

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
December 3, 2018 at 1:30 p.m.

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. To comment on specific agenda items, 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. 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, November 13, 2018* (p. 2)
- B. Approval of the Minutes of the Finance and Budget Workshop, November 26, 2018* (p. 6)
- C. Approval of the Finance and Budget Workshop Report, November 26, 2018* (p. 9)

5. Reports:

- A. General Manager's Report
 - 1. Operations Report
 - 2. Water Supply Update* (p. 28)
 - 3. General Agency Updates
- B. General Counsel Report* (p. 33)
- C. Directors Reports
- D. Committee Reports

6. New Business:

- A. Discussion and Possible Action to Join Pass EDA* (p. 34)
- B. Discussion and Possible Action to Contract with Pro-Craft for the Beaumont Avenue Recharge Facility Fencing* (p. 37)
- C. Discussion of Reserves Policy and its Correlation with Agency's Water Rate * (p. 41)

7. Topics for Future Agendas

8. Announcements:

- A. Engineering Workshop, including discussion of a Water Rate Methodology, December 10, 2018 at 1:30 p.m.
- B. Regular Board Meeting, December 17, 2018 at 1:30 p.m.
- C. Finance and Budget Workshop, December 20, 2018 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
November 19, 2018

Directors Present: Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director
David Castaldo, Director
Stephen Lehtonen, Director
Michael Thompson, Director (arrived at 1:54 pm)

Directors Absent: David Fenn, President

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Thomas Todd, Finance Manager
Cheryle Stiff, Executive Assistant

1. **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 Vice President Ron Duncan* at 1:30 p.m., November 19, 2018 in the Agency Boardroom located at 1210 Beaumont Avenue, Beaumont, California. *Vice President Duncan led the Pledge of Allegiance to the flag. Director Stephenson gave the invocation. A quorum was present.*
2. **Adoption and Adjustment of Agenda:** *Vice President Duncan asked if there were any adjustments to the agenda. There were no adjustments to the agenda. The agenda was adopted as published.*
3. **Public Comment:** *Vice 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. Tom Shalhoub (YVWD Board member) informed the Board that he was defeated during this past election. He acknowledged that the Agency is doing a good job. There were no other members of the public that wished to comment at this time.*
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, November 5, 2018
 - B. Approval of the Minutes of the Engineering Workshop, November 13, 2018

Director Castaldo made a motion, seconded by Director Stephenson, to adopt the consent calendar as presented. Motion passed 5-0, with Director Thompson and President Fenn absent.

5. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: 1) Totals were not available at this time. Deliveries have been reduced this month due to a shutdown to allow SCE to do utility work; currently running at 16 cfs.

(2) Construction Update: Grading at the service connection site is nearly complete.

(3) General Agency Updates: General Manager Davis reported on the following: **(a) DWR Consistency Certification with Delta Stewardship Council (DSC):** DWR had certified that the Cal WaterFix was consistent with the Delta Plan. This was appealed by nine groups and an appeal hearing was held in October. The DSC draft staff report had twelve issues that it challenged DWR on. Seven of the twelve were dismissed; however five are to be remanded to DWR for more work. **(b) Sites Reservoir:** Staff had previously reviewed with the Board a Sites Phase 2 participation agreement, this agreement has now been rescinded and there is a new agreement that is just for 2019. There will be no Class 1 or Class 2 water. Everything in 2019 will be paid in cash. There is about 100,000 AF of water that is not subscribed at this time. **(c) Managers Meeting Update:** Managers met today and discussed a concept that is different from what we have previously talked about; it has some support from the retail managers. Staff would like to bring this concept to the Board in December, prior to the Water Rate workshop that is scheduled for January as part of the Engineering workshop. After discussion, it was the consensus of the Board to have staff present the water retailers' concept at the December 10th Engineering workshop. **(d) SBVMWD Reception:** General Manager Davis announced that after SVMWD's November 20th Board meeting a reception will be held in honor of outgoing board members Mark Bulot and Steve Copelan for their twenty years of service with the district.

B. General Counsel Report: General Counsel Ferre stated that there was a recent case dealing with the Brown Act. The case had to do with a public entity's ability to put reasonable restrictions on public comment during public meetings. Public entities can place reasonable time restrictions on public comment at their meetings as long as the time restrictions do not violate state or federal law. As long as the rule for public comment are fair and apply consistently the members of the public have an opportunity to speak about an item on the agenda either during public comment or prior to the action coming up, but not to engage in point-counter-point before or after staff/board is talking about or discussing of an item. The main take away for our Agency is that we are to be very careful to keep to the same time period for each public speaker. If we are allowing one member of the public to speak for five minutes than all members of the public must keep to the same time frame. It's to apply the public comment time portion consistently, and to keep in mind that there are particular times for public comment, particular times for staff comment, and particular times for the board to take action.

C. Directors Reports: **1) Director Stephenson** reported on the following: **a)** He attended the SBVMWD on November 6th. He noted that the Citrus Reservoir is close to the flight path of the Redlands Airport. A floating cover system called the Rhombo Hexoshield has been purchase by SBVMWD and our Agency. The floating ball system has been proven to be an effective wildlife deterrent. The system will provide almost 100 percent cover of the reservoir, not allowing light that will reduce the potential for algae growth because they need sunlight as one of the nutrients. The system also helps prevent evaporation. **b)** On November 13th he attended the YVWD workshop. **c)** On November 14th he attended the YVWD GSA kick-off meeting that was presented by Dudek. At the future March meeting Dudek will be presenting a conceptual model for the GSP. The next meeting will be held January 23, 2019. **2)**

Director Thompson reported that he attended the Strategic Planning Committee meeting that was held on November 6th. **2) Vice President Duncan** reported on that he attended the BCVWD Board meeting that was held on November 14th. Its Board approved the cost for the East Branch Extension Noble Creek Turnout Upgrade Bid results.

D. Committee Reports: **1) Director Lehtonen** reported that a Strategic Planning Committee was held on November 6th. Staff will be writing up the concepts that were spoken about. There will be another Strategic Planning Committee meeting prior to bringing the concepts to the Board. **2) Director Thompson** reported on the following: **a)** He attended the Strategic Planning Committee meeting. **b)** Director Thompson held the Conservation & Education Committee meeting on November 8th. He informed the Board that the Agency received a report from Inland Empire Resource Conservation District on the number of programs (24 to date) presented to the schools as of October, 2 still scheduled and 10 outstanding. Discussion included the startup of a social media campaign, and the decision to hire a student intern (provided through the Water Resources Institute) that General Manager Davis had interviewed. Lastly, discussion took place on the State of the Water Supply event with the potential of partnering with Pass EDA for such an event. Director Ball inquired as to who the Pass EDA is. Director Castaldo and General Manager Davis provided information on The Pass EDA. General Manager Davis noted that the Pass EDA's message is "Diverse Region - One Voice" emphasis on education, local job training, water and transportation as key issues that will allow economic growth.

6. New Business:

A. Consideration of and Possible Action on 2018 – 2019 USGS Work Plan: A staff report and a copy of a Joint Funding Agreement for the cooperative basin-wide monitoring network, along with related material, were included in the agenda package. General Manager Davis stated that each year the Agency partners with the USGS to monitor wells and perform water quality analysis on local groundwater. Staff recommends that the Board approve the program letter with the USGS for \$135,500. After discussion, Director Thompson made a motion, seconded by Director Stephenson, to approve the program letter in the amount of \$135,500. Motion passed 6-0, with President Fenn absent.

B. Consideration of Award of Contract to Pro-Craft Construction in the Amount of \$433,000 to Construct Noble Connection Enlargement: A staff report and a copy of a letter from Engineering Resources of Southern California were included in the agenda packet. General Manager Davis reminded the Board that at the last Board meeting he presented the bid results to the Board; the low bid was from Pro-Craft at \$433,000 for the construction. This bid was much higher than either the Agency or BCVWD thought it would be. While much higher than anticipated, the bid of \$433,000 appears to be a fair representation of the current construction market. On November 14th BCVWD's Board of Directors voted to proceed with payment for the enlargement at the cost of \$433,000. General Manager Davis recommended that the Board award the contract to Pro-Craft. Director Stephenson made a motion, seconded by Director Castaldo, to award the contract to Pro-Craft Construction for the enlargement of the Nobel connection to the EBX for a total amount of \$433,000. Director Ball made a comment that there may be cost saving opportunities to salvage some of the vaults, reconfigure the lids, and provide to BCVWD any materials that are left over that our Agency cannot utilize; thus saving the rate payers some funds. After

discussion, motion passed 5-0-1, with Director Thompson abstaining and President Fenn absent.

7. Topics for Future Agendas: Vice President Duncan requested that the Banning High School students come to a future meeting and provide a presentation on the last Solar Boat Challenge. Director Thompson commented that this item will be discussed at the next Conservation and Education Committee meeting.

8. Announcements:

- A. Office closed November 22nd & November 23rd in observance of the Thanksgiving Holiday
- B. Finance and Budget Workshop, November 26, 2018 at 1:30 p.m.
- C. ACWA Conference in San Diego, November 27-30
- D. Regular Board Meeting, December 3, 2018 at 1:30 p.m.

9. Closed Session (1 Item)

Time: 2:20 pm

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the City of Ventura
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: Lynn Takaichi
Under negotiation: price and terms of payment

The meeting reconvened to open session at:

Time: 2:51 pm

General Counsel Ferre stated that there was no action taken during closed session that is reportable under the Brown Act.

10. Adjournment

Time: 2:51 pm

Draft - Subject to Board Approval

Jeffrey W. Davis, 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
November 26, 2018

Directors Present: David Fenn, President
Ron Duncan, Vice President
Blair Ball, Director
David Castaldo, Director
Steve Lehtonen, Director
Mike Thompson, Director

Directors Absent: Lenny Stephenson, Treasurer

Staff and Consultants Present:
Jeff Davis, 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 President David Fenn at 1:30 pm, November 26, 2018, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as published.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for October, 2018 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Duncan, seconded by Director Thompson, to recommend that the Board ratify paid monthly invoices of \$1,554,966.41 and payroll of \$36,958.96 for the month of October, 2018, for a combined total of \$1,591,925.37. The motion passed 6 in favor, no opposed, with Director Stephenson absent.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Castaldo, seconded by Director Thompson, to recommend that the Board approve payment of the pending legal invoices for October, 2018. The motion passed 6 in favor, no opposed, with Director Stephenson absent.
 - C. Review of October, 2018 Bank Reconciliation: After review and discussion, a motion was made by Director Ball, seconded by Director Castaldo, to

recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for October, 2018 as presented. The motion passed 6 in favor, no opposed, with Director Stephenson absent.

