

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
February 3, 2020 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, January 21, 2020* (p. 3)
- B. Approval of the Minutes of the Finance and Budget Workshop, January 27, 2020* (p. 7)
- C. Approval of Finance and Budget Report, January 27, 2020* (p. 10)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
- B. General Counsel Written Report* (p. 27)
- C. Directors' Reports
- D. Committee Reports

6. New Business (Discussion and Possible Action)

- A. Review of San Gorgonio Pass Water Agency Retirement Benefits and Obligations* (p. 28)
- B. Update on SGMA* (p. 29)

7. Announcements

- A. Engineering Workshop, February 10, 2020 at 1:30 p.m.
- B. Water Conservation and Education Workshop, February 13, 2020 at 1:30 p.m.
- C. Office closed **Monday**, February 17th, 2020 in observance of Presidents' Day
- D. Regular Board Meeting, **Tuesday**, February 18, 2020 at 1:30 p.m.

8. Topics for Future Agendas

9. Adjournment

Pending Agenda Items:

<i>Request</i>	<i>Requester</i>	<i>Date of Request</i>	<i>Tentative Meeting Date Agenda</i>
Updated/revised calculations on new rate	Ball	11/18/2019	02/03/2020
Final costs of: Fiesta Recharge; Noble Creek Connection & Temp Connection; Mtn. View Connection	Thompson	12/02/2019	02/03/2020 or 02/17/2020
Construction Warranty information on Fiesta Recharge Facility	Ball	01/21/2020	02/10/2020

***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
January 21, 2020

Directors Present: Ron Duncan, President
Lenny Stephenson, Vice President
Michael Thompson, Treasurer
Blair Ball, Director
David Fenn, Director
David Castaldo, Director
Steve Lehtonen, Director

Staff Present: Jeff Davis, General Manager
General Counsel Jeff Ferre
Thomas Todd, Finance Manager

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 President Duncan at 1:30 p.m., January 21, 2020 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. Director Ball gave the invocation. A quorum was present.
2. **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, January 6, 2020
 - B. Approval of the Minutes of the Engineering Workshop, January 13, 2020

President Duncan asked for a motion on the Consent Calendar. Director Castaldo made a motion, seconded by Director Stephenson, to adopt the consent calendar. Director Ball requested adding to the January 6, 2020 Minutes more detailed dialogue that took place between the General Manager and himself pertaining to the Fiesta Recharge Facility. During that conversation Director Ball asked if there were to be a breach in the system located at the Fiesta Recharge Facility and the direction of flow. General Manager Davis responded that staff will go back to the recording and include the requested dialogue in the January 6, 2020 Minutes. Motion passed 7-0, with noted changes to the January 6, 2020 Minutes.

5. Reports:

A. General Manager's Report: A written report was not provided in the agenda packet. At this time General Manager Davis provided a written report to the Board and to the members of the public, he verbally reviewed the report with the Board.

1. Operations Report—

- a. We are still shut down until the end of next week.
- b. When we come back online, we will deliver as much water as the Greenspot system will deliver to start reducing our storage in San Luis Reservoir (SLR).
- c. Greenspot system will be pumping for February so our capacity will be decreased; max of 50 cfs. We will try to get as much of that as possible.
- d. Most likely SLR will not spill, but there is a chance. With a 10% allocation, SWP storage is nearly full.
- e. Observation of implementation of Fall X2.
- f. An SWP allocation increase is anticipated sometime this week.

2. General Agency Issues: General Manager Davis verbally reviewed the agency updates report with the Board.

- a. Notice of Preparation (NOP) for CEQA issued for Delta Conveyance Facility (DCF) last week.
- b. The \$350 million budgeted for planning costs will need to start being collected, probably starting around June. That's why we have to complete an AIP (Agreement in Principle) for a DCF amendment soon. DWR does not want to start collecting this \$350 million until there is a signed AIP.
- c. Regarding the DCF AIP, Contractors reviewed DWR's offer and unanimously oppose it. We have a caucus to discuss next Monday.
- d. Contract extension amendment—DWR wants at least 24 Contractor signatures, which we are working on. Currently have 20 Contractors representing 3.95 MAF on board. 2024 is an optimistic estimate of the transition year. That means at least four more years of cost compression which will continue to put financial pressure on Contractors.
- e. New BiOps (Biological Opinions)—ROD(Record of Decision) could be signed any time. Most likely to be signed around February 1. We will not have our new ITP (Incidental Take Permit) from California for the California Endangered Species Act until at least March 1, so we may not have a permit for about a month.
- f. VA's (Voluntary Agreements)—The State is asking for twice as much voluntary water as water agencies are offering.
- g. New ITP (Incidental Take Permit) permit—it will not be acceptable to the Contractors. We liked the draft but DWR changed it before finalizing it. We will need to decide how to proceed once it is issued.

- h. Sites staff will likely be coming back in May with a key decision on continued participation. It appears that the decision will be whether we want to stay in the project through December 2021, when all permits for the project are due. The cost to do so will likely be about \$100 per AF, or \$1 million for us at the current participation level, over the next two fiscal years.
- i. Reminder of SCWC luncheon in Ontario this Friday. Speakers announced. "Water and Political Climate Change" is the theme.
- j. Supervisor Jeff Hewitt will be a guest speaker at the Municipal Advisory Committee meeting that will be held in this board room on January 23, 2020 at 12:00 p.m.

B. General Counsel Reports: None.

C. Directors Reports: 1) **Director Fenn** reported that he attended the Banning Chamber breakfast that was held on January 10th. Supervisor Jeff Hewitt was the guest speaker, he spoke on CalPERS. 2) **Director Stephenson** reported on the SMWC Board meeting that was held on January 8th. He reported on YVWD workshop that was held on January 14th. He reported that he attended the Calimesa Chamber meeting on January 16th. Supervisor Jeff Hewitt was the guest speaker, he also spoke on CalPERS. 3) **President Duncan** reported that he attended the same Banning Breakfast meeting that Director Fenn attended. 4) **Director Lehtonen** stated that he will be attending the SGPRWA meeting tomorrow evening. He invited Directors to give him any questions or comments to be discussed at the meeting. 5) **Director Ball** reported that he attended the Beaumont Chamber breakfast, CEO Steve Barron of San Geronio Pass hospital was the guest speaker. Director Ball also reported on the BCVWD Board meeting that was held on November 13th.

D. Committee Reports: 1) **Director Ball** reported that the Capacity Fee Ad-Hoc Committee did meet and that we are waiting on more data. 2) **Director Stephenson** noted that the General Manager hiring committee will be meeting on February 10th. General Counsel Ferre remarked that Request for Proposals has been sent out, and responses are due on February 7th. On February 10th the ad-hoc committee will review the responses and bring them to the full board at the February 18th Board meeting.

6. New Business:

A. Consideration of Acceptance of 2018 Water Conditions Report. A staff report and a copy of the 2018 Water Conditions Report were included in the agenda package. General Manager Davis commented that the Board reviewed this report at the last Engineering workshop. The report is required due to a litigation settlement that took place a number of years ago. Director Stephenson made a motion, seconded by Director Thompson, to accept the 2018 Water Conditions Report. Director Castaldo requested that the description for the cover photo state the following: Aerial view of construction of the Agency's Fiesta Recharge facility. After discussion, the motion to accept passed 7-0, with the noted requested change.

7. Topics for Future Agendas: 1) **Director Ball** requested staff to provide warranty information for the Fiesta Recharge Facility, preferably to be discussed at the next Engineering meeting.

8. Announcements:

- A. Finance & Budget Workshop, January 27, 2020 at 1:30 p.m.
- B. Regular Board Meeting, February 3, 2020 at 1:30 p.m.
- C. Engineering Workshop, February 10, 2020 at 1:30 p.m.

