code Section 93 and/or required by Article 1, Section 10 of the United States Constitution.

4. That a certified copy of this resolution be transmitted to the County Auditor of said County, and that when so transmitted, said certified copy shall constitute the certification required in Section 101-27 of the California Water Code - Appendix.

5. That funds received by the San Geronio Pass Water Agency pursuant to the aforesaid tax levy shall be placed in a separate fund identified for such indebtedness set forth above and shall be disbursed only for lawful payments on such indebtedness.

Said Resolution was adopted by roll call vote as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

I certify that the foregoing is a true and correct copy of Resolution No. 2020-05, adopted by the Board of Directors of the San Geronio Pass Water Agency at its regular meeting held on August 3, 2020.

Ronald A. Duncan, President of the Board

RESOLUTION NO. 2020-05

STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE)

I, Lance E. Eckhart, the duly elected and acting Secretary of the Board of Directors of the San Gorgonio Pass Water Agency, hereby certify the foregoing to be a full and correct copy of Resolution No. 2020-05 adopted by the Board of Directors on August 3, 2020, at a duly held meeting at which a quorum was present.

I, Lance E. Eckhart, also hereby certify that a copy of this Resolution No. 2020-05 has been forwarded to the County Auditor/Controller's office for recording as of the date stated below and to the officer whose signature appears below.

Lance E. Eckhart
Secretary to the Board

DATE: _____

Received by Fendy Kao via Email
Officer – Supervising Accountant of
the Riverside Property Tax Division

DATE: _____