- D. Review of Budget Report for October, 2018: After review and discussion, a motion was made by Director Duncan, seconded by Director Ball, to recommend that the Board acknowledge receipt of the Budget Report for October, 2018. The motion passed 6 in favor, no opposed, with Director Stephenson absent.
- E. Review of Cash Reconciliation Report for September 30, 2018: General Manager Jeff Davis introduced this item by pointing out that the starting amounts listed on the report are the finalized, audited amounts as of June 30, 2018. Finance Manager Tom Todd reviewed the report and answered questions from the Board. After further review and discussion, a motion was made by Director Thompson, seconded by Director Ball, to recommend that the Board accept the Cash Reconciliation Report for September 30, 2018. The motion passed 6 in favor, no opposed, with Director Stephenson absent.
- F. Review of Reserve Allocation Report for September 30, 2018: General Manager Davis and Finance Manager Todd reviewed this item. There were no additions to the Additional Water category because water delivery costs are currently more than water sales revenue. After further review and discussion, a motion was made by Director Duncan, seconded by Director Castaldo, to recommend that the Board accept the Reserve Allocation Report for September 30, 2018 as presented. The motion passed 6 in favor, no opposed, with Director Stephenson absent.
- G. Review of Investment Report for September 30, 2018: Finance Manager Todd briefly reviewed this item. General Manager Davis commented on the columns that list the carrying value or the face value of investments that the Agency has, and the columns that list the current values of investments, and noted the differences, if any. The Board discussed the current practices of the Agency regarding sale and maturity of investments, and the disposition of interest payments. General Manger Davis also discussed U.S. T-Bills, which the Agency has invested in previously. The Agency expects major tax deposits in December and January, and the Board discussed possible investment vehicles. The recommendation of the Board was that T-Bills, in 3-month to 6-month maturities, invested through TVI, would be appropriate investments at this time. After further review and discussion, a motion was made by Director Thompson, seconded by Director Duncan, to recommend that the Board accept the Investment Report for September 30, 2018, and recommend that staff use T-Bills as investments as described. The motion passed 6 in favor, no opposed, with Director Stephenson absent.

H. Discussion: Date for December Finance & Budget Workshop: The Board decided to hold the December Finance & Budget Workshop on Thursday, December 20, 2018 at 1:30 pm.

5. Announcements

- A. ACWA Conference in San Diego, November 27-30, 2018
- B. Regular Board Meeting, December 3, 2018, 1:30 pm
- C. Engineering Workshop, December 10, 2018, 1:30 pm

6. Adjournment: The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 2:17 pm.

Draft - Not Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From President Fenn

The Finance and Budget Workshop was held on November 26, 2018. The following recommendations were made:

1. The Board ratify payment of Invoices of \$1,554,966.41 and Payroll of \$36,958.96 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for October, 2018 for a combined total of \$1,591,925.37.
2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$15,250.60
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3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for October, 2018
 - B. Budget Report for October, 2018
 - C. Cash Reconciliation Report for September, 2018
 - D. Investment Report for September, 2018
4. The Board approve the following:
 - A. Reserve Allocation Report for September, 2018

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Ave, Beaumont, CA 92223
Board Finance & Budget Workshop
Agenda
November 26, 2018, at 1:30 p.m.

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 October, 2018 by Reviewing Check History Reports in Detail*
- B. Review of Pending Legal Invoices*
- C. Review of October, 2018 Bank Reconciliation*
- D. Review of Budget Report for October, 2018*
- E. Review of Cash Reconciliation Report for September 30, 2018*
- F. Review of Reserve Allocation Report for September 30, 2018*
- G. Review of Investment Report for September 30, 2018*
- H. Discussion: Date for December Finance & Budget Workshop

5. Announcements

- A. ACWA Conference in San Diego, November 27-30, 2018
- B. Regular Board Meeting, December 3, 2018, 1:30 pm
- C. Engineering Workshop, December 10, 2018, 1:30 pm

6. Adjournment

***Information Included In Agenda Packet**

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

San Geronio Pass Water Agency
Check History Report
October 1 through October 31, 2018

ACCOUNTS PAYABLE

Date	Number	Name	Amount
10/01/2018	119008	BDL ALARMS, INC.	78.00
10/01/2018	119009	DAVID L. FENN	561.36
10/01/2018	119010	STEPHEN J. LEHTONEN	476.12
10/01/2018	119011	MACRO COMMUNICATIONS	512.50
10/01/2018	119012	UNDERGROUND SERVICE ALERT	24.85
10/01/2018	119013	BEST BEST & KRIEGER	13,644.90
10/09/2018	119014	ACWA BENEFITS	866.41
10/09/2018	119015	ACWA JPIA	1,025.11
10/09/2018	119016	AUTOMATION PRIDE	100.00
10/09/2018	119017	BARTEL ASSOCIATES, LLC	2,496.00
10/09/2018	119018	BEAUMONT COPY & GRAPHICS	84.05
10/09/2018	119019	GOPHER PATROL	51.00
10/09/2018	119020	OFFICE SOLUTIONS	157.54
10/09/2018	119021	CHERYLE M. STIFF	436.04
10/09/2018	119022	MICHAEL D. THOMPSON	1,780.00
10/09/2018	119023	UNLIMITED SERVICES BUILDING MAINT.	295.00
10/09/2018	119024	WASTE MANAGEMENT INLAND EMPIRE	97.06
10/09/2018	119025	EADIE AND PAYNE LLP	5,900.00
10/09/2018	119026	ACWA JPIA	19,819.00
10/16/2018	119027	ALBERT WEBB ASSOCIATES	31,080.42
10/16/2018	119028	ERSC	22,888.80
10/16/2018	119029	FRONTIER COMMUNICATIONS	1,268.00
10/16/2018	119030	WELLS FARGO ELITE CREDIT CARD	1,159.56
10/22/2018	119031	CALIFORNIA NEWSPAPER PARTNERSHIP	1,117.80
10/22/2018	119032	CSDA	7,252.00
10/22/2018	119033	DAVID TAUSSIG & ASSOCIATES, INC.	12,173.96
10/22/2018	119034	ERNST & YOUNG LLP	1,063.00
10/22/2018	119035	FEDERAL EXPRESS	46.10
10/22/2018	119036	MATTHEW PISTILLI LANDSCAPE SERVICES	350.00
10/22/2018	119037	NICE-INCONTACT	100.91
10/22/2018	119038	CHERYLE M. STIFF	31.09
10/22/2018	119039	THOMAS W. TODD, JR.	286.34
10/25/2018	119040	AT&T MOBILITY	190.01
10/25/2018	119041	COMMUNITY BANK	26,627.41
10/25/2018	119042	CORELOGIC SOLUTIONS, LLC.	3,708.00
10/25/2018	119043	I. E. RESOURCE CONSERVATION DISTRICT	2,500.00
10/25/2018	119044	PRO-CRAFT CONSTRUCTION, INC.	505,920.59
10/25/2018	119045	SOUTHERN CALIFORNIA EDISON	79.73
10/25/2018	119046	VALLEY OFFICE EQUIPMENT, INC.	86.12
10/29/2018	119047	STANDARD INSURANCE COMPANY	460.62
10/13/2018	568806	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,126.93
10/13/2018	502600	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	5,189.44
10/29/2018	534210	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,193.29
10/29/2018	580058	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,773.56
10/09/2018	900205	DEPARTMENT OF WATER RESOURCES	315,509.00

San Geronio Pass Water Agency
Check History Report
October 1 through October 31, 2018

ACCOUNTS PAYABLE (CON'T)

Date	Number	Name	Amount
10/13/2018	900206	CALPERS RETIREMENT	6,745.35
10/22/2018	900207	CALPERS HEALTH	7,732.67
10/29/2018	900208	CALPERS RETIREMENT	6,921.77
10/31/2018	900209	DEPARTMENT OF WATER RESOURCES	536,979.00
TOTAL ACCOUNTS PAYABLE CHECKS			1,554,966.41

PAYROLL

Date	Number	Name	Amount
10/12/2018	801616	JEFFREY W. DAVIS	5,485.94
10/12/2018	801617	KENNETH M. FALLS	3,140.16
10/12/2018	801618	CHERYLE M. STIFF	2,213.17
10/12/2018	801619	THOMAS W. TODD, JR.	3,463.51
10/28/2018	801620	BLAIR M. BALL	2,399.08
10/28/2018	801621	JEFFREY W. DAVIS	5,485.94
10/28/2018	801622	RONALD A. DUNCAN	1,199.54
10/28/2018	801623	KENNETH M. FALLS	3,576.60
10/28/2018	801624	DAVID L. FENN	1,199.54
10/28/2018	801625	STEPHEN J. LEHTONEN	1,199.54
10/28/2018	801626	LEONARD C. STEPHENSON	1,199.54
10/28/2018	801627	CHERYLE M. STIFF	2,213.17
10/28/2018	801628	MICHAEL D. THOMPSON	719.72
10/28/2018	801629	THOMAS W. TODD, JR.	3,463.51
TOTAL PAYROLL			36,958.96
TOTAL DISBURSEMENTS FOR OCTOBER, 2018			<u>1,591,925.37</u>

SAN GORGONIO PASS WATER AGENCY
New Vendors List
November, 2018

Vendor - Name and Address	Expenditure Type
NICE-inContact old address: Payment Center #5450; PO Box 410468; Salt Lake City, UT new address: LockBox 0268; P O Box 7247; Philadelphia, PA 19170	Phone Service
Nice Graphix 14341 Beach Blvd. Suite R; Westminster, CA 92683	GSA - website

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

VENDOR	INVOICE NBR	COMMENT	AMOUNT
BEST, BEST & KRIEGER	181031	LEGAL SERVICES OCT18	15,250.60

TOTAL PENDING INVOICES FOR OCTOBER 2018 15,250.60

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
October 31, 2018**

BALANCE PER BANK AT 10/31/2018 - CHECKING ACCOUNT 1,694,848.13

LESS OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
119028	22,888.80	119034	1,063.00
119029	1,268.00	119047	460.62

<u>24,156.80</u>	1,523.62
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TOTAL OUTSTANDING CHECKS -25,680.42