9. Adjournment

Time: 2:07 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
January 27, 2020

Directors Present: Ron Duncan, President
Lenny Stephenson, Vice President
Mike Thompson, Treasurer
Blair Ball, Director
David Castaldo, Director
David Fenn, Director

Directors Absent: Steve Lehtonen, Director

Staff and Consultants Present:
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, January 27, 2020 in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. Treasurer Thompson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as posted.
3. **Public Comment:** No members of the public requested to speak at this time. Finance Manager Tom Todd explained that General Manager Jeff Davis was in Sacramento attending a negotiation session related to the State Water Project.
4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for December, 2019 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board ratify paid monthly invoices of \$1,706,935.36 and payroll of \$38,442.38 for the month of December, 2019, for a combined total of \$1,745,377.74. The motion passed 6 in favor, no opposed, with Director Lehtonen absent.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Ball, seconded by Director Fenn, to recommend that the Board approve payment of the pending legal invoice for December, 2019 for \$4,494.67. The motion passed 6 in favor, no opposed, with Director Lehtonen absent.

- C. Review of December, 2019 Bank Reconciliation: After review and discussion, a motion was made by Director Ball, seconded by Director Stephenson, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for December, 2019 as presented. The motion passed 6 in favor, no opposed, with Director Lehtonen absent.
- D. Review of Budget Report for December, 2019: Finance Manager Todd reviewed the budget report, highlighting a number of items, and answering questions. After further review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Budget Report for December, 2019. The motion passed 6 in favor, no opposed, with Director Lehtonen absent.
- E. Review of Cash Reconciliation Report for December 31, 2019: Finance Manager Todd reviewed the report, and noted that the trends in fund balances are typical for this time period. After further review and discussion, a motion was made by Director Duncan, seconded by Director Castaldo, to recommend that the Board accept the Cash Reconciliation Report for December 31, 2019. The motion passed 6 in favor, no opposed, with Director Lehtonen absent.
- F. Review of Reserve Allocation Report for December 31, 2019: Finance Manager Todd reviewed the report, and pointed out the entries in New Infrastructure and Additional Water. After further review and discussion, a motion was made by Director Stephenson, seconded by Director Castaldo, to recommend that the Board approve the Reserve Allocation Report for December 31, 2019 as presented. The motion passed 6 in favor, no opposed, with Director Lehtonen absent.
- G. Review of Investment Report for December 31, 2019: Finance Manager Todd reviewed the report, and noted specific changes in the report from last quarter. Two bonds had been called prior to maturity, and CalTRUST funds had been moved to the Short-Term fund as previously discussed. He also noted that interest rates had declined slightly, with the potential of further decreases in the coming months. After further review and discussion, a motion was made by Director Duncan, seconded by Director Fenn, to recommend that the Board accept the Investment Report for December 31, 2019. The motion passed 6 in favor, no opposed, with Director Lehtonen absent.
- 5. Announcements:** Treasurer Thompson reviewed the announcements:
- A. Regular Board Meeting, February 3, 2020, 1:30 pm
 - B. Engineering Workshop, February 10, 2020, 1:30 pm
 - C. The office will be closed in observance of President's Day, February 17, 2020
 - D. Regular Board Meeting, Tuesday, February 18, 2020, 1:30 pm
 - E. Director Stevenson announced that the General Manager Hiring Committee will meet on February 10, 2020; meeting time will be coordinated with the Capacity Fee Committee.

F. Director Ball announced that the Capacity Fee Committee will meet on February 10, 2020; meeting time will be coordinated with the General Manager Hiring Committee.

6. **Adjournment:** The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 2:02 pm.

Draft - Not
Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Treasurer Mike Thompson

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

1. The Board ratify payment of Invoices of \$1,706,935.36 and Payroll of \$38,442.38 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for December, 2019 for a combined total of \$1,745,377.74.

2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$4,494.67
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3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for December, 2019
 - B. Budget Report for December, 2019

4. The Board accept the following:
 - A. Cash Reconciliation Report for December 31, 2019
 - B. Investment Report for December 31, 2019

5. The Board approve the following:
 - A. Reserve Allocation Report for December 31, 2018

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Ave, Beaumont, CA 92223
Board Finance & Budget Workshop
Agenda
January 27, 2020 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 December, 2019 by Reviewing Check History Reports in Detail*
 - B. Review of Pending Legal Invoices*
 - C. Review of December, 2019 Bank Reconciliation*
 - D. Review of Budget Report for December, 2019*
 - E. Review of Cash Reconciliation Report for December 31, 2019*
 - F. Review of Reserve Allocation Report for December 31, 2019*
 - G. Review of Investment Report for December 31, 2019*
- 5. Announcements**
 - A. Regular Board Meeting, February 3, 2020, 1:30 pm
 - B. Engineering Workshop, February 10, 2020, 1:30 pm
 - C. The office will be closed in observance of President's Day, February 17, 2020
 - D. Regular Board Meeting, Tuesday, February 18, 2020, 1:30 pm
- 6. Adjournment**

***Information Included In Agenda Packet**

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San Geronio Pass Water Agency
Check History Report
December 1 through December 31, 2019

ACCOUNTS PAYABLE

Date	Number	Name	Amount
12/09/2019	119501	ACWA BENEFITS	963.77
12/09/2019	119502	ALBERT WEBB ASSOCIATES	4,473.99
12/09/2019	119503	AVEK WATER AGENCY	15,078.68
12/09/2019	119504	BDL ALARMS, INC.	78.00
12/09/2019	119505	BEST BEST & KRIEGER	8,787.80
12/09/2019	119506	RONALD A. DUNCAN	145.00
12/09/2019	119507	ERSC	4,870.35
12/09/2019	119508	GOPHER PATROL	51.00
12/09/2019	119509	SOUTHERN CALIFORNIA GAS	100.53
12/09/2019	119510	MICHAEL D. THOMPSON	410.00
12/09/2019	119511	UNDERGROUND SERVICE ALERT	23.20
12/09/2019	119512	UNLIMITED SERVICES BUILDING MAINT.	295.00
12/09/2019	119513	CITY OF VENTURA	216,673.30
12/09/2019	119514	WASTE MANAGEMENT INLAND EMPIRE	112.59
12/14/2019	119515	AUTOMATION PRIDE	100.00
12/14/2019	119516	BLAIR M. BALL	812.13
12/14/2019	119517	JEFFREY W. DAVIS	1,794.98
12/14/2019	119518	DAVID L. FENN	119.48
12/14/2019	119519	FRONTIER COMMUNICATIONS	1,348.69
12/14/2019	119520	LEONARD C. STEPHENSON	127.60
12/14/2019	119521	VALLEY OFFICE EQUIPMENT, INC.	131.83
12/14/2019	119522	WELLS FARGO ELITE CREDIT CARD	1,615.02
12/16/2019	119523	BEST BEST & KRIEGER	7,497.47
12/20/2019	119524	DAVID TAUSSIG & ASSOCIATES, INC.	2,343.75
12/20/2019	119525	ERNST & YOUNG LLP	547.00
12/20/2019	119526	FEDERAL EXPRESS	55.30
12/20/2019	119527	MATTHEW PISTILLI LANDSCAPE SERVICES	350.00
12/20/2019	119528	NICE-INCONTACT	94.76
12/20/2019	119529	PROVOST & PRITCHARD	27,537.83
12/20/2019	119530	RISK SCIENCES	2,918.78
12/20/2019	119531	THOMAS W. TODD, JR.	660.49
12/26/2019	119532	AT&T MOBILITY	232.59
12/26/2019	119533	SOUTHERN CALIFORNIA EDISON	82.70
12/26/2019	119534	VALLEY OFFICE EQUIPMENT, INC.	103.33
12/29/2019	119535	STANDARD INSURANCE COMPANY	500.03
12/13/2019	529028	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,055.98
12/13/2019	579183	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	5,314.62
12/29/2019	565726	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,521.24
12/29/2019	526322	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	7,814.47
12/09/2019	900280	DEPARTMENT OF WATER RESOURCES	368,597.00
12/13/2019	900281	CALPERS RETIREMENT	5,425.98
12/13/2019	900282	CAL PERS RETIREMENT - SIP-457	1,680.00
12/20/2019	900283	CALPERS FINANCIAL REPORTING	300.00
12/20/2019	900284	CALPERS HEALTH	8,142.79
12/30/2019	900285	DEPARTMENT OF WATER RESOURCES	583,510.00
12/30/2019	900286	DEPARTMENT OF WATER RESOURCES	415,297.00
12/29/2019	900287	CALPERS RETIREMENT	5,559.31
12/29/2019	900288	CAL PERS RETIREMENT - SIP-457	1,680.00
TOTAL ACCOUNTS PAYABLE CHECKS			1,706,935.36

