

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
July 6, 2020 at 1:30 p.m.

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER: 669-900-6833 OR VIA ZOOM. MEETING ID 821 1597 9589

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

2. Adoption and Adjustment of Agenda

3. Public Comment

As permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment telephonically, all public comments, on items on or off the agenda, will be taken during the Public Comment portion of this meeting. 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, June 15, 2020* (p. 3)
- B. Approval of the Minutes of the Finance and Budget Workshop, June 22, 2020* (p. 9)
- C. Approval of the Finance and Budget Report, June 22, 2020* (p. 12)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report* (p. 29)
- B. General Counsel Report
- C. Directors' Reports
- D. Committee Reports

6. New Business (Discussion and Possible Action)

- A. Consideration of Adoption of General Fund Budget for Fiscal Year 2020-2021* (p. 34)
- B. Appointment of Board Secretary
- C. Appointment of Assistant Treasurer
- D. Appointment of Alternate to JPIA Board
- E. Appointment of Yucaipa GSA Representative
- F. Appointment of Alternate to Sites Reservoir Committee

7. Topics for Future Agendas

8. Announcements -

- A. Water Conservation and Education Committee, July 9, 2020 at 1:30 p.m. – Cancelled
- B. Engineering Workshop, July 13, 2020 at 1:30 p.m.
- C. Regular Board Meeting, July 20, 2020 at 1:30 p.m.

9. Adjournment

Pending Agenda Items:

<i>Request</i>	<i>Requester</i>	<i>Date of Request</i>	<i>Tentative Meeting Date Agenda</i>
Final costs of: Fiesta Recharge; Noble Creek Connection & Temp Connection; Mtn. View Connection	Thompson	12/02/2019	02/03/2020 or 02/18/2020

***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, CA
Board of Directors Meeting
Agenda
June 15, 2020
Closed Session at 12:30 p.m.
Open Session at 1:30 p.m.

Closed Session – 12:30 p.m.

Directors Present: Ron Duncan, President
Board Members Lenny Stephenson, Vice President
attended by Michael Thompson, Treasurer
video conferencing/ Blair Ball, Director
teleconferencing David Fenn, Director
David Castaldo, Director
Steve Lehtonen, Director
Staff Present: General Counsel Jeff Ferre

Staff attended by
Video conferencing/
teleconferencing

1. **Call to Order, Flag Salute, Invocation, and Roll Call:** The Closed Session was called to order by Board President Duncan at 12:30 p.m., June 15, 2020 by teleconference. A quorum was present.

2. **Closed Session (2 Items) Time: 12:30 pm**

PUBLIC EMPLOYMENT

Pursuant to Government Code Section 54957

Title: General Manager

CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6

Agency designated representative: Vice President Lenny Stephenson

Unrepresented employee: General Manager

The closed session was completed at 1:16 p.m.

Open Session at 1:30 p.m.

The open session meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President Duncan at 1:30 p.m., June 15, 2020 by teleconference/Zoom.

President Duncan read the following statement:

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER: 669-900-6833 OR JOIN BY ZOOM: <https://us02web.zoom.us/j/85812336786> MEETING ID 858 1233 6786.

General Counsel Jeff Ferre reported that the Board went in to closed session today at 12:30 pm under a separate call-in procedure 3 / 4 3 it closed session the Board considered Public

Employment under Government Code Section 54957 and Conference with Labor Negotiators under Government Code Section 54957.6. The Board came out of closed session at 1:16 pm; there was no reportable action on those matters.

Directors Present: Ron Duncan, President
All Board Members Lenny Stephenson, Vice President
attended by Michael Thompson, Treasurer
video conferencing/ Blair Ball, Director
teleconferencing David Fenn, Director
David Castaldo, Director
Steve Lehtonen, Director

Staff Present: Jeff Davis, General Manager
Staff attended by General Counsel Jeff Ferre
video conferencing/ Thomas Todd, Finance Manager
teleconferencing Cheryle Stiff, Executive Assistant
Casmir Olaivar, Social Media Specialist

- 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 1:38 p.m., May 18, 2020 by teleconference. President Duncan led the Pledge of Allegiance to the flag. Director Fenn gave the invocation. President Duncan requested a verbal roll call.

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

A quorum was present.

- 2. Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda. General Counsel Jeff Ferre stated that based on discussions in closed session, the Board would like to move item 6D up to the first item of New Business and reorder the balance of the items accordingly. Without objection, the Agenda was reordered as requested.*

- 3. Public Comment:** *President Duncan read the following statement: As permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment telephonically, all public comments, on items on or off the agenda, will be taken during the Public Comment portion of this meeting. 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. President Duncan asked for public comments from the public. There were no members of the public that spoke at this time.*

4. Consent Calendar:

- A. Approval of the Minutes of the Special Board Meeting, May 20, 2020
- B. Approval of the Minutes of the Special Board Meeting, May 27, 2020
- C. Approval of the Minutes of the Board of Directors Meeting, June 1, 2020
- D. Approval of the Minutes of the Engineering Workshop, June 8, 2020

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

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

Motion passed 7-0.

5. Reports:

A. General Manager's Report: A written report was not provided in the agenda packet.

1. **Operations Report** - The Agency has delivered approximately 300 acre-feet to the Noble Creek Connection for BCVWD, so far this month. We will continue to deliver at 10 cfs for the rest of this month and then increase to 12 cfs for July.

2. Other Agency Updates

- a. COVID-19 update. The numbers from two weeks ago within our service area: 354 cases, 19 deaths. The updated numbers: 419 cases and 21 deaths. Countywide, there have been 10,490 cases and 383 deaths. This compares to 7,486 cases and 323 deaths two weeks ago (40% increase in cases and 19% increase in deaths in two weeks).
- b. Ventura/Casitas exchange was approved by DWR at 75% of fixed costs. Our original agreement was to pay 100% of fixed costs for 15% of their water; the deal approved is to pay 75% of fixed costs for 20% of their water. This comes out to about \$930 per AF fixed costs, compared to our Table A costs of about \$7000 per AF of fixed costs. This does not include the conveyance cost. This is going through the DWR approval process and hopefully we will be able to schedule that water sometime in July.
- c. Reduced Reliance: General Manager Davis spoke on the meaning of Reduced Reliance and SWC's issues relating to water from the Delta.