BALANCE PER GENERAL LEDGER 1,669,167.71

BALANCE PER GENERAL LEDGER AT 09/30/2018 219,391.00

CASH RECEIPTS FOR OCTOBER **1,840,743.12**

CASH DISBURSEMENTS FOR OCTOBER

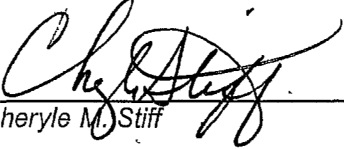
ACCOUNTS PAYABLE - CHECK HISTORY REPORT	-1,554,966.41	
PAYROLL TRANSFER - BANK OF HEMET	<u>-36,000.00</u>	
		<u>-1,590,966.41</u>

BANK CHARGES 0.00

TRANSFER FROM LAIF 1,200,000.00

BALANCE PER GENERAL LEDGER AT 10/31/2018 1,669,167.71

REPORT PREPARED BY:


Cheryle M. Stiff

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE OCTOBER 2018**

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT	TOTAL DEPOSIT AMOUNT
DEPOSIT TO CHECKING ACCOUNT				
10/2/18	CITY OF BANNING	WATER SALES	18,703.00	18,703.00
10/15/18	El-Co Contractors	NOBLE EXPANSION PLANS	35.00	
10/15/18	BCVWD	WATER SALES	345,213.00	345,248.00
10/22/18	YVWD	WATER SALES	22,047.15	
10/22/18	Norstar Plumbing	NOBLE EXPANSION PLANS	25.00	
10/22/18	Pro-Craft Construction	NOBLE EXPANSION PLANS	25.00	22,097.15
10/22/18	TK Construction	NOBLE EXPANSION PLANS	25.00	
10/22/18	Gwinco Construction	NOBLE EXPANSION PLANS	25.00	
10/22/18	T E Roberts, Inc.	NOBLE EXPANSION PLANS	25.00	
10/22/18	Bosco Construction	NOBLE EXPANSION PLANS	25.00	100.00
10/26/18	TVI	CD - BOND INTEREST	6,081.97	6,081.97
10/30/18	Inland Water Works	NOBLE EXPANSION PLANS	25.00	25.00
10/30/18	STATE OF CALIF/DWR	BOND COVER REFUND - EBX	1,297,515.00	
10/30/18	STATE OF CALIF/DWR	BOND COVER REFUND - WSRB	98,395.00	
10/30/18	STATE OF CALIF/DWR	SMIF INTEREST	30,243.00	
10/30/18	CITY OF BANNING	WATER SALES	17,752.00	
10/30/18	STATE OF CALIF/DWR	BOND COVER REFUND - TSA	4,583.00	1,448,488.00
		TOTAL FOR OCTOBER 2018	1,840,743.12	1,840,743.12

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE FOUR MONTHS ENDING ON OCTOBER 31, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME				Comparison:	67%
INCOME					
WATER SALES	5,600,000		5,600,000	1,177,005.92	78.98%
TAX REVENUE	2,650,000		2,650,000	199,398.29	92.48%
INTEREST	200,000		200,000	142,300.03	28.85%
DESIGNATED REVENUES	1,750,000		1,750,000	0.00	100.00%
CAPACITY FEE	0		0	0.00	
OTHER (REIMBURSEMENTS, TRANSFERS)	29,000		29,000	27,450.86	5.34%
TOTAL GENERAL FUND INCOME	10,229,000	0	10,229,000	1,546,155.10	84.88%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	6,000,000		6,000,000	933,472.00	84.44%
TOTAL COMMODITY PURCHASE	6,000,000	0	6,000,000	933,472.00	84.44%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	470,000		470,000	156,685.44	66.66%
PAYROLL TAXES	41,000		41,000	12,404.98	69.74%
RETIREMENT	312,000		312,000	67,080.27	78.50%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	22,000		22,000	8,025.96	63.52%
HEALTH INSURANCE	67,000		67,000	26,470.83	60.49%
DENTAL INSURANCE	4,800		4,800	1,606.00	66.54%
LIFE INSURANCE	1,600		1,600	531.69	66.77%
DISABILITY INSURANCE	5,000		5,000	1,629.53	67.41%
WORKERS COMP INSURANCE	3,700		3,700	926.57	74.96%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	3,143.97	68.56%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	938,100	0	938,100	278,505.24	70.31%

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE FOUR MONTHS ENDING ON OCTOBER 31, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	67%
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	111,000		111,000	31,433.38	71.68%
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	2,408.44	83.94%
DIRECTORS MISC. MEDICAL	23,000		23,000	3,116.68	86.45%
OFFICE EXPENDITURES					
OFFICE EXPENSE	22,000		22,000	6,309.18	71.32%
POSTAGE	600		600	287.74	52.04%
TELEPHONE	12,000		12,000	3,441.16	71.32%
UTILITIES	4,000		4,000	972.14	75.70%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	9,000		9,000	772.48	91.42%
GENERAL MANAGER & STAFF TRAVEL	20,000		20,000	6,060.44	69.70%
INSURANCE & BONDS	24,000		24,000	19,819.00	17.42%
ACCOUNTING & AUDITING	21,000		21,000	19,390.00	7.67%
STATE WATER CONTRACT AUDIT	5,500		5,500	3,720.00	32.36%
DUES & ASSESSMENTS	31,500		31,500	53,461.17	-69.72%
OUTSIDE PROFESSIONAL SERVICES	10,000		10,000	2,846.00	71.54%
BANK CHARGES	1,500		1,500	239.49	84.03%
MISCELLANEOUS EXPENSES	500		500	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	500		500	0.00	100.00%
VEHICLE REPAIR & MAINTENANCE	7,000		7,000	2,054.70	70.65%
MAINTENANCE & REPAIRS - BUILDING	15,000		15,000	4,154.86	72.30%
MAINTENANCE & REPAIRS - FIELD	4,000		4,000	92.70	97.68%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	7,000		7,000	5,286.99	24.47%
ELECTION EXPENSE	125,000		125,000	0.00	100.00%
TAX COLLECTION CHARGES	12,500		12,500	462.65	96.30%
TOTAL ADMINISTRATIVE & PROFESSIONAL	631,600	0	631,600	166,329.20	73.67%

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE FOUR MONTHS ENDING ON OCTOBER 31, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	67%
GENERAL ENGINEERING					
GRANT WRITER	20,000		20,000	0.00	100.00%
NEW WATER					
PROGRAMATIC EIR	0		0	0.00	
UPDATED STUDY ON AVAILABLE SOURCES	7,500		7,500	0.00	100.00%
SGMA SUPPORT	200,000		200,000	0.00	100.00%
STUDIES					
USGS	115,000		115,000	45,151.87	60.74%
WATER RATE NEXUS STUDY	25,000		25,000	18,868.87	24.52%
WATER RATE FINANCIAL MODELING	12,000		12,000	4,850.00	59.58%
CAPACITY FEE NEXUS STUDY UPDATE	25,000		25,000	0.00	100.00%
WHEELING RATE STUDY	10,000		10,000	0.00	100.00%
OTHER PROJECTS					
BASIN MONITORING TASK FORCE	18,000		18,000	13,712.00	23.82%
EAST BRANCH MEETINGS	18,000		18,000	3,417.44	81.01%
GENERAL AGENCY - CEQA AND GIS SERVICES	10,000		10,000	0.00	100.00%
TOTAL GENERAL ENGINEERING	460,500	0	460,500	86,000.18	81.32%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	190,000		190,000	45,974.70	75.80%
TOTAL LEGAL SERVICES	190,000	0	190,000	45,974.70	75.80%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	14,000		14,000	2,500.00	82.14%
ADULT EDUCATION PROGRAMS	5,000		5,000	0.00	100.00%
OTHER CONSERVATION, EDUCATION AND P. R.	35,000		35,000	10,000.00	71.43%
TOTAL CONSERVATION & EDUCATION	54,000	0	54,000	12,500.00	76.85%

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE FOUR MONTHS ENDING ON OCTOBER 31, 2018**

		FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019				
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					Comparison:	67%
GENERAL FUND CAPITAL EXPENDITURES						
BUILDING & EQUIPMENT						
	BUILDING	10,000		10,000	0.00	100.00%
	FURNITURE & OFFICE EQUIPMENT	10,000		10,000	0.00	100.00%
	OTHER EQUIPMENT	0		0	0.00	
	TRANSPORTATION EQUIPMENT	0		0	0.00	
FIESTA RECHARGE FACILITY						
	POST DESIGN	450,000		450,000	133,241.58	70.39%
	CONSTRUCTION	3,950,000		3,950,000	532,548.00	86.52%
	FENCING	100,000		100,000	0.00	100.00%
	MITIGATION	15,000		15,000	0.00	100.00%
	LANDSCAPING/POWER/WATER	60,000		60,000	0.00	100.00%
	BUNKER HILL CONJUNCTIVE USE PROJECT	10,000		10,000	0.00	100.00%
	NOBLE TURNOUT EXPANSION					
	DESIGN	25,000		25,000	6,990.65	72.04%
	CONSTRUCTION	295,000		295,000	0.00	100.00%
	POST DESIGN	30,000		30,000	0.00	100.00%
	SITES RESERVOIR	0		0	0.00	
	MONITORING WELLS USGS	1,020,000		1,020,000	3,747.53	99.63%
	TOTAL GENERAL FUND CAPITAL EXPENDITURES	5,975,000	0	5,975,000	676,527.76	88.68%
	TRANSFERS TO OTHER FUNDS	0		0	0.00	
	TOTAL GENERAL FUND EXPENSES	14,249,200	0	14,249,200	2,199,309.08	84.57%
	WITHDRAWALS FROM RESERVES	4,575,000		4,575,000		
	TOTAL TRANSFERS TO/FROM RESERVES	4,575,000		4,575,000	0.00	
	GENERAL FUND NET INCOME YEAR TO DATE	554,800	0	554,800	-653,153.98	