San Gorgonio Pass Water Agency
Check History Report
December 1 through December 31, 2019

PAYROLL

Date	Number	Name	Amount
12/12/2019	801819	JEFFREY W. DAVIS	5,651.67
12/12/2019	801820	KENNETH M. FALLS	2,973.82
12/12/2019	801821	CASMIR J. OLAIVAR	440.50
12/12/2019	801822	CHERYLE M. STIFF	2,305.06
12/12/2019	801823	THOMAS W. TODD, JR.	3,798.63
12/28/2019	801824	BLAIR M. BALL	1,237.90
12/28/2019	801825	JEFFREY W. DAVIS	5,101.50
12/28/2019	801826	RONALD A. DUNCAN	1,237.90
12/28/2019	801827	KENNETH M. FALLS	4,369.03
12/28/2019	801828	DAVID L. FENN	1,237.90
12/28/2019	801829	STEPHEN J. LEHTONEN	1,237.90
12/28/2019	801830	CASMIR J. OLAIVAR	394.79
12/28/2019	801831	LEONARD C. STEPHENSON	1,237.90
12/28/2019	801832	CHERYLE M. STIFF	2,305.06
12/28/2019	801833	MICHAEL D. THOMPSON	990.32
12/28/2019	801834	THOMAS W. TODD, JR.	3,922.50
TOTAL PAYROLL			38,442.38
TOTAL DISBURSEMENTS FOR DECEMBER, 2019			1,745,377.74

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	191231	LEGAL SERVICES DEC19	4,494.67

TOTAL PENDING INVOICES FOR APPROVAL JANUARY 2020 4,494.67

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
December 31, 2019**

BALANCE PER BANK AT 12/31/2019 - CHECKING ACCOUNT	432,913.90
Pending Transfer/Deposit From TVI	<u>121,076.00</u>
Balance to Reconcile	553,989.90

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
119515	100.00	119532	232.59
119524	2,343.75	119533	82.70
119525	547.00	119535	500.03
119529	27,537.83		
	<u>30,528.58</u>		<u>815.32</u>

TOTAL OUTSTANDING CHECKS	-31,343.90
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BALANCE PER GENERAL LEDGER	<u><u>522,646.00</u></u>
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BALANCE PER GENERAL LEDGER ON 11/30/2019	297,249.19
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CASH RECEIPTS FOR DECEMBER	6,470,431.56
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CASH DISBURSEMENTS FOR DECEMBER

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	-1,706,935.36
PAYROLL TRANSFER - BANK OF HEMET	<u>-38,000.00</u>
	<u><u>-1,744,935.36</u></u>


BANK CHARGES	-99.39
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TRANSFER TO LAIF	-5,250,000.00
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TRANSFER FROM LAIF	750,000.00
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BALANCE PER GENERAL LEDGER AT 12/31/2019	<u><u>522,646.00</u></u>
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REPORT PREPARED BY:



Cheryl M. Cliff

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF DECEMBER 2019**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
12/9/19	FORREST/JEFF DAVIS	COBRA PAYMENT NOV + DEC19	92.46	92.46
12/10/19	RIVERSIDE COUNTY	PROPERTY TAXES	901.70	901.70
12/16/19	RIVERSIDE COUNTY	PROPERTY TAXES	31,761.65	31,761.65
12/17/19	RIVERSIDE COUNTY	PROPERTY TAXES	5,658,485.01	5,658,485.01
12/20/19	BCVWD	WATER SALES	637,203.00	637,203.00
12/27/19	TVI	CD - BOND INTEREST	20,911.74	20,911.74
12/31/19	TVI	FINAL CD- BOND-T-BILL INTEREST	121,076.00	121,076.00
TOTAL FOR DECEMBER 2019			6,470,431.56	6,470,431.56

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2019

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:	50%
INCOME					
WATER SALES	5,600,000		5,600,000	2,846,924.85	49.16%
TAX REVENUE	2,750,000		2,750,000	984,470.97	64.20%
INTEREST	350,000		350,000	176,764.15	49.50%
DESIGNATED REVENUES	820,000		820,000	59,585.61	92.73%
CAPACITY FEE	0		0	0.00	
OTHER (REIMBURSEMENTS, TRANSFERS)	31,000		31,000	50,237.31	-62.06%
TOTAL GENERAL FUND INCOME	9,551,000	0	9,551,000	4,117,982.89	56.88%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	6,100,000		6,100,000	1,803,825.40	70.43%
TOTAL COMMODITY PURCHASE	6,100,000	0	6,100,000	1,803,825.40	70.43%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	500,000		500,000	249,512.46	50.10%
PAYROLL TAXES	43,000		43,000	19,648.81	54.31%
RETIREMENT	250,000		250,000	94,897.80	62.04%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	73,000		73,000	11,675.61	84.01%
HEALTH INSURANCE	68,000		68,000	37,667.27	44.61%
DENTAL INSURANCE	5,000		5,000	2,638.96	47.22%
LIFE INSURANCE	1,600		1,600	960.47	39.97%
DISABILITY INSURANCE	5,200		5,200	2,573.38	50.51%
WORKERS COMP INSURANCE	3,800		3,800	972.37	74.41%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	4,647.43	53.53%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	960,600	0	960,600	425,194.56	55.74%

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**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2019**

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:	50%
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	115,000		115,000	47,183.84	58.97%
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	4,759.21	68.27%
DIRECTORS MISC. MEDICAL	21,000		21,000	6,809.37	67.57%
OFFICE EXPENDITURES					
OFFICE EXPENSE	15,000		15,000	7,338.22	51.08%
POSTAGE	700		700	98.82	85.88%
TELEPHONE	11,500		11,500	5,436.66	52.72%
UTILITIES	5,000		5,000	1,604.10	67.92%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	17,000		17,000	3,713.39	78.16%
GENERAL MANAGER & STAFF TRAVEL	18,000		18,000	13,557.20	24.68%
INSURANCE & BONDS	23,000		23,000	23,281.65	-1.22%
ACCOUNTING & AUDITING	21,000		21,000	15,680.00	25.33%
STATE WATER CONTRACT AUDIT	5,500		5,500	5,471.00	0.53%
DUES & ASSESSMENTS	30,000		30,000	24,062.00	19.79%
OUTSIDE PROFESSIONAL SERVICES	7,500		7,500	10,388.71	-38.52%
BANK CHARGES	1,000		1,000	571.87	42.81%
MISCELLANEOUS EXPENSES	500		500	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	500		500	693.77	-38.75%
VEHICLE REPAIR & MAINTENANCE	5,000		5,000	2,985.13	40.30%
MAINTENANCE & REPAIRS - BUILDING	30,000		30,000	6,574.15	78.09%
MAINTENANCE & REPAIRS - FIELD	8,000		8,000	998.15	87.52%
CONTRACT OPERATIONS AND MAINTENANCE	125,000		125,000	16,313.64	86.95%
WATER TREATMENT EXPENSE	0	75,000	75,000	37,921.31	49.44%
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	3,466.21	68.49%
TOTAL ADMINISTRATIVE & PROFESSIONAL	492,200	75,000	567,200	245,560.11	56.71%

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**SAN GORGONIO PASS WATER AGENCY
 BUDGET REPORT FY 2019-20
 BUDGET VS. REVISED BUDGET VS. ACTUAL
 FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2019**