B. General Counsel Report: None.

C. Directors Reports: 1) **Director Stephenson** reported on YVWD’s Board meeting that he attended on June 2nd. On June 9th he attended another YVWD meeting. 2) **Director Lehtonen** reported on Beaumont Basin Watermaster’s meeting that was held on June 3rd. 3) **Director Fenn** also reported on the Beaumont Basin Watermaster’s meeting that was held on June 3rd. 3) **Director Ball** reported on BCVWD’s June 10th meeting that he attended.

D. Committee Reports: None.

6. New Business:

A. Approval of Employment Agreement with Lance Eckhart for the Position of General Manager/Chief Hydrogeologist. A Staff report and a copy of the General Manager Employment Agreement were included in the agenda package. General Counsel Ferre stated that under 54953 (c)(3) prior to taking any action on a contract of this nature, the following report must be made. 1) That the proposed agreement will become effective July 13, 2020. 2) The term will continue June 30, 2023, unless terminated or extended. 3) The compensation will be at the rate of \$192,500 annually. 4) Mr. Eckhart will be entitled to a certain vacation accrual and automobile allowance. 5) Mr. Eckhart will be entitled to the same additional benefits that are available to employees. General Counsel Ferre stated that with the impending retirement of General Manager Jeff Davis, the Board initiated the recruitment a new General Manager. As a result of that process and interviews the Board would like to consider entering into a General Manager Employment Agreement with Mr. Lance Eckhart. Mr. Eckhart has indicated that he is willing to enter into the agreement. General Counsel Ferre turned this item over to the Board. The Board members commended General Manager Davis’ on his work ethic and commitment to the Agency. They also welcomed Mr. Eckhart to the Agency. After comments, President Duncan requested a motion. Director Ball made a motion, seconded by Director Thompson, to enter into the proposed General Manager Employment Agreement with Mr. Eckhart. President Duncan requested a verbal roll call vote.

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

Motion passed 7-0.

B. Consideration and Possible Action on Fourth Joint Facilities Agreement with SBVMWD: A staff report and a copy of the Fourth Joint Facilities Agreement were included in the agenda package. General Manager Davis stated that the Board discussed the draft Fourth Joint Facilities Agreement at the June 8th Engineering Workshop. The purpose of this item is to set the purchase price of the capacity to be purchased and the methodology for it. Valley District will be taking this to its Board tomorrow. Director Lehtonen made a motion, seconded by Director Stephenson, to approve the agreement

and authorize the General Manager to sign it. President Duncan requested a verbal roll call vote.

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

Motion passed 7-0.

C. Consideration and Possible Action on Yucaipa Valley Water District and San Bernardino Valley Municipal Water District Principles of Agreement on Calimesa. A staff report and a copy of Risk Sciences Summary of Revised Principles of Agreement for San Geronio Pass Water Agency were included in the agenda package. General Manager Davis stated that this item was discussed at the Engineering Workshop. Tim Moore of Risk Sciences presented and reviewed the principles of an agreement between the Agency, Valley District, and Yucaipa Valley Water District at the June Engineering workshop. At that meeting, it was the consensus of the Board that an agreement be drafted based on those principles. General Manager Davis stated that since YVWD and SBVMWD will be taking this item to their Boards for action, he was now requesting that the Agency Board also take action to approve the Principles of Agreement on the condition nothing would be binding unless or until a formal agreement is developed and executed by all parties. Mr. Davis requested that there be a formal vote to accept the principles and to direct Tim Moore to work with the designated attorney to draft an agreement based on those principles. That draft agreement will be brought back to all three Boards for discussion and consideration. General Counsel Ferre stated that the general principals are non-binding unless or until there is an actual contract. He stated that this contract would have some terms and obligations imposed on the Agency that are different than what the Agency has agreed to in the past. He named a number of issues to consider. Director Ball made a motion, seconded by Director Thompson, to approve the principles and to move this item forward for development of a potential agreement and that any such agreement be brought back to this Board for possible Board approval. President Duncan requested a verbal roll call vote.

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

Motion Passed 7-0.

D. Consideration of Payment for Candidate Statement for 2020 Election: A Staff report and a copy of the 2020 Notice to the Registrar of Voters form were included in the agenda packet. Director Stephenson made a motion, seconded by Director Fenn, to have individual candidates running for election to the Board pay for their own candidate statements. President Duncan requested a verbal roll call.

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

Motion passed 7-0.

7. Topics for Future Agendas: President Duncan requested from Director Thompson if the item for Water Delivery can be removed from the Pending Agenda Items Requests. Director Thompson stated that it can be removed.

8. Announcements:

- A. Finance & Budget Workshop, June 22, 2020 at 1:30 p.m.
 – Teleconference/Zoom
- B. Office closed Friday, July 3, 2020 in observance of Independence Day
- C. Regular Board Meeting, July 6, 2020 at 1:30 p.m.

9. Adjournment

Time: 2:21 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
June 22, 2020

In an effort to prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor's Executive Order N-29-20, this meeting was held via Zoom.

Directors Present via Zoom:

Lenny Stephenson, Vice President
Blair Ball, Director
David Castaldo, Director
David Fenn, Director
Steve Lehtonen, Director

Directors Absent:

Ron Duncan, President
Mike Thompson, Treasurer

Staff and Consultants Present via Zoom:

Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager
Casmir Olaivar, Social Media Intern

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 Vice President Lenny Stephenson at 1:30 pm, June 22, 2020. Vice President Stephenson led the Pledge of Allegiance to the flag. A quorum was present.

Vice President Stephenson informed the participants that the meeting was being held via Zoom and telephonically.