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE FOUR MONTHS ENDING ON OCTOBER 31, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME				Comparison:	67%
INCOME					
TAX REVENUE	23,586,539		23,586,539	1,172,878.12	95.03%
INTEREST	415,000		415,000	171,607.83	58.65%
GRANTS	0		0	0.00	
DWR CREDITS - BOND COVER, OTHER	2,977,993		2,977,993	1,459,773.37	50.98%
TOTAL DEBT SERVICE FUND INCOME	26,979,532	0	26,979,532	2,804,259.32	89.61%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	58,000		58,000	19,893.44	65.70%
PAYROLL TAXES	4,500		4,500	1,521.90	66.18%
BENEFITS	33,000		33,000	13,559.29	58.91%
SWC CONTRACTOR DUES	75,000		75,000	64,199.00	14.40%
STATE WATER CONTRACT PAYMENTS	19,200,000		19,200,000	10,142,270.00	47.18%
WATER TRANSFERS	2,250,000		2,250,000	2,249,470.50	0.02%
STATE WATER PROJECT LEGAL SERVICES	0		0	0.00	
USGS	0		0	0.00	0.00%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
SWP ENGINEERING	75,000		75,000	0.00	100.00%
DEBT SERVICE UTILITIES	11,000		11,000	3,404.17	69.05%
TAX COLLECTION CHARGES	70,000		70,000	2,621.71	96.25%
TOTAL DEBT SERVICE FUND EXPENSES	21,926,500	0	21,926,500	12,496,940.01	43.01%
TRANSFERS FROM RESERVES	0		0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	5,053,032	0	5,053,032	-9,692,680.69	

**SAN GORGONIO PASS WATER AGENCY
CASH RECONCILIATION REPORT
FY 2018-19
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2018**

DEBT SERVICE FUND - RESTRICTED

BEGINNING BALANCE - JULY 1, 2018		
RESERVE FOR STATE WATER PROJECT	44,426,814	
DEBT SERVICE ACTIVITY		
DEBT SERVICE DEPOSITS		
PROPERTY TAX - DEBT SERVICE DEPOSITS	1,172,878	
INTEREST INCOME	220,596	
DWR REFUNDS	29,037	
DEBT SERVICE DISBURSEMENTS	(12,252,526)	
ENDING RESTRICTED FUNDS BALANCE - - - SEP 30, 18	33,596,799	33,596,799

GENERAL FUND - UNRESTRICTED

BEGINNING BALANCE - JULY 1, 2018	18,694,651	
GENERAL FUND ACTIVITY		
GENERAL FUND DEPOSITS		
WATER SALES	773,291	
PROPERTY TAX - GENERAL PURPOSE DEPOSITS	199,398	
INTEREST INCOME	94,541	
OTHER INCOME	27,241	
CHANGE IN RECEIVABLES	595,212	
GENERAL FUND DISBURSEMENTS		
CHANGE IN LIABILITIES	(2,096,763)	
CHANGE IN CAPITAL ASSETS	(88,730)	
OPERATING EXPENDITURES	(744,751)	
ENDING UNRESTRICTED FUNDS BALANCE - - - SEP 30, 18	17,454,091	17,454,091
TOTAL CASH - - - SEP 30, 18		51,050,890

LOCATION OF CASH - - - SEP 30, 18

PETTY CASH	100
CASH IN WELLS FARGO CHECKING ACCOUNT	219,391
CASH IN BANK OF HEMET CHECKING ACCOUNT	13,898
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	512,045
LOCAL AGENCY INVESTMENT FUND	12,085,157
CALTRUST	20,212,299
TIME VALUE INVESTMENTS	18,008,000

TOTAL - - - SEP 30, 18		51,050,890
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**SAN GORGONIO PASS WATER AGENCY
CASH RECONCILIATION REPORT**

**FY 2018-19
BY QUARTER**

	SEP 30, 18	DEC 31, 18	MAR 31, 19	JUN 30, 19
DEBT SERVICE FUND - RESTRICTED				
BEGINNING BALANCE - JULY 1, 2018				
RESERVE FOR STATE WATER PROJECT	<u>44,426,814</u>			
DEBT SERVICE ACTIVITY				
DEBT SERVICE DEPOSITS				
PROPERTY TAX - D. S. DEPOSITS	1,172,878			
INTEREST INCOME	220,596			
DWR REFUNDS	29,037			
DEBT SERVICE DISBURSEMENTS	(12,252,526)			
ENDING RESTRICTED FUNDS BALANCE	<u><u>33,596,799</u></u>	<u>-</u>	<u>-</u>	<u>-</u>
GENERAL FUND - UNRESTRICTED				
BEGINNING BALANCE - JULY 1, 2018	<u>18,694,651</u>			
GENERAL FUND ACTIVITY				
GENERAL FUND DEPOSITS				
WATER SALES	773,291			
PROPERTY TAX - GENERAL DEPOSITS	199,398			
INTEREST INCOME	94,541			
OTHER INCOME	27,241			
CHANGE IN RECEIVABLES	595,212			
GENERAL FUND DISBURSEMENTS				
CHANGE IN LIABILITIES	(2,096,763)			
CHANGE IN CAPITAL ASSETS	(88,730)			
OPERATING EXPENDITURES	(744,751)			
ENDING UNRESTRICTED FUNDS BALANCE	<u><u>17,454,091</u></u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CASH - END OF QUARTER	<u><u>51,050,890</u></u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS				
PETTY CASH	100			
CASH IN W. F. CHECKING ACCOUNT	219,391			
CASH IN B. OF H. CHECKING ACCOUNT	13,898			
BANK OF HEMET L A M M A	512,045			
LOCAL AGENCY INVESTMENT FUND	12,085,157			
CALTRUST	20,212,299			
TIME VALUE INVESTMENTS	18,008,000			
TOTAL - END OF QUARTER	<u><u>51,050,890</u></u>	<u>-</u>	<u>-</u>	<u>-</u>

**SAN GORGONIO PASS WATER AGENCY
RESERVE ALLOCATION REPORT
FY 2018-19
FOR THE THREE MONTHS ENDING SEPTEMBER 30, 2018**

	JUN 30, 18	SEP 30, 18	DEC 31, 18	MAR 31, 19	JUN 30, 19
RESTRICTED					
STATE WATER CONTRACT FUND	44,426,814	33,596,799			
UNRESTRICTED					
OPERATIONS	1,500,000	1,500,000			
NEW INFRASTRUCTURE	11,213,867	11,213,867			
Additions or Adjustments	1,004,893	-235,667			
Expenditures					
Ending Balance	12,218,760	10,978,200	0	0	0
ADDITIONAL WATER	2,500,000	2,500,000			
Adjustments from Other Sources	925,891	925,891			
Ratepayer - Balance Forward	0				
Ratepayer - Current Contribution					
Rate Stabilization - Balance Forward	0				
Excess Rate Stabilization - Current					
Expenditures	0				
Ending Balance	3,425,891	3,425,891	0	0	0
RATE STABILIZATION					
Taxpayer Contribution	0	0			
Previous Ratepayer Balance	150,000	150,000			
Ratepayer Contribution					
Excess Contribut.-To Addnl. Water					
Expenditures					
Ending Balance	150,000	150,000	0	0	0
REPLACEMENTS	1,250,000	1,250,000			
UNEXPECTED LEGAL SERVICES	150,000	150,000			
TOTAL UNRESTRICTED RESERVES	18,694,651	17,454,091	0	0	0
TOTAL RESERVES	63,121,465	51,050,890	0	0	0
CASH LOCATION					
Petty Cash	100	100			
Wells Fargo Checking Account	287,171	219,391			
Bank of Hemet Checking Account	4,774	13,898			
Bank of Hemet L A M M A	511,216	512,045			
LAIF	24,234,434	12,085,157			
CalTRUST	20,107,339	20,212,299			
Time Value Investments	17,961,000	18,008,000			
Wells Fargo M.M. Savings	15,432	0			
TOTAL CASH	63,121,465	51,050,890	0	0	0

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2018-19
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2018**

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
CASH IN CHECKING ACCOUNTS	233,289
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	512,045
LOCAL AGENCY INVESTMENT FUND	12,085,157
CALTRUST SHORT-TERM	5,167,822
CALTRUST MEDIUM-TERM	15,044,478
TIME VALUE INVESTMENTS	18,008,000
US TREASURY	-
TOTAL	51,050,890

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.

Thomas W. Cold, Jr.

November 19, 2018

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2018-19
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2018**

INVESTMENT DETAIL

SHORT-TERM

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
Bank of Hemet	Local Agency Money Market	0.65%		512,044.65

HYBRID

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
State of California	Local Agency Investment Fund	2.06%	*	12,085,157.49
CalTRUST	Short-Term	2.19%	*	5,162,729.44
CalTRUST	Medium-Term	2.14%	*	14,787,463.29

*Average for September, 2018

MEDIUM-TERM

BROKER: TIME VALUE INVESTMENTS BONDS						
ISSUER	TYPE	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
FFCB	Callable*	999,200	1.12%	02/22/2019	1,000,000	995,780
FFCB	Callable*	1,001,474	1.02%	07/12/2019	1,000,000	988,290
FFCB	Callable*	1,000,770	1.38%	03/02/2020	1,000,000	980,810
FNMA	Callable*	1,050,000	1.40%	11/25/2020	1,050,000	1,019,267
FHLB	Callable*	1,998,676	2.50%	08/20/2021	2,000,000	1,968,800
FHLB	Callable*	1,995,298	2.13%	09/29/2018	2,050,000	1,977,922
	TOTAL	8,045,418	1.77%	TOTAL	8,100,000	7,930,868.50

* Can be redeemed before maturity date.