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:	50%
GENERAL ENGINEERING					
NEW WATER					
UPDATED STUDY ON AVAILABLE SOURCES	16,000		16,000	483.00	96.98%
SGMA SUPPORT					
GSP CONSULTANT	500,000		500,000	0.00	100.00%
WEBSITE SERVICES	3,000		3,000	0.00	100.00%
YUCAIPA GSA	0	30,000.00	30,000	11,274.42	62.42%
UWMP CONSULTANT	35,000		35,000	0.00	100.00%
STUDIES					
USGS	115,000		115,000	49,874.38	56.63%
WATER RATE NEXUS STUDY	35,000		35,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	15,000		15,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	48,000		48,000	2,343.75	95.12%
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	0.00	100.00%
INFRASTRUCTURE PLAN	30,000		30,000	3,955.50	86.82%
BASIN MONITORING TASK FORCE	18,000		18,000	18,046.00	-0.26%
GENERAL AGENCY - CEQA AND GIS SERVICES	7,000		7,000	230.00	96.71%
TOTAL GENERAL ENGINEERING	874,000	30,000	904,000	86,207.05	90.46%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	150,000		150,000	40,020.09	73.32%
TOTAL LEGAL SERVICES	150,000	0	150,000	40,020.09	73.32%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	12,000		12,000	0.00	100.00%
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	0.00	100.00%

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SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2019

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:	50%
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	74,247.61	-271.24%
CONSTRUCTION	76,000		76,000	369,155.20	-385.73%
BUNKER HILL CONJUNCTIVE USE PROJECT	0		0	0.00	0.00%
NOBLE TURNOUT EXPANSION					
CONSTRUCTION	8,000		8,000	7,629.05	4.64%
POST DESIGN	1,500		1,500	0.00	100.00%
SITES RESERVOIR	322,000		322,000	302,057.17	6.19%
MONITORING WELLS USGS	250,000		250,000	116,660.17	53.34%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	712,500	0	712,500	869,749.20	-22.07%
TRANSFERS TO OTHER FUNDS	0		0	0.00	
TOTAL GENERAL FUND EXPENSES	9,331,300	105,000	9,436,300	3,470,556.41	63.22%
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	647,426.48	

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**SAN GORGONIO PASS WATER AGENCY
 BUDGET REPORT FY 2019-20
 BUDGET VS. REVISED BUDGET VS. ACTUAL
 FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2019**

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:	50%
INCOME					
TAX REVENUE	23,995,229		23,995,229	6,075,623.20	74.68%
INTEREST	650,000		650,000	551,612.43	15.14%
DWR CREDITS - BOND COVER, OTHER	3,031,777		3,031,777	1,568,208.66	48.27%
TOTAL DEBT SERVICE FUND INCOME	27,677,006	0	27,677,006	8,195,444.29	70.39%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	60,000		60,000	31,921.46	46.80%
PAYROLL TAXES	4,700		4,700	3,145.48	33.07%
BENEFITS	74,000		74,000	20,457.85	72.35%
STATE WATER CONTRACT PAYMENTS	24,500,000		24,500,000	13,798,232.00	43.68%
WATER TRANSFERS	1,625,000		1,625,000	328,122.05	79.81%
SWC CONTRACTOR DUES	75,000		75,000	37,126.00	50.50%
DELTA CONVEYANCE FACILITY AUTHORITY	40,000		40,000	50,000.00	-25.00%
EBX CONTRACT OPERATIONS AND MAINTENANCE	125,000		125,000	16,313.64	86.95%
SWP ENGINEERING AND MAINTENANCE	450,000		450,000	227,979.91	49.34%
DEBT SERVICE UTILITIES	11,000		11,000	5,821.60	47.08%
STATE WATER PROJECT LEGAL SERVICES	0		0	1,850.28	0.00%
TAX COLLECTION CHARGES	70,000		70,000	23,625.80	66.25%
TOTAL DEBT SERVICE FUND EXPENSES	27,034,700	0	27,034,700	14,544,596.07	46.20%
TRANSFERS FROM RESERVES	0		0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	642,306	0	642,306	-6,349,151.78	

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**SAN GORGONIO PASS WATER AGENCY
CASH RECONCILIATION REPORT
FY 2019-20
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2019**

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	6,075,623	
INTEREST INCOME	551,612	
DWR REFUNDS	1,568,209	
DEBT SERVICE DISBURSEMENTS	(14,544,596)	
ENDING RESTRICTED FUNDS BALANCE - - - 12/31/19	<u>44,675,423</u>	<u>44,675,423</u>

GENERAL FUND - UNRESTRICTED

BEGINNING BALANCE - JULY 1, 2019		
GENERAL FUND ACTIVITY		
GENERAL FUND DEPOSITS		
WATER SALES	2,846,925	
PROPERTY TAX - GENERAL PURPOSE DEPOSITS	984,471	
INTEREST INCOME	176,764	
OTHER INCOME	109,823	
CHANGE IN RECEIVABLES	926,208	
GENERAL FUND DISBURSEMENTS		
CHANGE IN LIABILITIES	(1,179,436)	
CHANGE IN CAPITAL ASSETS	(1,179,314)	
OPERATING EXPENDITURES	(2,383,928)	
ENDING UNRESTRICTED FUNDS BALANCE - - - 12/31/19	<u>14,776,900</u>	<u>14,776,900</u>
<u>TOTAL CASH - - - 12/31/19</u>		<u>59,452,323</u>

LOCATION OF CASH - - - 12/31/19

PETTY CASH	100
CASH IN WELLS FARGO CHECKING ACCOUNT	522,646
CASH IN BANK OF HEMET CHECKING ACCOUNT	6,498
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	516,246
LOCAL AGENCY INVESTMENT FUND	14,598,594
CALTRUST	20,790,239
TIME VALUE INVESTMENTS	23,018,000

<u>TOTAL - - - 12/31/19</u>	<u>59,452,323</u>
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**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
<u>DEBT SERVICE FUND - RESTRICTED</u>				
BEGINNING BALANCE - JULY 1, 2019				
RESERVE FOR STATE WATER PROJECT	<u>51,024,575</u>	<u>51,024,575</u>	<u>51,024,575</u>	<u>51,024,575</u>
DEBT SERVICE ACTIVITY				
DEBT SERVICE DEPOSITS				
PROPERTY TAX - D. S. DEPOSITS	679,779	6,075,623		
INTEREST INCOME	245,968	551,612		
DWR REFUNDS	29,929	1,568,209		
DEBT SERVICE DISBURSEMENTS	(12,424,530)	(14,544,596)		
<u>ENDING RESTRICTED FUNDS BALANCE</u>	<u><u>39,555,721</u></u>	<u><u>44,675,423</u></u>		
<u>GENERAL FUND - UNRESTRICTED</u>				
BEGINNING BALANCE - JULY 1, 2019	<u>14,475,387</u>	<u>14,475,387</u>	<u>14,475,387</u>	<u>14,475,387</u>
GENERAL FUND ACTIVITY				
GENERAL FUND DEPOSITS				
WATER SALES	1,181,100	2,846,925		
PROPERTY TAX - GENERAL DEPOSITS	124,935	984,471		
INTEREST INCOME	69,376	176,764		
OTHER INCOME	50,049	109,823		
CHANGE IN RECEIVABLES	926,208	926,208		
GENERAL FUND DISBURSEMENTS				
CHANGE IN LIABILITIES	(1,018,232)	(1,179,436)		
CHANGE IN CAPITAL ASSETS	(465,420)	(1,179,314)		
OPERATING EXPENDITURES	(1,199,153)	(2,383,928)		
<u>ENDING UNRESTRICTED FUNDS BALANCE</u>	<u><u>14,144,249</u></u>	<u><u>14,776,900</u></u>		
<u>TOTAL CASH - END OF QUARTER</u>	<u><u>53,699,970</u></u>	<u><u>59,452,323</u></u>	<u>-</u>	<u>-</u>
<u>CASH AND INVESTMENTS</u>				
PETTY CASH	100	100		
CASH IN W. F. CHECKING ACCOUNT	728,402	522,646		
CASH IN B. OF H. CHECKING ACCOUNT	8,750	6,498		
BANK OF HEMET L A M M A	515,401	516,246		
LOCAL AGENCY INVESTMENT FUND	8,740,203	14,598,594		
CALTRUST	20,684,114	20,790,239		
TIME VALUE INVESTMENTS	23,023,000	23,018,000		
<u>TOTAL - END OF QUARTER</u>	<u><u>53,699,970</u></u>	<u><u>59,452,323</u></u>	<u>-</u>	<u>-</u>