2. **Adoption and Adjustment of Agenda:** The agenda was adopted as posted.
3. **Public Comment:** Vice President Stephenson asked if anyone connected to the meeting wished to make a comment; no members of the public requested to speak at this time. He then turned the meeting over to Director David Fenn, Vice Chair of the Finance and Budget Committee.
4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for May, 2020 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Vice President Stephenson, seconded by Director Castaldo, to recommend that the Board ratify paid monthly invoices of \$750,053.33 and

payroll of \$37,863.64 for the month of May, 2020, for a combined total of \$787,916.97. The motion passed 5 in favor, no opposed, by roll-call vote.

- B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Ball, seconded by Director Castaldo, to recommend that the Board approve payment of the pending legal invoice for May, 2020 for \$14,899.34. The motion passed 5 in favor, no opposed, by roll-call vote.
- C. Review of May, 2020 Bank Reconciliation: After review and discussion, a motion was made by Vice President Stephenson, seconded by Director Ball, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for May, 2020 as presented. The motion passed 5 in favor, no opposed, by roll-call vote.
- D. Review of Budget Report for May, 2020: General Manager Jeff Davis reviewed the major categories of the budget report. He compared the current budget status to what we project it will be at the end of the fiscal year. After further review and discussion, a motion was made by Vice President Stephenson, seconded by Vice Chair Fenn, to recommend that the Board acknowledge receipt of the Budget Report for May, 2020. The motion passed 5 in favor, no opposed, by roll-call vote.
- E. Discussion of Proposed General Fund Budget for FY 2020-21: General Manager Davis reviewed the proposed budget, noting some changes from the previous budget presentation. Primarily, the revised budget increased tax revenue by \$200,000 to \$3.3 million, based on what the Agency expects to receive in June. In expenses, Payroll was decreased from \$564,000 to \$543,000 because the Agency completed negotiations with the new General Manager, and increased Retirement by \$100,000 for payments to the Unfunded Accrued Liability, and increased Dental Insurance to \$6,100 from \$5,100 (typo). The net effect is to reduce the net loss of the budget from \$1,894,700 to \$1,774,700. After further review and discussion, a motion was made by Vice Chair Fenn, seconded by Director Lehtonen, to recommend that the Board approve the proposed General Fund Budget for FY 2020-21. The motion passed 5 in favor, no opposed, by roll-call vote.

5. Announcements:

Vice Chair Fenn reviewed the announcements:

- A. The office will be closed Friday, July 3, 2020 in observance of Independence Day
- B. Regular Board meeting, July 6, 2020, 1:30 pm – Zoom/Teleconference
- C. Engineering Workshop, July 13, 2020, 1:30 pm – Zoom/Teleconference

Finance Manager Tom Todd reminded the Directors that the end of the fiscal year is close, and to please turn in any year-end reimbursements and/or pay requests this week.

- 6. Adjournment:** The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 2:18 pm.

Draft - Not
Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Vice Chair David Fenn

The Finance and Budget Workshop was held on June 22, 2020. The following recommendations were made:

1. The Board ratify payment of Invoices of \$750,053.33 and Payroll of \$37,863.64 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for May, 2020 for a combined total of \$787,916.97.
2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$14,899.34
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3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for May, 2020
 - B. Budget Report for May, 2020

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Ave, Beaumont, CA 92223
Board Finance & Budget Workshop
Agenda
June 22, 2020 at 1:30 p.m.

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:
(669) 900-6833 OR VIA ZOOM, MEETING ID 881 6384 7916

- 1. Call to Order, Flag Salute**
- 2. Adoption and Adjustment of Agenda**
- 3. Public Comment:** As permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment telephonically, all public comments, on items on or off the agenda, will be taken during the Public Comment portion of this meeting. 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 May, 2020 by Reviewing Check History Reports in Detail*
 - B. Review of Pending Legal Invoices*
 - C. Review of May, 2020 Bank Reconciliation*
 - D. Review of Budget Report for May, 2020*
 - E. Discussion of Proposed General Fund Budget for FY 2020-21*
- 5. Announcements**
 - A. The office will be closed Friday, July 3, 2020 in observance of Independence Day
 - B. Regular Board meeting, July 6, 2020, 1:30 pm – Zoom/Teleconference
 - C. Engineering Workshop, July 13, 2020, 1:30 pm – Zoom/Teleconference
- 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 Gorgonio Pass Water Agency
Check History Report
 May 1 through May 31, 2020

ACCOUNTS PAYABLE

Date	Number	Name	Amount
05/06/2020	119662	ACWA BENEFITS	873.59
05/06/2020	119663	AT&T MOBILITY	232.31
05/06/2020	119664	BLAIR M. BALL	890.00
05/06/2020	119665	BEAUMONT-CHERRY VALLEY WATER DISTRICT	414.60
05/06/2020	119666	BDL ALARMS, INC.	78.00
05/06/2020	119667	BEST BEST & KRIEGER	14,547.84
05/06/2020	119668	CA - DEPT. OF CONSUMER AFFAIRS	115.00
05/06/2020	119669	JEFFREY W. DAVIS	272.82
05/06/2020	119670	DEPARTMENT OF WATER RESOURCES	20,000.00
05/06/2020	119671	GOPHER PATROL	51.00
05/06/2020	119672	KERN COUNTY WATER AGENCY	8,500.00
05/06/2020	119673	STEPHEN J. LEHTONEN	761.08
05/06/2020	119674	OFFICE SOLUTIONS	69.23
05/06/2020	119675	UNDERGROUND SERVICE ALERT	31.45
05/06/2020	119676	VALLEY OFFICE EQUIPMENT, INC.	72.73
05/06/2020	119677	WASTE MANAGEMENT INLAND EMPIRE	112.59
05/12/2020	119678	RONALD A. DUNCAN	257.43
05/12/2020	119679	ERSC	3,895.00
05/12/2020	119680	FRONTIER COMMUNICATIONS	1,315.69
05/12/2020	119681	SOUTHERN CALIFORNIA GAS	87.31
05/12/2020	119682	UNLIMITED SERVICES	295.00
05/12/2020	119683	U. S. GEOLOGICAL SURVEY	40,864.00
05/15/2020	119684	PRO-CRAFT CONSTRUCTION, INC.	21,650.00
05/20/2020	119685	BARTEL ASSOCIATES, LLC	1,250.00
05/20/2020	119686	JEFFREY W. DAVIS	70.00
05/20/2020	119687	MATTHEW PISTILLI LANDSCAPE SERVICES	350.00
05/20/2020	119688	NICE-INCONTACT	206.85
05/20/2020	119689	WELLS FARGO ELITE CREDIT CARD	1,170.20
05/28/2020	119690	STANDARD INSURANCE COMPANY	478.67
05/26/2020	119691	AT&T MOBILITY	232.31
05/26/2020	119692	CONTROL TEMP, INC.	135.00
05/26/2020	119693	DAVID TAUSSIG & ASSOCIATES, INC.	1,731.69
05/26/2020	119694	GOPHER PATROL	51.00
05/26/2020	119695	MESA FENCE COMPANY	1,640.00
05/26/2020	119696	NICE GRAPHIX	250.00
05/26/2020	119697	OFFICE SOLUTIONS	546.65
05/26/2020	119698	SOUTHERN CALIFORNIA EDISON	103.68
05/26/2020	119699	VALLEY OFFICE EQUIPMENT, INC.	82.71
05/14/2020	523146	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,059.39
05/14/2020	502218	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,163.02
05/28/2020	558832	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,059.39
05/28/2020	504469	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	7,428.03
05/14/2020	900314	CALPERS RETIREMENT	5,471.64
05/14/2020	900315	CAL PERS RETIREMENT - SIP-457	1,680.00
05/26/2020	900316	CALPERS HEALTH	8,142.79
05/28/2020	900317	CALPERS RETIREMENT	5,471.64
05/28/2020	900318	CAL PERS RETIREMENT - SIP-457	1,680.00