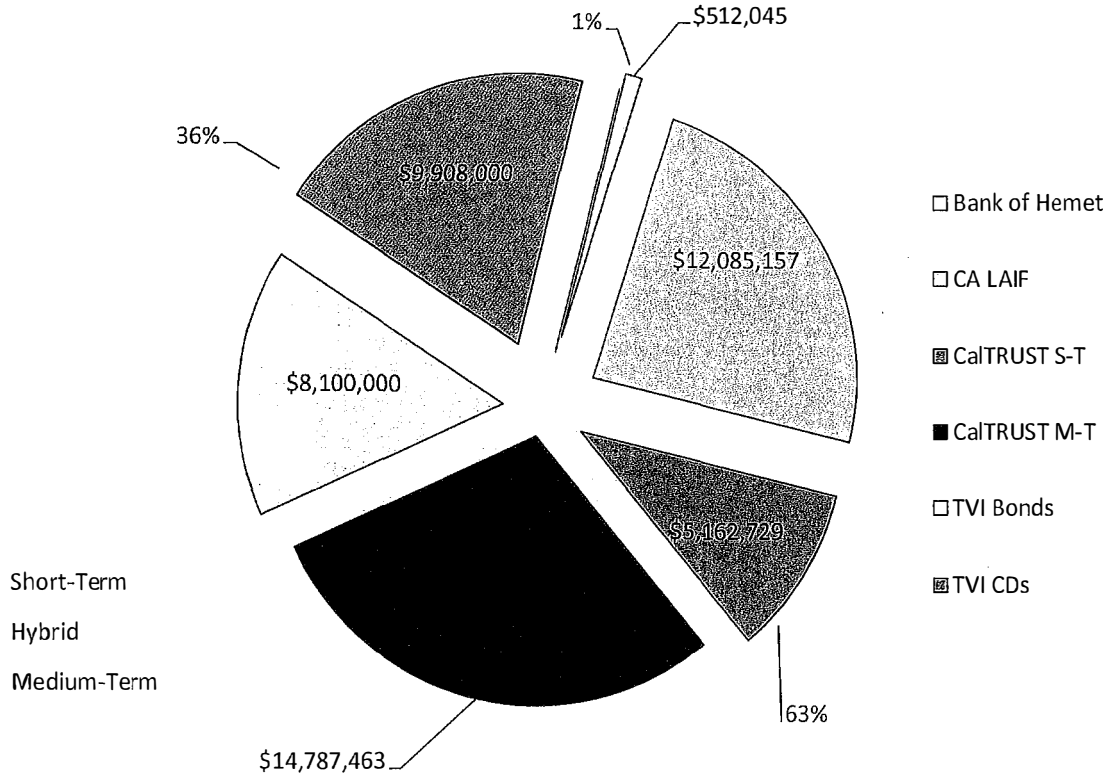
BROKER: TIME VALUE INVESTMENTS CDs						
ISSUER		PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
Various banks		9,909,000	1.91%	2-22 months	9,908,000	9,864,614.57

LONG-TERM

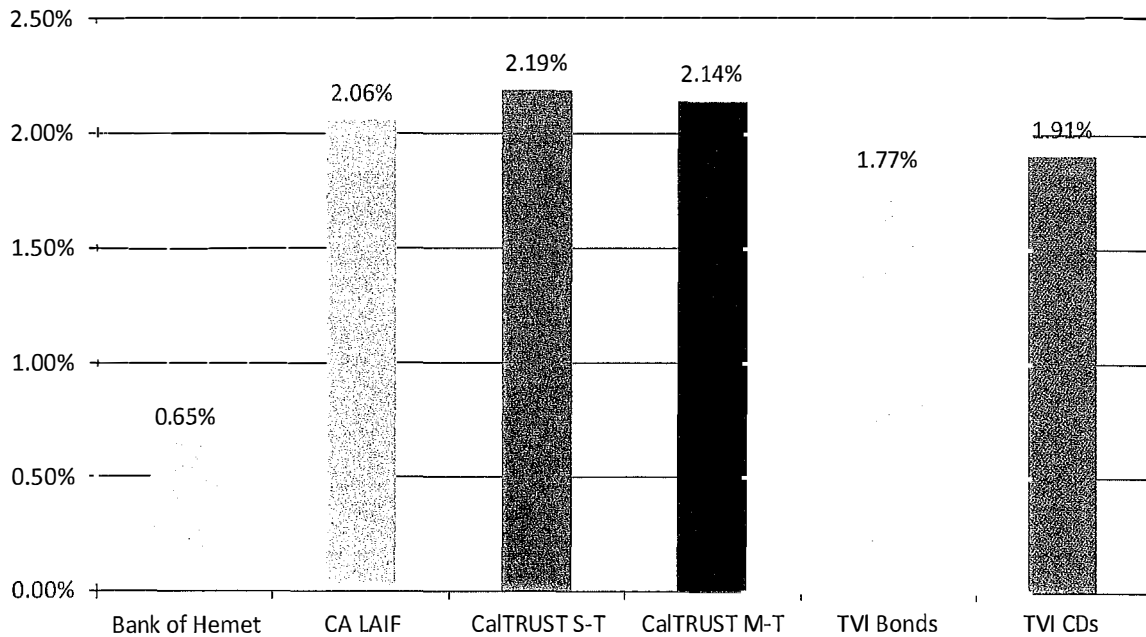
The Agency has no Long-Term investments at the date of this report.

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2018-19
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2018**

**Investment Amounts
Category Percentages**



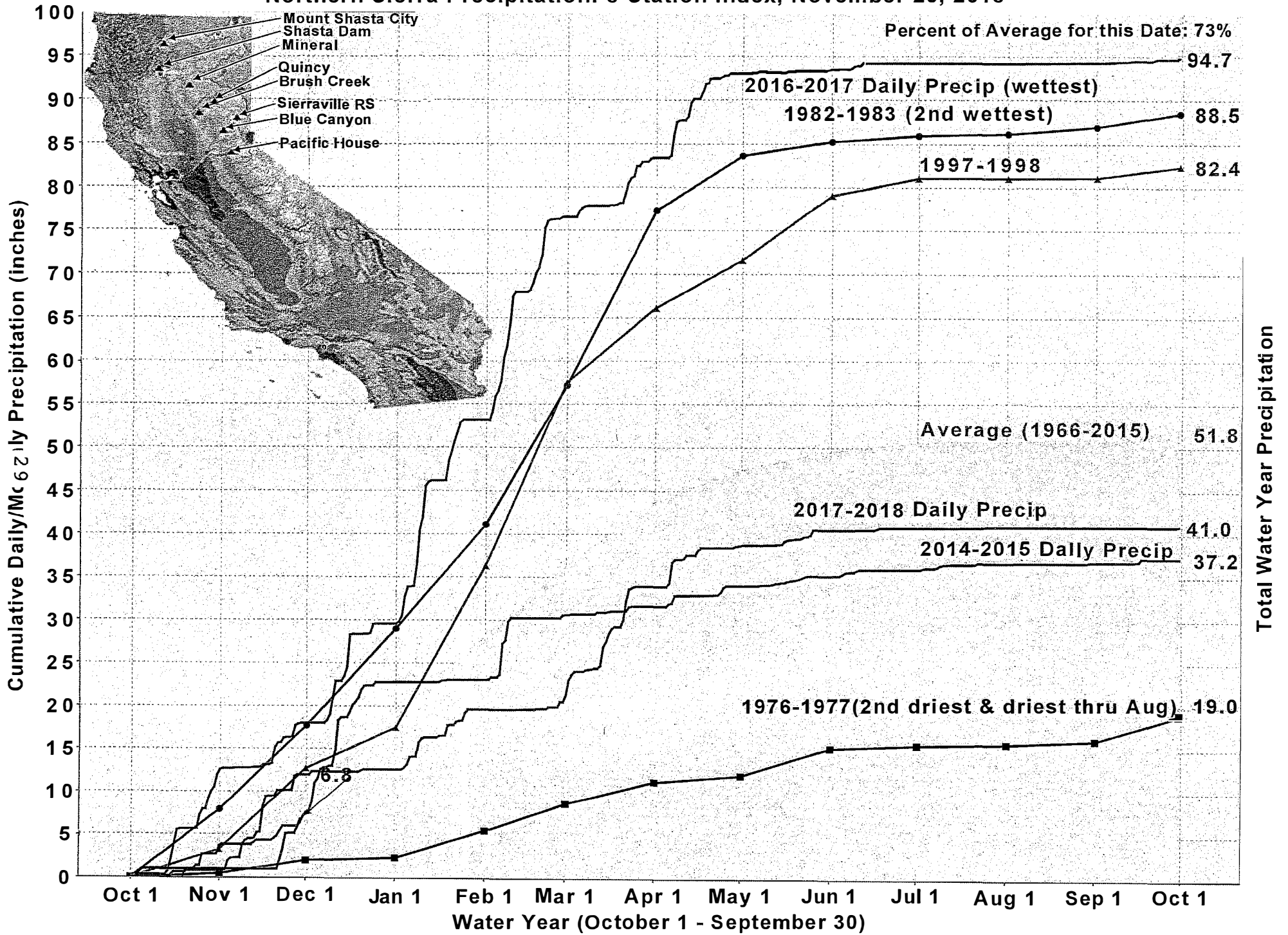
Investment Yield



2019 STATE WATER PROJECT INITIAL ALLOCATION
(ACRE-FEET)

SWP CONTRACTORS	TABLE A	INITIAL REQUEST	APPROVED ALLOCATION	PERCENT INITIAL REQUEST APPROVED (3)/(2) (4)
	(1)	(2)	(3)	(4)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	4,000	15%
Plumas County FC&WCD	2,700	2,700	270	10%
City of Yuba City	9,600	9,600	1,920	20%
Subtotal	39,800	39,800	6,190	
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	5,805	20%
Solano County WA	47,756	47,756	9,551	20%
Subtotal	76,781	76,781	15,356	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	8,062	10%
Alameda County WD	42,000	42,000	4,200	10%
Santa Clara Valley WD	100,000	100,000	10,000	10%
Subtotal	222,619	222,619	22,262	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	570	10%
County of Kings	9,305	9,305	931	10%
Dudley Ridge WD	45,350	45,350	4,535	10%
Empire West Side ID	3,000	3,000	300	10%
Kern County WA	982,730	982,730	98,273	10%
Tulare Lake Basin WSD	87,471	87,471	8,747	10%
Subtotal	1,133,556	1,133,556	113,356	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	2,500	10%
Santa Barbara County FC&WCD	45,486	45,486	4,549	10%
Subtotal	70,486	70,486	7,049	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	144,844	144,844	14,484	10%
Santa Clarita Valley WA	95,200	95,200	9,520	10%
Coachella Valley WD	138,350	138,350	13,835	10%
Crestline-Lake Arrowhead WA	5,800	5,800	580	10%
Desert WA	55,750	55,750	5,575	10%
Little Rock Creek ID	2,300	2,300	230	10%
Metropolitan WDSC	1,911,500	1,911,500	191,150	10%
Mojave WA	85,800	85,800	8,580	10%
Palmdale WD	21,300	21,300	2,130	10%
San Bernardino Valley MWD	102,600	102,600	10,260	10%
San Gabriel Valley MWD	28,800	28,800	2,880	10%
San Geronio Pass WA	17,300	17,300	1,730	10%
Ventura County WPD	20,000	20,000	2,000	10%
Subtotal	2,629,544	2,629,544	262,954	
TOTAL	4,172,786	4,172,786	427,167	

Northern Sierra Precipitation: 8-Station Index, November 29, 2018



Percent of Average for this Date: 73%

2016-2017 Daily Precip (wettest)