**SAN GORGONIO PASS WATER AGENCY
RESERVE ALLOCATION REPORT
FY 2019-20
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	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		
UNRESTRICTED					
OPERATIONS	1,500,000	1,500,000	1,500,000		
NEW INFRASTRUCTURE	9,422,177	9,778,050	9,446,911		
Additions or Adjustments	3,120,609	-331,139	591,133		
Expenditures	-2,764,737		-443,403		
Ending Balance	9,778,050	9,446,911	9,594,641	0	0
ADDITIONAL WATER	4,175,505	1,647,338	1,647,338		
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	0	0
RATE STABILIZATION					
Taxpayer Contribution	0	0			
Previous Ratepayer Balance	150,000	150,000	150,000		
Ratepayer Contribution					
Excess Contribut.-To Addnl. Water					
Expenditures					
Ending Balance	150,000	150,000	150,000	0	0
REPLACEMENTS	1,250,000	1,250,000	1,250,000		
UNEXPECTED LEGAL SERVICES	150,000	150,000	150,000		
TOTAL UNRESTRICTED RESERVES	14,475,387	14,144,249	14,776,900	0	0
TOTAL RESERVES	65,499,962	53,699,970	59,452,323	0	0

CASH LOCATION

Petty Cash	100	100	100		
Wells Fargo Checking Account	161,848	728,402	522,646		
Bank of Hemet Checking Account	9,288	8,750	6,498		
Bank of Hemet L A M M A	514,539	515,401	516,246		
LAIF	21,217,212	8,740,203	14,598,594		
CalTRUST	20,566,975	20,684,114	20,790,239		
Time Value Investments	23,030,000	23,023,000	23,018,000		
TOTAL CASH	65,499,962	53,699,970	59,452,323	0	0

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2019-20
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2019**

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	529,144
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	516,246
LOCAL AGENCY INVESTMENT FUND	14,598,594
CALTRUST SHORT-TERM	20,790,239
CALTRUST MEDIUM-TERM	-
TIME VALUE INVESTMENTS	23,020,000
US TREASURY	-

<u>TOTAL</u>	59,454,323
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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. Poole, Jr.

January 23, 2020

**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2019-20
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2019**

INVESTMENT DETAIL

SHORT-TERM

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
Bank of Hemet	Local Agency Money Market	0.65%	12/31/19	515,401.21

BROKER: TIME VALUE INVESTMENTS T-BILLS

ISSUER	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
US Treasury	4,999,185.57	1.68%	1/2/20	5,020,000.00	5,020,000.00

HYBRID

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	BOOK VALUE	CURRENT VALUE
State of California	LAIF	2.04%	* 12/31/19	14,598,594.31	14,598,594.31
CalTRUST	Short-Term	2.00%	* 12/31/19	20,790,238.62	20,866,617.22
CalTRUST	Medium-Term	0.00%	* 12/31/19	0.00	0.00

*Average for December, 2019

MEDIUM-TERM

BROKER: TIME VALUE INVESTMENTS BONDS

ISSUER	TYPE	PURCHASE AMOUNT	YIELD to Maturity	MATURITY DATE	FACE VALUE	CURRENT VALUE
FFCB	Callable*	1,000,770	1.38%	3/2/20	1,000,000	999,400.00
FNMA	Callable*	1,050,000	1.40%	11/25/20	1,050,000	1,046,944.50
TRNOTE	Callable*	2,050,000	1.53%	9/30/21	2,050,000	2,033,497.50
TRNOTE	Callable*	2,000,000	1.63%	11/15/22	2,000,000	1,908,800.00
FHLB	Callable*	998,618	1.90%	5/25/23	1,000,000	999,100.00
FHLB	Callable*	973,769	1.87%	10/11/23	1,000,000	999,300.00
TOTALS		8,073,157	1.61%		8,100,000	7,987,042.00

* Can be redeemed before maturity date.

BROKER: TIME VALUE INVESTMENTS CDs

ISSUER	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
Various banks	9,900,000	2.39%	2-22 months	9,900,000	9,955,473.41

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
25%	8%	17%	13%	35%

Memorandum

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

From: Jeffrey F. Ferre, General Counsel
Best Best & Krieger LLP

Date: February 3, 2020

Re: General Counsel Report - Board of Directors Meeting

Please note that this is a general update for public discussion purposes only and does not constitute legal advice.

Regulation Narrowing Clean Water Act (“CWA”) Jurisdiction

The EPA and the Army Corps of Engineers have issued a regulation with a new definition of those “Waters of the United States” that will be deemed to be protected under the CWA. The CWA addresses water quality issues in waterways that fall under the definition of Waters of the United States. The previous regulation was more expansive as to what would be considered Waters of the United States subject to federal regulation. For example, the previous regulation expanded CWA jurisdiction to channels through which water flows intermittently, or channels that periodically provide drainage for rainfall.

Recent court cases have concluded that Waters of the United States, and “navigable waters” under the CWA jurisdiction, do not refer to water in general, but more narrowly to water as found in streams, oceans, rivers and lakes. The court cases concluded that such terms involve relatively permanent bodies of water, as opposed to ordinarily dry channels through which water occasionally or intermittently flows.

With this backdrop of the court cases and the intent of the Trump Administration to narrow the reach of the CWA, the new regulation provides for the following:

Ephemeral streams (water flows only during precipitation events) will be excluded from CWA jurisdiction.

Wetlands will be excluded from CWA jurisdiction unless they have a direct surface connection to a Water of the United States.

Artificial lakes and ponds, water storage reservoirs, stormwater control features, and groundwater recharge facilities will be excluded from CWA jurisdiction if they were not built in a Water of the United States.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Summary of PERS and Agency Obligations

DATE: February 3, 2020

Summary:

The Board has been asking for some time to discuss the Agency's PERS obligations. Staff has indicated that it would like to present a broader view of PERS in addition to just reviewing the Agency's PERS obligations. The purpose of this discussion is for staff to present an overview of PERS and the Agency's unfunded liability to PERS to the Board. The presentation is not included in the agenda package but will be handed out at the Board meeting.

Background:

CalPERS, or PERS (Public Employee Retirement System), is the pension system for the state of California and many other public entities within the state (there are over 3000 employers who are members). PERS is independent of the state and its finances are not directly tied to the finances of the state or any other public agency within the state. The Agency is a member of PERS and has been since 1990.

Recommendation:

The purpose of the presentation is to generate a discussion of PERS and the Agency's obligation to it. Staff has no recommendation for any action at this time. The presentation will demonstrate that the Agency's accrued unfunded liability to PERS is minimal and staff, at the Board's direction, is already taking steps to have this obligation paid down in 3-4 years.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Update on SGMA for the San Gorgonio Pass Subbasin

DATE: February 3, 2020

Summary:

The purpose of this agenda item is to update the Board on the status of SGMA implementation in the San Gorgonio Pass Subbasin. In 2019, the Board requested periodic updates at Board meetings in order for the Board and the public to keep up with the progress being made toward development of a Groundwater Sustainability Plan (GSP) for the subbasin.

Detailed Report:

Staff will share some documents and agendas from meetings with the GSP consultant at the Board meeting, and explain to the Board some of the key discussions that are ongoing at this time. One key issue is the potential use of management zones within the subbasin. Staff will review this with the Board. Potential management zone concepts are included in the agenda package.

Recommendation:

There is no action required of the Board at this time. This is a status report on SGMA implementation.