San Gorgonio Pass Water Agency
Check History Report
 May 1 through May 31, 2020

ACCOUNTS PAYABLE (CON'T)

Date	Number	Name	Amount
05/29/2020	900319	DEPARTMENT OF WATER RESOURCES	588,212.00
TOTAL ACCOUNTS PAYABLE CHECKS			750,053.33

PAYROLL

Date	Number	Name	Amount
05/13/2020	801898	JEFFREY W. DAVIS	5,263.99
05/13/2020	801899	KENNETH M. FALLS	3,055.40
05/13/2020	801900	CASMIR J. OLAIVAR	536.63
05/13/2020	801901	CHERYLE M. STIFF	2,459.43
05/13/2020	801902	THOMAS W. TODD, JR.	3,798.63
05/27/2020	801903	BLAIR M. BALL	1,272.58
05/27/2020	801904	JEFFREY W. DAVIS	5,263.99
05/27/2020	801905	RONALD A. DUNCAN	1,272.58
05/27/2020	801906	KENNETH M. FALLS	3,055.40
05/27/2020	801907	DAVID L. FENN	1,272.58
05/27/2020	801908	STEPHEN J. LEHTONEN	1,272.58
05/27/2020	801909	CASMIR J. OLAIVAR	536.63
05/27/2020	801910	LEONARD C. STEPHENSON	1,272.58
05/27/2020	801911	CHERYLE M. STIFF	2,459.43
05/27/2020	801912	MICHAEL D. THOMPSON	1,272.58
05/27/2020	801913	THOMAS W. TODD, JR.	3,798.63
TOTAL PAYROLL			37,863.64
TOTAL DISBURSEMENTS FOR MAY, 2020			787,916.97

SAN GORGONIO PASS WATER AGENCY
New Vendors List
June, 2020

Vendor - Name and Address	Expenditure Type
Nice Graphix old address: 14341 Beach Blvd. Suite R; Westminster, CA 92683 new address: 12826 Cottonwood Rd; Whitewater, CA 92282	Website Support
Mesa Fence Co., Inc. 1303 W. Oleander Ave.; Perris, CA 92571	Fencing, Maintenance

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	200531	LEGAL SERVICES MAY 2020	14,899.34

TOTAL PENDING INVOICES FOR APPROVAL JUNE 2020

14,899.34

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
May 31, 2020**

BALANCE PER BANK ON 05/31/2020 - CHECKING ACCOUNT 2,984,686.36

Balance to Reconcile 2,984,686.36

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
119686	70.00	119696	250.00
119690	478.67	119697	546.65
119691	232.31	119698	103.68
119692	135.00	119699	82.71
119693	1,731.69		
119694	51.00		
119695	1,640.00		
	<u>4,338.67</u>		<u>983.04</u>

TOTAL OUTSTANDING CHECKS -5,321.71

BALANCE PER GENERAL LEDGER 2,979,364.65

BALANCE PER GENERAL LEDGER ON 04/30/2020 2,444,441.83

CASH RECEIPTS FOR MAY 3,768,006.28

CASH DISBURSEMENTS FOR MAY

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	-750,053.33	
PAYROLL TRANSFER - BANK OF HEMET	<u>-46,000.00</u>	
		<u><u>-796,053.33</u></u>

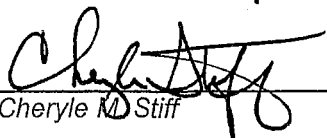
BANK CHARGES -30.13

TRANSFER TO LAIF -5,000,000.00

TRANSFERS FROM TVI 2,563,000.00

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

REPORT PREPARED BY:


Cheryl M Stiff

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

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
5/11/20	RIVERSIDE COUNTY	PROPERTY TAXES	74,288.47	74,288.47
5/15/20	RIVERSIDE COUNTY	PROPERTY TAXES	3,533,464.04	3,533,464.04
5/27/20	TVI	CD - BOND INTEREST	20,646.92	20,646.92
5/28/20	RIVERSIDE COUNTY	PROPERTY TAXES	139,605.30	139,605.30
5/29/20	TVI	CD - BOND INTEREST	1.55	1.55
TOTAL FOR MAY 2020			3,768,006.28	3,768,006.28