1982-1983 (2nd wettest)

1997-1998

Average (1966-2015)

2017-2018 Daily Precip

2014-2015 Daily Precip

1976-1977 (2nd driest & driest thru Aug)

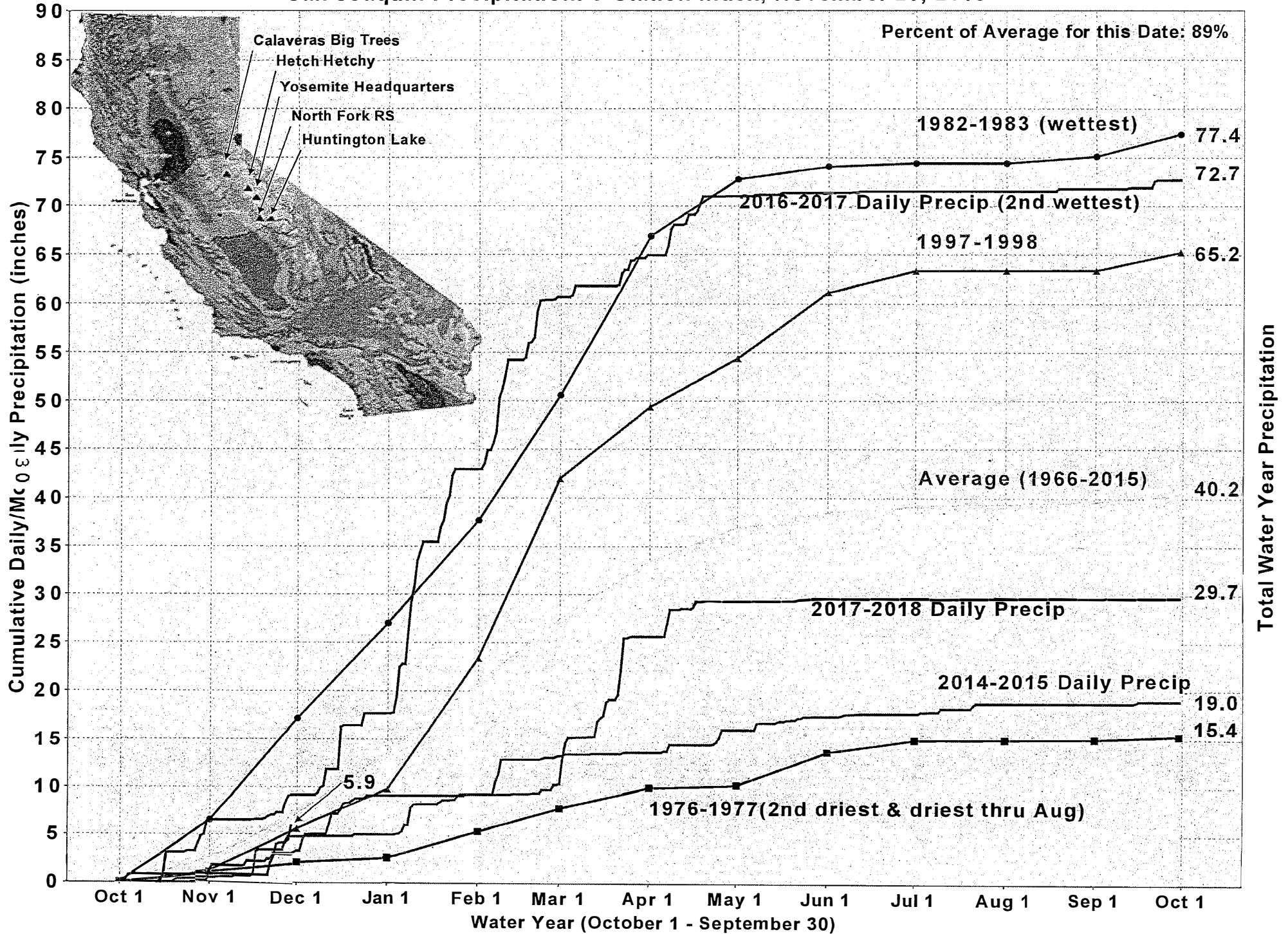
Oct 1 Nov 1 Dec 1 Jan 1 Feb 1 Mar 1 Apr 1 May 1 Jun 1 Jul 1 Aug 1 Sep 1 Oct 1

Water Year (October 1 - September 30)

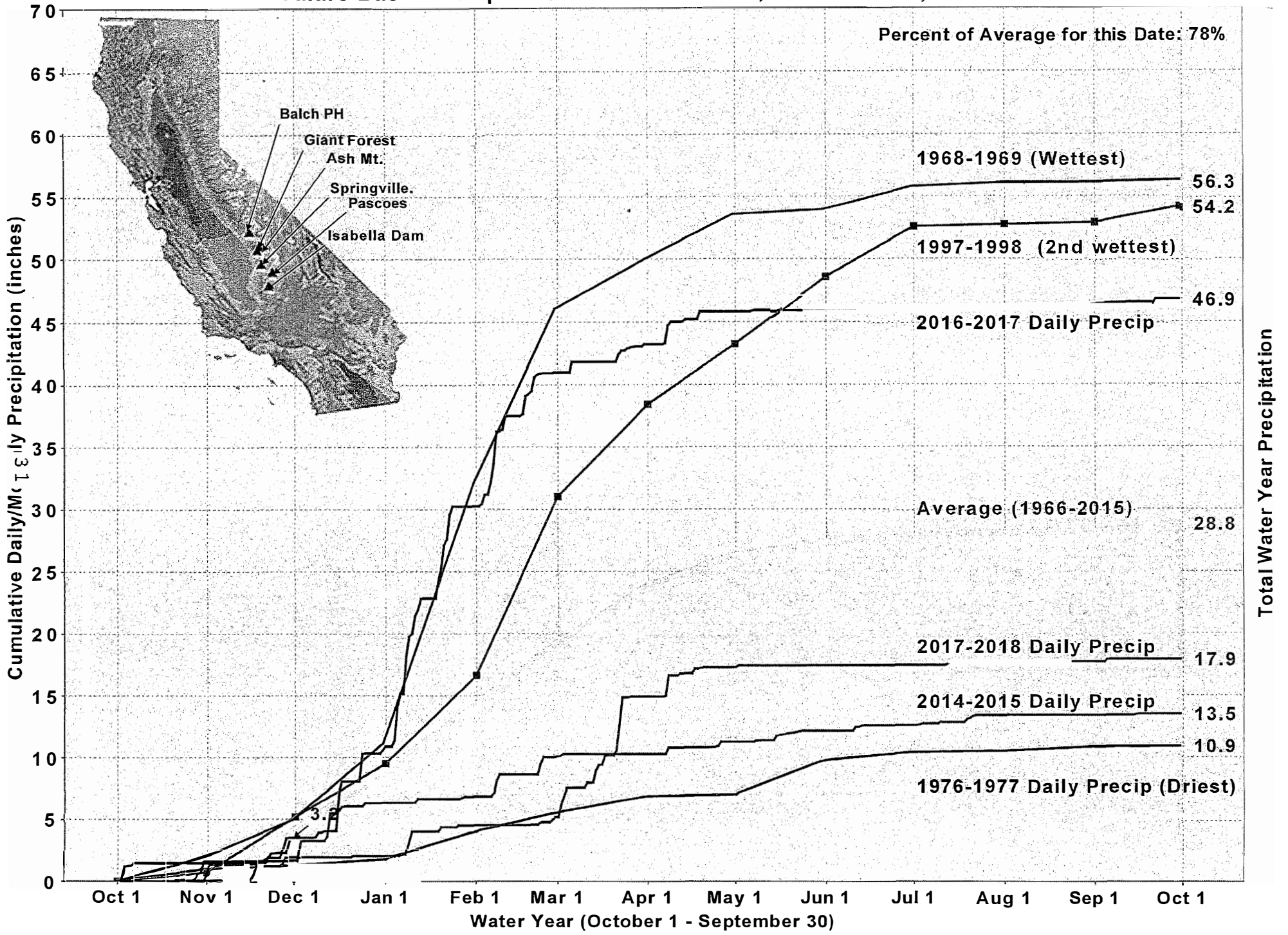
Cumulative Daily/Mc 62 Daily Precipitation (inches)

