

NEWS RELEASE

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SAN GORONIO PASS WATER AGENCY LOWERS PROPERTY TAX

Pass area property owners are going to see a reduction in their property tax bill this year. The San Gorgonio Pass Water Agency voted to lower its property tax rate by a half cent, from 18.25 cents per \$100 of assessed valuation to 17.75 cents. The reduction will result in about \$650,000 being returned to property owners this year alone. That equates to \$20 a year for a \$400,000 house.

“Our reserves are at a healthy level, and even with large uncertainties ahead of us, we want to give current property owners a break on their taxes” said David Fenn, a Beaumont real estate broker and Board member.

Revenues from the tax, which is collected as part of the Riverside County property tax, are used primarily to pay for debt service costs associated with the State Water Project. The Agency will owe \$27 million next year to pay for its share of the Project. It purchases water from the Project and sells it to local water agencies to ensure that local groundwater basins are replenished, thus assuring a long-term supply for Pass residents.

Agency staff presented to the Board revenue and expense projections through 2035 for four different tax rates, from 17.25 cents to 18.25 cents. The Board adopted a rate in the middle of that range. “We need to be prudent here”, said Board President Ron Duncan, a Banning resident. “We want to be fair to the property owners who have been paying for the State Water Project for decades, but we also need to ensure that we have funds to deal with all of the uncertainties ahead of us.” The uncertainties include unknown costs for a future Delta conveyance project, Sites Reservoir, repairs of the Oroville spillway, and future costs to mitigate the effects of subsidence on the Project. The Agency will be obligated to pay its share of all of these infrastructure projects.

The San Gorgonio Pass Water Agency is a regional wholesale agency and State Water Contractor serving water agencies from Calimesa to Cabazon. It is based in Beaumont and holds Board meetings on the first and third Monday of each month at 1:30 pm.

For more information, contact General Manager Jeff Davis at 951-845-2577.