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2020**

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

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME				Comparison:	8%
INCOME					
WATER SALES	5,600,000		5,600,000	4,481,423.40	19.97%
TAX REVENUE	2,750,000		2,750,000	2,302,856.22	16.26%
INTEREST	350,000		350,000	272,795.77	22.06%
DESIGNATED REVENUES	820,000		820,000	885,279.85	-7.96%
CAPACITY FEE	0		0	0.00	
OTHER (REIMBURSEMENTS, TRANSFERS)	31,000		31,000	35,652.36	-15.01%
TOTAL GENERAL FUND INCOME	9,551,000	0	9,551,000	7,978,007.60	16.47%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	6,100,000		6,100,000	4,858,909.68	20.35%
TOTAL COMMODITY PURCHASE	6,100,000	0	6,100,000	4,858,909.68	20.35%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	500,000		500,000	459,445.95	8.11%
PAYROLL TAXES	43,000		43,000	38,764.97	9.85%
RETIREMENT	250,000		250,000	138,483.61	44.61%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	73,000		73,000	19,843.06	72.82%
HEALTH INSURANCE	68,000		68,000	65,364.97	3.88%
DENTAL INSURANCE	5,000		5,000	4,360.56	12.79%
LIFE INSURANCE	1,600		1,600	1,673.03	-4.56%
DISABILITY INSURANCE	5,200		5,200	4,757.72	8.51%
WORKERS COMP INSURANCE	3,800		3,800	2,936.72	22.72%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	7,907.43	20.93%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	960,600	0	960,600	743,538.02	22.60%

20 / 43

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2020**

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

21 / 43

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	8%
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	115,000		115,000	87,145.84	24.22%
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	7,878.18	47.48%
DIRECTORS MISC. MEDICAL	21,000		21,000	10,456.88	50.21%
OFFICE EXPENDITURES					
OFFICE EXPENSE	15,000		15,000	10,360.35	30.93%
POSTAGE	700		700	368.62	47.34%
TELEPHONE	11,500		11,500	10,796.42	6.12%
UTILITIES	5,000		5,000	4,340.39	13.19%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	17,000		17,000	6,795.54	60.03%
GENERAL MANAGER & STAFF TRAVEL	18,000		18,000	21,793.74	-21.08%
INSURANCE & BONDS	23,000		23,000	23,281.65	-1.22%
ACCOUNTING & AUDITING	21,000		21,000	18,285.00	12.93%
STATE WATER CONTRACT AUDIT	5,500		5,500	5,471.00	0.53%
DUES & ASSESSMENTS	30,000		30,000	30,608.00	-2.03%
OUTSIDE PROFESSIONAL SERVICES	7,500		7,500	45,960.47	-512.81%
BANK CHARGES	1,000		1,000	997.42	0.26%
MISCELLANEOUS EXPENSES and PENALTIES	500		500	35,000.00	-6900.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	500		500	941.57	-88.31%
VEHICLE REPAIR & MAINTENANCE	5,000		5,000	6,720.30	-34.41%
MAINTENANCE & REPAIRS - BUILDING	30,000		30,000	10,998.10	63.34%
MAINTENANCE & REPAIRS - FIELD	8,000		8,000	4,451.19	44.36%
CONTRACT OPERATIONS AND MAINTENANCE	125,000		125,000	89,352.91	28.52%
WATER TREATMENT EXPENSE	0	75,000	75,000	63,139.91	15.81%
COUNTY EXPENDITURES					
LAFCO COST SHARE	6,000		6,000	6,651.71	-10.86%
ELECTION EXPENSE	0		0	0.00	0.00%
TAX COLLECTION CHARGES	11,000		11,000	7,271.30	33.90%
TOTAL ADMINISTRATIVE & PROFESSIONAL	492,200	75,000	567,200	509,066.49	10.25%

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2020**

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

22 / 43

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	8%
GENERAL ENGINEERING					
NEW WATER					
UPDATED STUDY ON AVAILABLE SOURCES	16,000		16,000	1,278.50	92.01%
SGMA SUPPORT					
GSP CONSULTANT	500,000		500,000	221,384.31	55.72%
WEBSITE SERVICES	3,000		3,000	0.00	100.00%
YUCAIPA GSA	0	30,000.00	30,000	13,406.26	55.31%
UWMP CONSULTANT	35,000		35,000	0.00	100.00%
STUDIES					
USGS	115,000		115,000	150,817.98	-31.15%
WATER RATE NEXUS STUDY	35,000		35,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	15,000		15,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	48,000		48,000	16,219.19	66.21%
WHEELING RATE STUDY	0		0	0.00	0.00%
OTHER PROJECTS					
IRWMP IMPLEMENTATION PROPOSAL	22,000		22,000	0.00	100.00%
FLUME MONITORING	30,000		30,000	30,000.00	0.00%
INFRASTRUCTURE PLAN	30,000		30,000	19,478.50	35.07%
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	470,860.74	47.91%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	150,000		150,000	85,940.31	42.71%
TOTAL LEGAL SERVICES	150,000	0	150,000	85,940.31	42.71%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	12,000		12,000	5,220.00	56.50%
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	5,220.00	87.57%

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2020**

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

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	8%
GENERAL FUND CAPITAL EXPENDITURES					
BUILDING & EQUIPMENT					
BUILDING	10,000		10,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	25,000		25,000	0.00	100.00%
OTHER EQUIPMENT	0		0	0.00	0.00%
FIESTA RECHARGE FACILITY					
POST DESIGN	20,000		20,000	95,773.10	-378.87%
CONSTRUCTION	76,000		76,000	550,526.65	-624.38%
BUNKER HILL CONJUNCTIVE USE PROJECT	0		0	0.00	0.00%
NOBLE TURNOUT EXPANSION					
POST DESIGN	8,000		8,000	13,810.05	-72.63%
CONSTRUCTION	1,500		1,500	29,250.00	-1850.00%
SITES RESERVOIR	322,000		322,000	302,057.17	6.19%
MONITORING WELLS USGS	250,000		250,000	299,873.26	-19.95%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	712,500	0	712,500	1,291,290.23	-81.23%
TRANSFERS TO OTHER FUNDS	0		0	0.00	
TOTAL GENERAL FUND EXPENSES	9,331,300	105,000	9,436,300	7,964,825.47	15.59%
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	13,182.13	