San Gorgonio Pass GSP Working Group Meeting

Date:	January 9, 2020	Time:	10:00am to 12:00pm
Called by:	Provost & Pritchard & Intera	Location:	San Gorgonio Pass Water Agency 1210 Beaumont Ave. Beaumont, Ca 92223
Subject:	San Gorgonio Pass GSP Working Group Meeting		
Attendees:	San Gorgonio Pass Working Group, Abhi (Intera), Terry (P&P), Jason (P&P), Kait (P&P)		

Agenda

- Introductions
- Model Update – Abhi (Intera)
- Management Areas – Terry (P&P)
- Data Management System – Jason (P&P)
- Chapter 2 – Terry & Kait(P&P)
- Chapter 3 – Terry & Kait (P&P)
- Sustainable Management Criteria – Terry & Kait (P&P)
- Cost Share – Jeff (SGPWA)
- Next Steps

Sustainable Management Criteria

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The SGMA defines Sustainable Groundwater Management as **“the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.”** In other words, the avoidance of undesirable results is integral to the success of the GSP.

SGMA offers each respective groundwater Subbasin the opportunity to define sustainability and the metrics to measure the success through requiring descriptions for the Sustainability Management Criteria, listed in **Table-1** below.

Table-1. Sustainable Management Criteria

Term	Definition	Definition Type
Sustainability Goal	A succinct qualitative statement including objectives and desired conditions of the groundwater basin, how the Subbasin will get to that desired condition, and why the measures planned will lead to success.	Language
Undesirable Result	A situation that occurs when conditions related to any of the six sustainability indicators become significant and unreasonable.	Language
Interim Goal	The 5-year incremented quantitative goals that reflect the Subbasin's desired groundwater conditions and allow the Subbasin to achieve the sustainability goal within 20 years.	Quantitative
Measurable Objective	The quantitative goal that reflect the basin's desired groundwater conditions and allow the Subbasin to achieve the sustainability goal at the end of the 20-year planning period.	Quantitative
Minimum Threshold	The quantitative value that represents the groundwater conditions at a monitoring site that, when exceeded individually or in combination with minimum thresholds at other monitoring sites, may cause undesirable result(s) in the Subbasin.	Quantitative

The Sustainable Management Criteria terms identified above are to be defined for each applicable sustainability indicator. The SGMA defines the sustainability indicators as follows in **Figure-1**. In the San Geronio Pass Subbasin, seawater intrusion, degraded quality, land subsidence, and surface water depletion do not have evidence of influence by groundwater management actions; therefore, they are considered inapplicable. This leaves the need to define the sustainability goal, measurable objective, minimum threshold, interim goals, and undesirable results for water levels and groundwater storage.

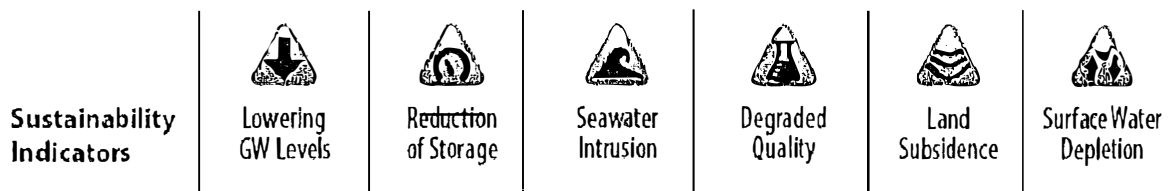


Figure-1. Sustainability Indicators

The following Table-2 offers a step-wise method for defining sustainable management criteria.

Table-2. SMC Method Table

Description		Definition	Notes
PRIMER			
1	Identify all beneficial users in each Management Area	The users with the right to utilize the groundwater resources.	industrial, municipal, environmental, etc.
2	Confirm the applicable Sustainability Indicators	The effects caused by groundwater conditions occurring throughout the basin that, when significant and unreasonable, become undesirable results	Lowering GW Levels and Reduction of Storage, in this case.
DEFINING UNDESIRABLE RESULT			
3	Define the Undesirable Result for Lowering Groundwater Levels and Change in Storage	A situation that occurs when conditions related to any of the applicable sustainability indicators become "significant and unreasonable"	Consider in relation to groundwater management impacts on beneficial users of all Management areas.
DEFINE REPRESENTATIVE MONITORING NETWORK			
4	Identify the representative monitoring network sites.	Representative monitoring sites are a subset of a basin's complete monitoring network, where minimum thresholds, measurable objectives, and interim milestones are set. Representative monitoring sites can be used for one sustainability indicator or multiple sustainability indicators	Wells that have historic data and are accessible will be prioritized. Must have coverage in every management area (except for adjudicated).
QUANTITATIVE ASSESSMENT			
5	Define the quantitative Minimum Threshold based on the Undesirable Result and historic data for each representative monitoring site.	The quantitative value that represents the groundwater conditions at a monitoring site that, when exceeded individually or in combination with minimum thresholds at other monitoring sites, may cause undesirable result(s) in the Subbasin.	Review hydrographs and predicted groundwater levels.
6	Define the quantitative Measurable Objective based on Sustainability goal and historic data for each representative monitoring site.	The quantitative goal that reflect the basin's desired groundwater conditions and allow the Subbasin to achieve the sustainability goal at the end of the 20-year planning period.	Review hydrographs and predicted groundwater levels.
7	Define the quantitative 5-year increment Interim Goals for each representative monitoring site.	Much like the Measurable Objective, these are quantitative goals that follow 5, 10, and 15 years into implementation.	Based on the historic data, current data, and projection to the Measurable Objective.
8	Define "Significant and Unreasonable" undesirable results.		X representative monitoring wells exceed their minimum threshold in X consecutive years.
DEFINE SUSTAINABILITY GOAL			
9	Define Sustainability Goal for Water Levels/Change in Storage	A succinct qualitative statement including objectives and desired conditions of the groundwater basin, how the Subbasin will get to that desired condition, and why the measures planned will lead to success.	They may be the same goal or differ.

Chronic Lowering of Groundwater Levels – Minimum Threshold Establishment – DWR Example:

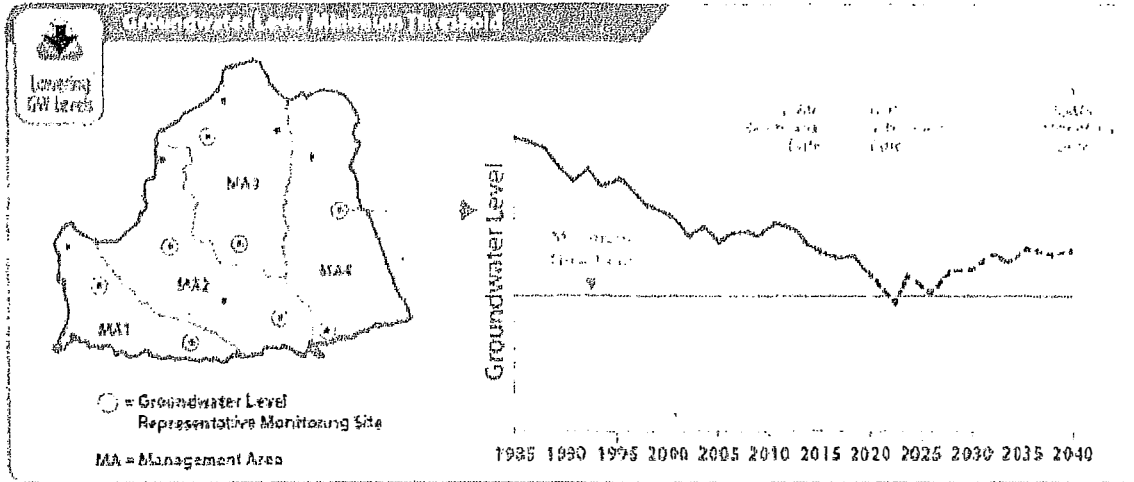


Figure 3. Example Groundwater Level Minimum Threshold Established at a Representative Monitoring Site

Considerations when establishing minimum thresholds for groundwater levels at a given representative monitoring site may include, but are not limited to:

- What are the historical groundwater conditions in the basin?
- What are the average, minimum, and maximum depths of municipal, agricultural, and domestic wells?
- What are the screen intervals of the wells?
- What impacts do water levels have on pumping costs (e.g., energy cost to lift water)?
- What are the adjacent basin's minimum thresholds for groundwater elevations?
- What are the potential impacts of changing groundwater levels on groundwater dependent ecosystems?
- Which principal aquifer, or aquifers, is the representative monitoring site evaluating?