Total Water Year Precipitation

San Joaquin Precipitation: 5-Station Index, November 29, 2018

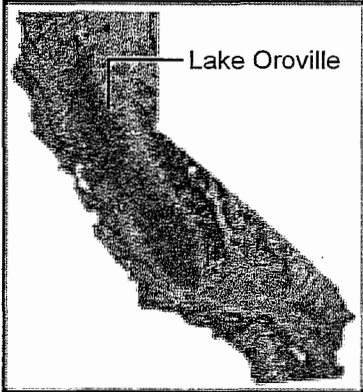


Tulare Basin Precipitation: 6-Station Index, November 29, 2018



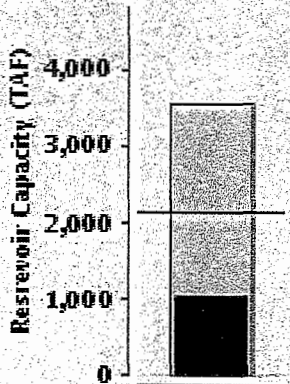


Reservoir Conditions - Lake Oroville



Lake Oroville Conditions

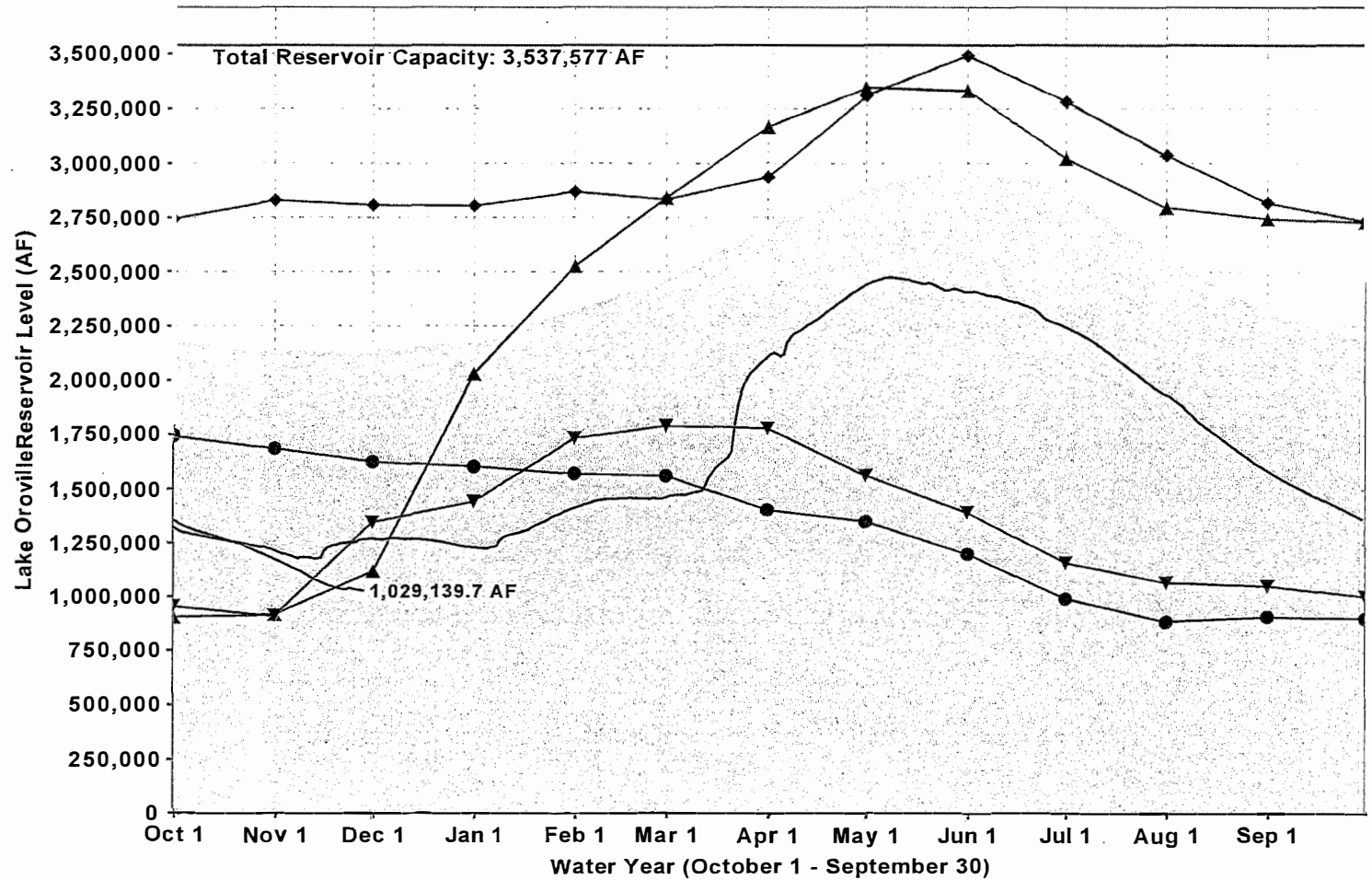
(as of Midnight - November 28, 2018)



Current Level: 1,029,139.7 AF

29% (Total Capacity) | 48% (Historical Avg.)

Lake Oroville Levels: Various Past Water Years and Current Water Year, Ending At Midnight November 28, 2018



Historical Average — Total Reservoir Capacity ● 1976-1977 (Driest) ▲ 1977-1978 ◆ 1982-1983 (Wettest)
 — 2017-2018 ▼ 2014-2015 — Current: 2018-2019



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Memorandum

To: President and Members of the Board of Directors
San Gorgonio Pass Water Agency

From: Jeff Ferre, General Counsel

Date: December 3, 2018

Re: General Counsel Report - Board of Directors Meeting – December 3, 2018

SB 966 – ONSITE TREATED NONPOTABLE WATER SYSTEMS

The Governor has signed SB 966 which expands the eventual use of nonpotable water systems such as graywater systems. Even though there are already regulations which set forth how graywater systems may be used, this legislation expands the potential types of systems and uses for nonpotable water.

On or before December 1, 2022, the State Water Resources Control Board (“State Board”) is required to adopt regulations for risk-based water quality standards for the onsite treatment and reuse of nonpotable water in multifamily residential, commercial, and mixed-use buildings. Once these regulations are adopted, then local land use agencies, such as cities and counties, may proceed to establish programs that permit onsite treated nonpotable water systems.

The State Board regulations will set risk-based reduction targets for the removal of pathogens and bacteria for nonpotable water sources, graywater, rainwater, stormwater, and nonpotable end uses, toilet and urinal flushing, clothes washing, irrigation, and dust suppression.

Any local program that is then adopted by a city/county that does not also provide water/sewer service (for example, a city that does not have its own water/sewer utility and relies on a special district to provide water/sewer service) must consult with the water/sewer service provider before adopting a program. The city/county shall give the water/sewer service provider the opportunity to demonstrate that the proposed program could result in a significant adverse impact to any of the following: (i) operations, maintenance, or management of the existing sewer collection or treatment system due to reduced flows; (ii) existing or planned centralized recycled water or potable reuse facilities or projects due to reduced flows; or (iii) receiving waters.

If the water/sewer service provider demonstrates that any of these impacts could arise, then the city/county must avoid those impacts or mitigate them to a point where no significant impact will occur. Only after making that determination can the city/county proceed to adopt a program.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Membership in Pass EDA (Economic Development Agency)

DATE: December 3, 2018

Summary:

The purpose of this proposed Board action is to determine if the Board wishes to join Pass EDA, a regional non-profit corporation focused on the economic health and well-being of the region both currently and in the future.

Background:

Approximately six years ago, the Board decided to become more active in the community it serves and to take concrete steps to work with others in that regard. Toward that end, the Board directed staff to join four local Chambers of Commerce (Calimesa, Beaumont, Banning, and Cherry Valley), and Pass EDA, a regional organization. For a number of years, the Board actively participated in activities sponsored by these entities. Staff represented the Agency on the Pass EDA Board of Directors for a time.

While the Agency is still a member of the four Chambers, and has been active in them, Pass EDA lost its tax-exempt status and went out of business for approximately four years. Over the past year, it has come back with a new tax ID and as a new corporation, with similar goals as in the past. After spending much of 2018 laying the groundwork, it will become active with activities and programs in 2019.

Pass EDA is a public-private partnership with the goal of working towards the economic health of the region (from Yucaipa to Whitewater). In particular, it works towards having the region speak with one voice on major issues (such as transportation) and ensuring

the economic viability of the region in the future by working to bring jobs to the region and to train local residents for the jobs that will be available in the future. Recruitment of jobs and businesses to the region, job training, transportation, and water are four issues that the Pass EDA board has identified as critical to the region's future. Pass EDA is not a pro-growth organization from the perspective of constructing new homes and adding residents, but rather seeks economic growth in the mode of new jobs and job training for existing residents.

Membership recruitment in the new Pass EDA is beginning. Pledges of membership have been received by local cities, including Beaumont and Yucaipa, as well as major businesses (SCE, the Gas Company) and organizations (Associated General Contractors). These organizations, public and private, are dedicated to ensuring the economic viability of this region for the long-term.

Detailed Report:

The new Pass EDA held its first event in October, a forum with the four local City Managers discussing what their cities are doing to recruit new businesses to the region. The event was well attended and well received. The next planned event, for the first quarter of 2019, is a regional transportation forum. The Pass EDA board of directors recognizes that water supply is a key issue for the economic health of the region, and has discussed the concept of a water supply-related event in the second quarter of 2019. This coincides with the Agency's own plans for a State of the Water Supply event during that quarter. Pass EDA has communicated with staff its desire to partner with the Agency on this event, bringing funds and a wider audience.

The water event aside, membership in Pass EDA would enable the Agency to work with key individuals and organizations in the region to demonstrate its commitment to local residents and businesses and to help communicate the Agency's message in these circles. Past membership in Pass EDA enabled staff to get to know many local elected officials and other important leaders, and it is anticipated that membership today would help facilitate and grow such relationships again.

Membership dues for this regional organization are \$1000 per year for public agencies. This compares to \$800 per year for the Agency's membership in the four Chambers. As a regional organization, it makes sense for the Agency to become a member of other regional organizations, especially those that are dedicated to a bright future for the region.

Potential membership in Pass EDA was discussed at the November Water Conservation and Education Committee in the context of partnering on the State of the Water Supply event. While the Committee did not take a formal vote, it looked favorably on membership.

Fiscal Impact:

Membership dues of \$1000 per year would easily be within the Agency's ability to pay. The funds could be expended from the Water Conservation and Education budget, as it is anticipated that this membership would serve to educate the public on the region's water supply issues.

Recommendation:

It is recommended that the Board consider joining Pass EDA and paying the membership dues for public agencies of \$1000.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Fencing for Fiesta Recharge Project

DATE: December 3, 2018

Summary:

The purpose of this proposed Board action is to determine if the Board wishes to issue a change order to Pro-Craft Construction for an amount not to exceed \$159,000 to construct fencing around the Fiesta recharge facility.

Background:

When the Board decided to award a construction contract for the Fiesta recharge facility, it had not yet decided what type of fencing to install around the facility, so fencing was left out of the main construction contract. The Board and staff knew that the Agency would have to deal with this issue later.

Recently the Board has discussed the fencing issue in more detail and has directed staff to get quotes or bids on two alternatives. One would have chain link fencing along Beaumont Avenue, while the other would replace the chain link with tube steel along this section. Both alternatives include chain link fencing on the south and west sides of the facility, with tube steel on the north side facing Brookside Avenue.

Staff has contacted a number of fencing contractors and received quotes for both options from at least two of them. Because of the value of the contract, the Agency's current procurement policy does not allow simply obtaining price quotes, but instead requires obtaining sealed bids just as with a construction contract.

Detailed Report:

As discussed last month, the Agency's procurement policy requires any contract over \$50,000 to essentially be a construction contract—with the obligatory contract documents, performance bond, bid bond, insurance, prevailing wage restrictions, and sealed bids. Staff believes that this process, if followed for a fence contract, would not result in any bids, or in bids that would be noncompetitive. Fencing contractors do not typically participate in such processes but are used to giving quotes, as the Agency has requested.

Based on the current situation and the Agency's procurement policy, staff has approached Pro-Craft Construction, the contractor for the Fiesta project, and inquired as to what it would cost to install the fencing as a change order to the contract. This would be within the Agency's procurement policy, since the work would be part of a contract that was competitively bid. It would also get the fencing done more quickly, since the Agency would not have to go out for bids and wait for a bid period. With steel prices increasing rapidly, this could save the Agency a significant amount of money.