23 / 43

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2020**

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

24/43

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME				Comparison:	8%
INCOME					
TAX REVENUE	23,995,229		23,995,229	20,177,072.97	15.91%
INTEREST	650,000		650,000	844,340.92	-29.90%
DWR CREDITS - BOND COVER, OTHER	3,031,777		3,031,777	3,294,069.66	-8.65%
TOTAL DEBT SERVICE FUND INCOME	27,677,006	0	27,677,006	24,315,483.55	12.15%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	60,000		60,000	56,284.40	6.19%
PAYROLL TAXES	4,700		4,700	5,009.28	-6.58%
BENEFITS	74,000		74,000	31,772.44	57.06%
STATE WATER CONTRACT PAYMENTS	24,500,000		24,500,000	21,678,626.00	11.52%
WATER TRANSFERS	1,625,000		1,625,000	328,122.05	79.81%
SWC CONTRACTOR DUES	75,000		75,000	38,049.00	49.27%
DELTA CONVEYANCE FACILITY AUTHORITY	40,000		40,000	50,000.00	-25.00%
EBX CONTRACT OPERATIONS AND MAINTENANCE	125,000		125,000	89,352.90	28.52%
SWP ENGINEERING AND MAINTENANCE	450,000		450,000	342,922.16	23.80%
DEBT SERVICE UTILITIES	11,000		11,000	10,174.64	7.50%
STATE WATER PROJECT LEGAL SERVICES	0		0	1,850.28	0.00%
TAX COLLECTION CHARGES	70,000		70,000	67,423.40	3.68%
TOTAL DEBT SERVICE FUND EXPENSES	27,034,700	0	27,034,700	22,699,586.55	16.04%
TRANSFERS FROM RESERVES	0		0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	642,306	0	642,306	1,615,897.00	

SAN GORGONIO PASS WATER AGENCY

GENERAL FUND BUDGET FY 2020-2021

ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021

APPROVED: GENERAL FUND JULY xx, 2020 - DEBT SERVICE FUND AUGUST xx, 2020

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021

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	1 TOTAL BUDGET FY 2019-20	2 ACTUAL APRIL 2020	3 ESTIMATED ACTUAL AT JUNE 30	4 REMAINING % ACTUAL OF BUDGET	5 PROPOSED BUDGET FY 2020-21	6 CHANGE % PROPOSED TO EST. ACTUAL
GENERAL FUND - INCOME						
INCOME						
WATER SALES	5,600,000	4,481,423.40	5,000,000.00	-12.0%	4,200,000	-16.0%
TAX REVENUE	2,750,000	2,226,878.30	3,300,000.00	16.7%	3,300,000	0.0%
INTEREST	350,000	263,239.81	315,500.00	-10.9%	250,000	-20.8%
DESIGNATED REVENUES	820,000	885,279.85	937,900.00	12.6%	910,000	-3.0%
CAPACITY FEE	0	0.00	0.00	0.0%	0	0.0%
OTHER (REIMBURSEMENTS, TRANSFERS)	31,000	35,652.36	35,652.36	13.0%	32,000	-10.2%
TOTAL GENERAL FUND INCOME	9,551,000	7,892,473.72	9,589,052.36	0.4%	8,692,000	-9.4%
GENERAL FUND - EXPENSES						
COMMODITY PURCHASE						
PURCHASED WATER	6,100,000	4,847,920.68	5,394,000.00	-13.1%	5,800,000	7.5%
TOTAL COMMODITY PURCHASE	6,100,000	4,847,920.68	5,394,000.00	-13.1%	5,800,000	7.5%
SALARIES AND EMPLOYEE BENEFITS						
SALARIES	500,000	417,789.15	501,346.98	0.3%	543,000	8.3%
PAYROLL TAXES	43,000	34,945.88	41,935.06	-2.5%	48,000	14.5%
RETIREMENT	250,000	129,820.59	283,000.00	11.7%	470,000	66.1%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	73,000	18,209.57	62,000.00	-17.7%	63,000	1.6%
HEALTH INSURANCE	68,000	59,825.43	65,500.00	-3.8%	78,000	19.1%
DENTAL INSURANCE	5,000	4,016.24	4,417.00	-13.2%	6,100	38.1%
LIFE INSURANCE	1,600	1,530.97	1,673.00	4.4%	1,700	1.6%
DISABILITY INSURANCE	5,200	4,324.49	5,189.39	-0.2%	5,800	11.8%
WORKERS COMP INSURANCE	3,800	2,936.72	3,916.00	3.0%	4,500	14.9%
SGPWA STAFF MISC. MEDICAL	10,000	7,564.61	9,077.53	-10.2%	12,000	32.2%
EMPLOYEE EDUCATION	1,000	0.00	0.00	0.0%	3,000	0.0%
TOTAL SALARIES AND EMPLOYEE BENEFITS	960,600	680,963.65	978,054.96	1.8%	1,235,100	26.3%

**SAN GORGONIO PASS WATER AGENCY
GENERAL FUND BUDGET FY 2020-2021**

**ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021
APPROVED: GENERAL FUND JULY xx, 2020 - DEBT SERVICE FUND AUGUST xx, 2020**