Reduction in Groundwater Storage Minimum Threshold

Figure 4 illustrates a hypothetical graph depicting the volume of groundwater available in storage through time, and the associated minimum threshold for the basin.

Change in Groundwater Storage – Minimum Threshold Establishment – DWR Example:

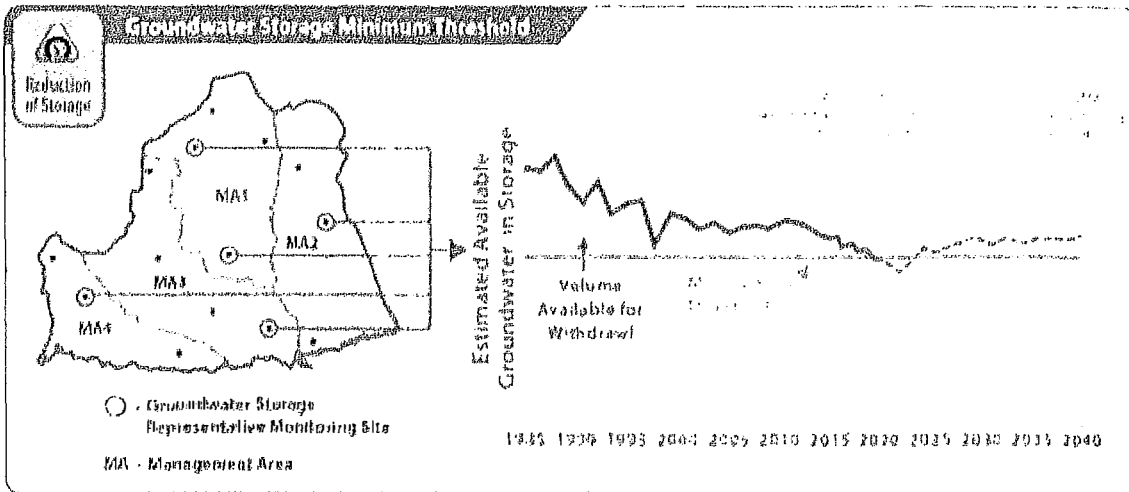


Figure 4. Example Groundwater Storage Minimum Threshold Established at the Basin Scale

Considerations when establishing the minimum threshold for groundwater storage may include, but are not limited to:

- What are the historical trends, water year types, and projected water use in the basin?
- What groundwater reserves are needed to withstand future droughts?
- Have production wells ever gone dry?
- What is the effective storage of the basin? This may include understanding of the:
 - Average, minimum, and maximum depth of municipal, agricultural, and domestic wells.
 - Impacts on pumping costs (i.e., energy cost to lift water).
- What are the adjacent basin's minimum thresholds?

Seawater Intrusion Minimum Threshold

Figure 5 illustrates hypothetical chloride isoconcentration contours for two aquifers in a coastal basin. The isoconcentration contours are used as minimum thresholds for seawater intrusion.

Chapter 3

Definable Bottom of the Subbasin

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Bottom of the Subbasin

The bottom of the Subbasin may be defined as the depth to bedrock, bottom of physically useable aquifer, or top of usable groundwater from a groundwater quality perspective.

What does the group want to consider as the definable bottom of the Subbasin?

- **Depth to bedrock?**
 - A gravity map is available that delineates the depth to bedrock across the Subbasin. This option would have the best documentation but result in the largest volume of usable groundwater to manage.
- **Depth of the usable aquifer?**
 - The deeper/older sediments are more compact and consolidated and have less permeability. The depth of the more permeable upper deposits could be considered the lower boundary of the usable aquifer and used as the bottom of the Subbasin. However, limited data is available that clearly identifies the depth to the less permeable deposits across the Subbasin.
- **Depth of usable groundwater?**
 - Groundwater with usable quality could potentially be used as the metric for defining the bottom of the Subbasin. There is uncertainty that enough depth discrete groundwater quality data exists to map this depth across the Subbasin.

Management Areas

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§354.20 (a)

Each Agency may define one or more management areas within a basin if the Agency has determined that creation of management areas will facilitate implementation of the Plan. Management areas may define different minimum thresholds and be operated to different measurable objectives than the basin at large, provided that undesirable results are defined consistently throughout the basin.

§354.20 (b)

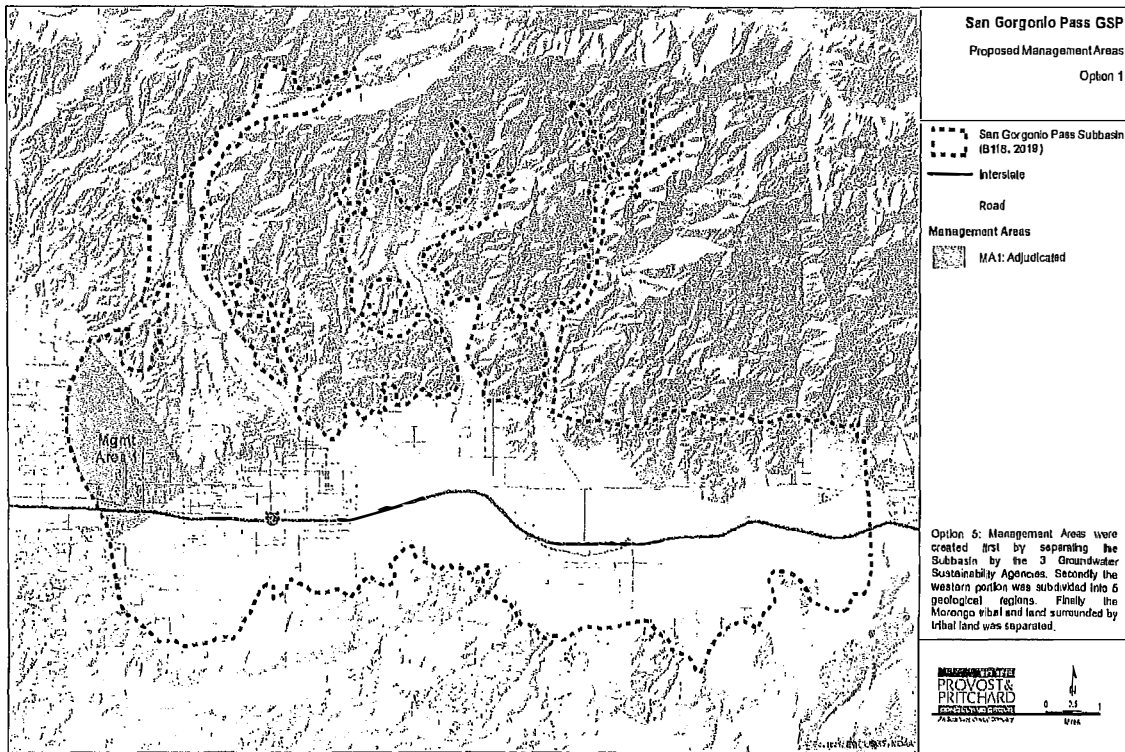
A basin that includes one or more management areas shall describe the following in the Plan:

- (1) The reason for the creation of each management area.
- (2) The minimum thresholds and measurable objectives established for each management area, and an explanation of the rationale for selecting those values, if different from the basin at large.
- (3) The level of monitoring and analysis appropriate for each management area.
- (4) An explanation of how the management area can operate under different minimum thresholds and measurable objectives without causing undesirable results outside the management area, if applicable.