Pro-Craft has submitted an estimate of \$98,300 for Alternative 1 (chain link along Beaumont Avenue) and \$144,900 for Alternative 2. This would increase the amount of the contract, but the Agency would have had to pay a similar amount anyway, to a fencing contractor. These numbers are very similar to what the Agency received in quotes from fencing contractors. Pro-Craft is currently processing another change order that would reduce the amount of the contract significantly. This pending change order would largely offset the cost of the fencing change order.

The alternative to issuing a change order to Pro-Craft for this work would be for the Agency to go out for bids for the fencing work alone. This would require the development of contract documents and drawings and specifications. Bidders would be required to submit sealed bids with performance and bid bonds and the Board would have to award a contract. This is likely to take four to six weeks, with no guarantees that the low bid would be lower than the Pro-Craft bid.

Staff is requesting a not to exceed amount 10% higher than the numbers supplied by Pro-Craft, in the event staff decides to alter the final product slightly (for example, replacing the double knuckles with

barbs or adding a top stabilizing bar). Thus the request for up to a maximum of \$159,000 for the change order.

Fiscal Impact:

Fencing was always envisioned as part of the project; thus, the fencing cost is not an additional cost but part of the original budget for the project. The impact would be to expend an amount of budgeted funds, not to exceed \$159,000, to construct the fencing alternative selected by the Board (\$108,000 if Alternative 1 is selected).

Recommendation:

Staff recommends that the Board select either Alternative 1 or Alternative 2 and authorize staff to sign a construction change order with Pro-Craft for an amount up to 10% higher than the alternative bid selected.

MOUNTAIN VIEW AVENUE

SHEET C1.01 / C2.01

SHEET C1.03 / C2.03

MOUNTAIN VIEW CHANNEL

SHEET C1.05 / C2.05

NOBLE CREEK

SIDE AVENUE

BEAUMONT AVENUE

SHEET C1.02 / C2.02

SHEET C1.04 / C2.04

Fence Quantities:

	Location	Qty	
1	North PL	275	LF
2	East PL	1900	LF
3	South PL	10	LF
4	West PL	1125	LF
5	Northwest PL	1360	LF

Total 4670

BASIN

BASIN

BASIN

BASIN

3

4

5

2

40

RESOLUTION NO. 2009-2

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS
WATER AGENCY REVISING A POLICY FOR AGENCY RESERVES**

(RESCINDING RESOLUTION NO. 2007-16)

WHEREAS, this Board is charged with responsibility for providing an imported water supply to customers located within the Agency's boundaries, for the construction, operation, maintenance, repair and replacement of facilities to transport and deliver that water to Agency customers, and for the collection and accumulation of revenues necessary to accomplish these purposes; and

WHEREAS, the implementation of Board policy over a period of many years has resulted in the accumulation of funds to be utilized for a variety of Agency activities and to protect the Agency's customers and taxpayers from the financial impacts of catastrophic events and from fluctuations in Agency expenses; and

WHEREAS, by separate action this Board has created a restricted fund for the deposit and separate accounting of Agency revenues which may be expended only for particular Agency purposes, entitled the "State Water Contract Fund" and

WHEREAS, in addition to the collection and deposit of money into the restricted account, this Board also wishes to provide for the creation of certain unrestricted reserve accounts, and to set forth in writing the Agency's policy regarding the accumulation of reserves, the purposes for which they may be expended, and the levels which the Agency should strive to maintain;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Gorgonio Pass Water Agency hereby provides for the deposit of revenue into the restricted fund, the creation of certain unrestricted reserve accounts, and the accumulation and administration of reserves in each, as follows:

1. Restricted Reserves.

(a) State Water Contract Fund. All revenue collected from taxes levied on real property within the Agency's boundaries to pay amounts due and owing to the State of California Department of Water Resources ("DWR") pursuant to the Agency's contract with the State ("State Water Contract") for participation in the State Water Resources Development System shall be deposited into the State Water Contract Fund. The revenues deposited into the State Water Contract Fund may be utilized only to pay the Agency's financial obligations on the State Water Contract. The Agency shall endeavor to maintain money in the State Water Contract Fund in an amount which is more than the total of the previous year's invoices from DWR, but not more than two and one half times the total of such invoices, so that a reserve may be maintained to absorb temporary increases in charges from DWR, help to stabilize Agency tax rates, and protect against economic conditions which could result in the failure of numerous Agency taxpayers to pay their taxes. The reserves maintained in the State Water

Contract Fund may be invested in the same manner as other Agency funds. Investment earnings thereon as determined by the Agency shall be credited to the State Water Contract Fund and shall be used only to pay State Water Contract obligations.

2. Unrestricted Reserves.

(a) Reserve for Operations. A "Reserve for Operations" is hereby created for the Agency, to which the Board may appropriate unrestricted Agency revenues. The Reserve for Operations may be utilized to pay the cost of operating the Agency's general system including unanticipated costs of operations. The Agency shall endeavor to maintain in the Reserve for Operations an amount sufficient to pay for six months of normal operations of the Agency excluding depreciation expense and payments to DWR not to exceed one year of normal operation, as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for Operations may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Operations may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(b) Reserve for New Infrastructure. A "Reserve for New Infrastructure" is hereby created for the Agency's general account, to which the Board may appropriate unrestricted Agency revenues. The Reserve for New Infrastructure may be utilized to construct or procure new infrastructure for the Agency; expenditures include but are not limited to transmission and distribution capital assets, buildings, pumping equipment, technical equipment, furniture and fixtures and transportation equipment. The Agency shall endeavor to maintain the Reserve for New Infrastructure in an amount approximately equal to 20% of the original cost of the Agency's physical plant, as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for New Infrastructure may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for New Infrastructure may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(c) Reserve for Additional Water. A "Reserve for Additional Water" is hereby created to which the Board may appropriate unrestricted Agency revenues. The Reserve for Additional Water may be utilized for the temporary purchase of additional water, to augment the Agency's annual allocation of water pursuant to Table A of the Agency's State Water Contract, and for costs associated with the banking or transfer of any water or water rights purchased by the Agency. The Agency shall endeavor to maintain the Reserve for Additional Water in an amount of at least \$2.5 million as of June 30, 2008, with a goal of increasing this amount at least \$250,000 per year thereafter. This reserve fund is to be augmented by income from the "new water" component of the water rate, to be set by the Board. Funds added to this reserve from the water rates shall

not be used for any purpose other than to purchase new water or water rights. It is anticipated that other funds will also be added to this reserve. The funds initially appropriated to the Reserve for Additional Water (\$2.5 million) and funds from sources other than the water rate may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Additional Water may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(d) Rate Stabilization Reserve. A "Rate Stabilization Reserve" is hereby created, to which the Board may appropriate unrestricted Agency revenues. The Rate Stabilization Reserve may be utilized to protect Agency ratepayers from temporary increases in the cost of providing water service, such as fluctuations in the cost of energy, for example. The Agency shall endeavor to maintain the Rate Stabilization Reserve in an amount equal to \$150,000, or approximately 150% of the maximum annual revenue shortfall year identified in the February 2, 2009 water rate study. This reserve fund is to be augmented by income from the rate stabilization component of the water rate, to be set by the Board. As the initial \$150,000 allocated to this fund as of February 2, 2009 is augmented by funds from water rates, these initial funds shall be allocated to other reserve funds as needed. Funds added to this reserve from the water rates shall not be used for any purpose other than stabilizing or subsidizing the water rate. However, if at any time the funds accumulated in this reserve fund from the rate stabilization component of the water rate reach the goal of \$150,000, additional funds earmarked for this reserve above \$150,000 shall be allocated to the reserve for new water until such time as the rate stabilization reserve fund is reduced below \$150,000. At that time, revenue from the rate stabilization fund portion of the water rate will again be allocated to the rate stabilization reserve fund until such time as it reaches \$150,000. Funds appropriated to the Rate Stabilization Reserve may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(e) Reserve for Replacements. A "Reserve for Replacements" is hereby created for the Agency's general account, to which the Board may appropriate unrestricted Agency revenues. The Reserve for Replacements may be utilized to replace the Agency's physical plant, as needed. The Agency shall endeavor to maintain the Reserve for Replacements an amount approximately equal to the accumulated amount of depreciation of the Agency's physical plant (not including the State Water Project facilities), as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for Replacements may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Replacements may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(f) Reserve for Unexpected Legal Expenses. A "Reserve for Unexpected Legal Expenses" is hereby created, to which the Board may appropriate unrestricted Agency revenues. The Reserve may be used to pay unexpected

legal expenses incurred by the Agency, such as for planned or unplanned litigation, pending litigation, threatened litigation, or other such legal expenses as may be incurred. The Agency shall endeavor to maintain in the Reserve at least \$150,000, not to exceed \$250,000. However, the funds appropriated to the Reserve for Unexpected Legal Expenses may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Unexpected Legal Expenses may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

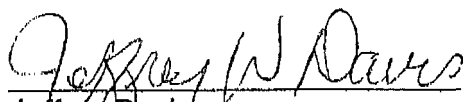
3. Additional Reserves. In addition to the reserves identified above, the Board may approve the creation of such additional accounts, whether temporary or permanent, as the Board deems necessary or appropriate, by amendment to this resolution or by simple motion. In such event, the Board will identify the purposes for which such additional accounts are created, provide guidance as to the amount which the Agency should endeavor to maintain in each such fund or account, and establish the limits and restrictions pertaining thereto.

4. Annual Reports. Each quarter the Agency's General Manager shall provide the Board with a report indicating the beginning and ending balance for each of the reserve funds or accounts created pursuant to this resolution and the purposes for which expenditures have been made there from, and shall make recommendations to replenish or augment fund or account balances as appropriate.

5. Concurrent Adoption of Water Rates Resolution. This Resolution revising the policy for the accumulation of the Agency Reserves is dependent on the concurrent adoption of Resolution No. 2009-3, which establishes wholesale water rates.

The foregoing resolution was adopted unopposed by voice vote at a regular meeting of the Board of Directors of the San Geronio Pass Water Agency on February 2, 2009 with all Directors present.

I certify that this is a true, full and correct copy Resolution 2009-02, approved by the Board of Directors of the San Geronio Pass Water Agency at its meeting held on February 2, 2009.


Jeffrey Davis
Secretary of the Board