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021

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	1	2	3	4	5	6
	TOTAL	ACTUAL	ESTIMATED	REMAINING	PROPOSED	CHANGE %
	BUDGET	APRIL	ACTUAL	% ACTUAL	BUDGET	PROPOSED
	FY 2019-20	2020	AT JUNE 30	OF BUDGET	FY 2020-21	TO EST. ACTUAL
GENERAL FUND - EXPENSES						
ADMINISTRATIVE & PROFESSIONAL						
DIRECTOR EXPENDITURES						
DIRECTORS FEES	115,000	78,877.84	94,653.41	-21.5%	117,000	23.6%
DIRECTORS TRAVEL & EDUCATION	15,000	7,878.18	9,453.82	-58.7%	15,000	58.7%
DIRECTORS MISC. MEDICAL	21,000	8,548.37	10,258.04	-104.7%	21,000	104.7%
OFFICE EXPENDITURES						
OFFICE EXPENSE	15,000	9,575.08	11,490.10	-30.5%	15,000	30.5%
POSTAGE	700	368.62	442.34	-58.2%	600	35.6%
TELEPHONE	11,500	9,118.82	10,942.58	-5.1%	11,500	5.1%
UTILITIES	5,000	3,748.24	4,497.89	-11.2%	5,000	11.2%
SERVICE EXPENDITURES						
COMPUTER, WEB SITE AND PHONE SUPPORT	17,000	6,138.28	9,000.00	-88.9%	25,000	177.8%
GENERAL MANAGER & STAFF TRAVEL	18,000	21,793.74	22,000.00	18.2%	12,000	-45.5%
INSURANCE & BONDS	23,000	23,281.65	23,281.65	1.2%	23,000	-1.2%
ACCOUNTING & AUDITING	21,000	18,285.00	18,285.00	-14.8%	21,000	14.8%
STATE WATER CONTRACT AUDIT	5,500	5,471.00	5,471.00	-0.5%	6,000	9.7%
DUES & ASSESSMENTS	30,000	30,493.00	30,700.00	2.3%	35,000	14.0%
OUTSIDE PROFESSIONAL SERVICES	7,500	35,710.47	42,852.56	82.5%	100,000	133.4%
BANK CHARGES	1,000	929.89	1,115.87	10.4%	1,500	34.4%
MISCELLANEOUS EXPENSES	500	35,000.00	35,000.00	98.6%	500	-98.6%
MAINTENANCE & EQUIPMENT EXPENDITURES						
TOOLS PURCHASE & MAINTENANCE	500	941.57	1,129.88	55.7%	1,000	-11.5%
VEHICLE REPAIR & MAINTENANCE	5,000	6,390.29	7,668.35	34.8%	8,000	4.3%
MAINTENANCE & REPAIRS - BUILDING	30,000	10,003.51	12,004.21	-149.9%	25,000	108.3%
MAINTENANCE & REPAIRS - FIELD	8,000	2,779.74	6,000.00	-33.3%	25,000	316.7%
CONTRACT OPERATIONS AND MAINTENANCE	125,000	89,352.91	140,000.00	10.7%	140,000	0.0%
WATER TREATMENT EXPENSE	75,000	63,139.91	73,200.00	-2.5%	75,000	2.5%
COUNTY EXPENDITURES						
LAFCO COST SHARE	6,000	6,651.71	6,651.71	9.8%	7,500	12.8%
ELECTION EXPENSE	0	0.00	0.00	0.0%	125,000	
TAX COLLECTION CHARGES	11,000	6,342.55	8,300.00	-32.5%	10,000	20.5%
TOTAL ADMINISTRATIVE & PROFESSIONAL	567,200	480,820.37	584,398.42	-21.5%	825,600	41.3%

SAN GORGONIO PASS WATER AGENCY

GENERAL FUND BUDGET FY 2020-2021

ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021

APPROVED: GENERAL FUND JULY xx, 2020 - DEBT SERVICE FUND AUGUST xx, 2020

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021

DRAFT

	1 TOTAL BUDGET FY 2019-20	2 ACTUAL APRIL 2020	3 ESTIMATED ACTUAL AT JUNE 30	4 REMAINING % ACTUAL OF BUDGET	5 PROPOSED BUDGET FY 2020-21	6 CHANGE % PROPOSED TO EST. ACTUAL
GENERAL FUND - EXPENSES						
GENERAL ENGINEERING						
SGMA						
GSP CONSULTANT	500,000	179,186.86	215,024.23	-132.5%	500,000	132.5%
YUCAIPA GSA	30,000	13,406.26	15,000.00	-100.0%	30,000	100.0%
STUDIES						
URBAN WATER MANAGEMENT PLAN (UWMP)					125,000	NEW
WATER RATE NEXUS STUDY	35,000	0.00	0.00	0.0%	52,000	
CAPACITY FEE NEXUS STUDY UPDATE	48,000	14,487.50	18,000.00	-166.7%	20,000	11.1%
SEELING RATE STUDY	0	0.00	0.00	0.0%	4,000	
ISS	115,000	109,953.98	150,000.00	23.3%	115,000	-23.3%
DATED STUDY ON AVAILABLE WATER SOURCES	16,000	1,278.50	1,278.50	0.0%	2,000	56.4%
GENERAL ENGINEERING STUDIES					15,000	NEW
OTHER PROJECTS						
FLUME MONITORING	30,000	30,000.00	30,000.00	0.0%	30,000	0.0%
INFRASTRUCTURE PLAN	30,000	19,478.50	21,426.35	0.0%	12,000	-44.0%
BASIN MONITORING TASK FORCE	18,000	18,046.00	18,046.00	0.3%	30,000	66.2%
GIS SERVICES					5,000	NEW
GENERAL AGENCY, CEQA, ETC.	7,000	230.00	230.00	-2943.5%	10,000	4247.8%
TOTAL GENERAL ENGINEERING	829,000	386,067.60	469,005.08	-76.8%	950,000	102.6%
LEGAL SERVICES						
LEGAL SERVICES - GENERAL	150,000	76,932.05	92,318.46	-62.5%	125,000	35.4%
TOTAL LEGAL SERVICES	150,000	76,932.05	92,318.46	-62.5%	125,000	35.4%
CONSERVATION & EDUCATION						
SCHOOL EDUCATION PROGRAMS	12,000	5,220.00	5,220.00	-129.9%	16,000	206.5%
ADULT EDUCATION PROGRAMS	5,000	0.00	0.00	0.0%	10,000	50.0%
SPONSORSHIPS	10,000	0.00	0.00	0.0%	5,000	0.0%
OTHER CONSERVATION, EDUCATION AND P. R.	15,000	0.00	0.00	0.0%	15,000	0.0%
TOTAL CONSERVATION & EDUCATION	42,000	5,220.00	5,220.00	-704.6%	46,000	781.2%

**SAN GORGONIO PASS WATER AGENCY
GENERAL FUND BUDGET FY 2020-2021**

**ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021
APPROVED: GENERAL FUND JULY xx, 2020 - DEBT SERVICE FUND AUGUST xx, 2020**