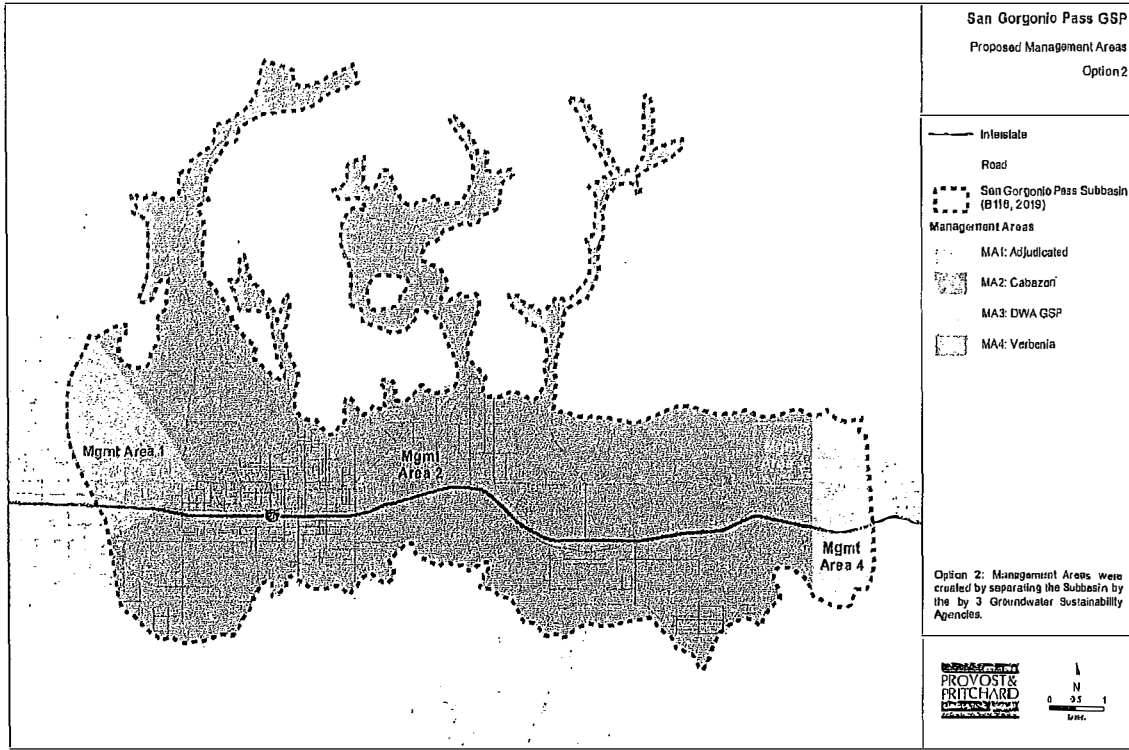
§354.20 (c)

If a Plan includes one or more management areas, the Plan shall include descriptions, maps, and other information required by this Subarticle sufficient to describe conditions in those areas.

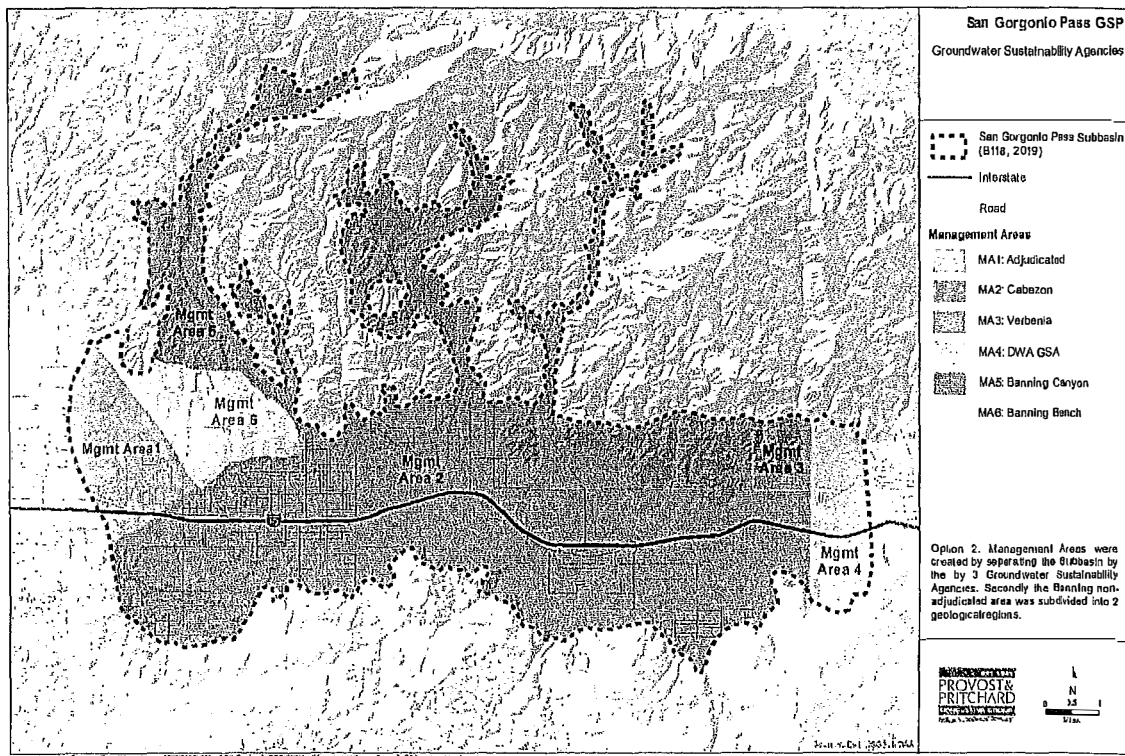
Option 1



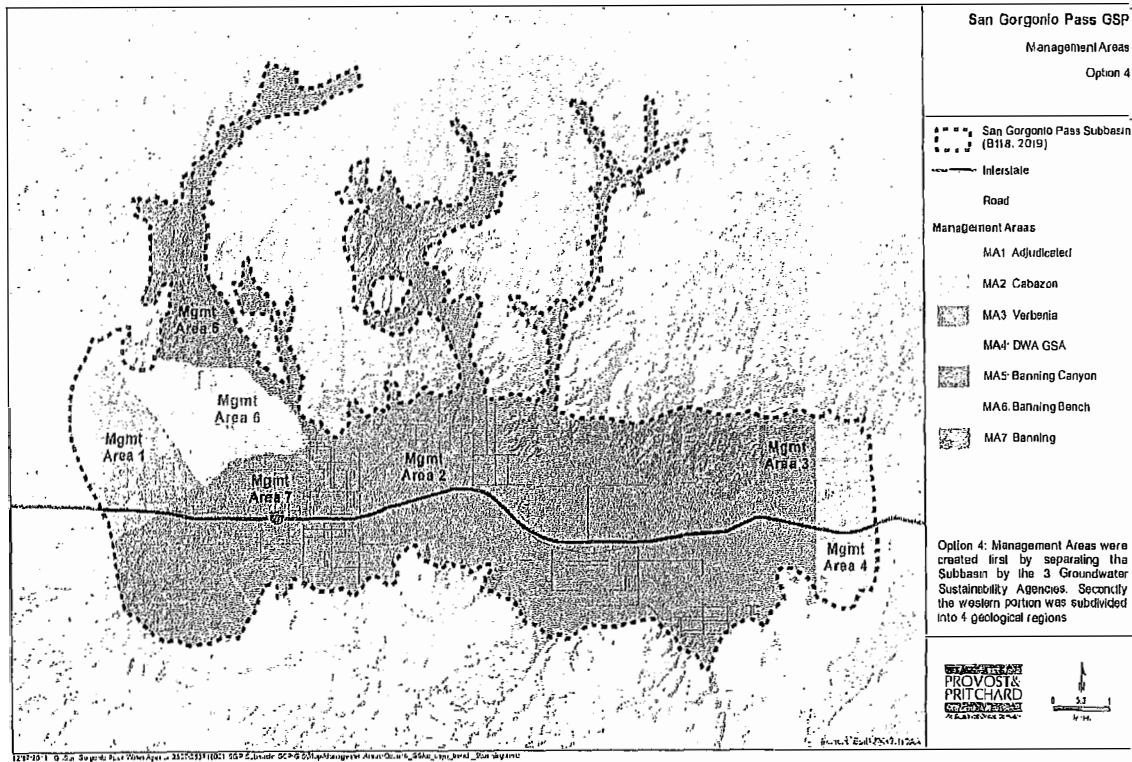
Option 2



Option 3



Option 4



Option 5