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021

DRAFT

	1 TOTAL BUDGET FY 2019-20	2 ACTUAL APRIL 2020	3 ESTIMATED ACTUAL AT JUNE 30	4 REMAINING % ACTUAL OF BUDGET	5 PROPOSED BUDGET FY 2020-21	6 CHANGE % PROPOSED TO EST. ACTUAL
GENERAL FUND - EXPENSES						
GENERAL FUND CAPITAL EXPENDITURES						
BUILDING & EQUIPMENT						
BUILDING	10,000	0.00	0.00	0.0%	10,000	0.0%
FURNITURE & OFFICE EQUIPMENT	25,000	0.00	0.00	0.0%	25,000	0.0%
OTHER EQUIPMENT	0	0.00	0.00	0.0%	0	0.0%
MT. VIEW CONNECTION						
INTEGRATION AND PROGRAMMING					7,500	NEW
NOBLE TURNOUT EXPANSION						
INTEGRATION AND PROGRAMMING					2,500	NEW
BLISS HILL CONJUNCTIVE USE PROJECT	0	0.00	0.00	0.0%	40,000	
SITES RESERVOIR	322,000	302,057.17	302,027.17	0.0%	1,400,000	363.5%
MAINTAINING WELLS USGS	250,000	299,873.26	299,873.26	16.6%	0	-100.0%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	607,000	601,930.43	601,900.43	-0.8%	1,485,000	146.7%
PROJECTS/ITEMS COMPLETED IN FY19-20	60,500	643,814.80	665,465.00			
TOTAL GENERAL FUND EXPENSES	9,316,300	7,723,669.58	8,790,362.34	-6.0%	10,466,700	19.1%
GENERAL FUND NET INCOME YEAR TO DATE	234,700	168,804.14	798,690.02		-1,774,700	
ITEMS FUNDED BY RESERVES						
MT. VIEW INTEGRATION AND PROGRAMMING			644,910		7,500	
NICKEL WATER SUBSIDY			1,000,000		1,000,000	
SITES RESERVOIR			279,927		1,000,000	
TOTAL ITEMS FUNDED BY RESERVES	1,326,000		1,924,837		2,007,500	



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(916) 445-5511

DELTA STEWARDSHIP COUNCIL

A California State Agency

June 1, 2020

Brian "BG" Heiland, Principal Engineer
State Water Project, Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001

Chair
Susan Tatayon

Members
Frank C. Damrell, Jr.
Randy Fiorini
Michael Gatto
Maria Mehranian
Oscar Villegas
Daniel Zingale

Executive Officer
Jessica R. Pearson

Via email: WMTAmendment@water.ca.gov

RE: Comments on the Partially Recirculated Draft Environmental Impact Report for the State Water Project Water Supply Contract Amendments for Water Management, SCH# 2018072033

Dear Brian Heiland:

Thank you for the opportunity to comment on the Partially Recirculated Draft Environmental Impact Report (PRDEIR) for the State Water Project Water Supply Contract Amendments for Water Management (project). The Delta Stewardship Council (Council) recognizes the Department of Water Resources' (DWR) objective to supplement and clarify terms of the State Water Project water supply contract (SWP Contract) that will provide greater flexibility in water management regarding transfers and exchanges of State Water Project (SWP) water supplies within the SWP service area consistent with applicable laws, contractual obligations, and agreements. As noted in the PRDEIR (p. ES-4), the project would add, delete, and modify provisions of the SWP Contract to meet these objectives. The project would not build new or modify existing SWP facilities, would not change any of the Public Water Agencies (PWA) Annual Table A amounts, and would not change the overall amount of water delivered through the Delta by the SWP.

The Council is an independent State of California agency established by the Sacramento-San Joaquin Delta Reform Act of 2009 (SBX7 1; Delta Reform Act (Wat. Code, §§ 85000 et seq.)). As stated in the Delta Reform Act, the State has coequal goals for the Delta: providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place (Wat. Code, § 85054). The Council is charged with furthering California's coequal goals for the Delta through the adoption and implementation of the Delta Plan.

"Coequal goals" means the two goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place."

Through the Delta Reform Act, the Council was granted specific regulatory and appellate authority over certain actions that take place in whole or in part in the Delta and Suisun Marsh, which are referred to as “covered actions”. A state or local agency that proposes to undertake a covered action is required to prepare a written certification of consistency with detailed findings as to whether the covered action is consistent with the Delta Plan and submit that certification to the Council prior to implementation of the project (Wat. Code, § 85225).

Based on the project location (PRDEIR, p. 4-1) and scope, the project appears to meet the definition of a covered action. As defined in Water Code section 85057.5 subdivision (a), a covered action is a plan, program, or project as defined pursuant to Section 21065 of the Public Resources Code (CEQA statute) that meets all of the following conditions:

1. Will occur, in whole or in part, within the boundaries of the Delta or Suisun Marsh;
2. Will be carried out, approved, or funded by a state or a local public agency;
3. Is covered by one of the provisions of the Delta Plan; and
4. Will have a significant impact on achievement of one or both of the coequal goals or the implementation of government-sponsored flood control programs to reduce risks to people, property, and State interests in the Delta.

DWR has defined the project as a program subject to CEQA. The project further appears to meet the conditions for a covered action because:

1. SWP water delivery facilities that would be operated to fulfill the amended SWP contracts are located in part within the boundary of the Delta.
2. The project would be carried out and approved by DWR, a state public agency.
3. The PRDEIR describes project activities covered by Delta Plan policies, as described below; and
4. The PRDEIR describes project activities that may have a significant positive or negative impact on providing a more reliable water supply for California.

As noted above, the state or local agency approving, funding, or carrying out the project must determine if the project is a covered action, and if so, submit a certification of consistency with the Delta Plan to the Council. The certification is subject to appeal before the Council as set forth in Water Code section 85225.10.

In the following section, we describe Delta Plan regulatory policies that may apply to the project, based on information provided in the PRDEIR¹. This information is offered to assist DWR in preparing certified environmental documents for the project that can be used to support a certification of consistency with the Delta Plan.

¹ The Delta Plan policies identified in this letter are those Council staff has identified as relevant to the project based on information provided in the PRDEIR. However, DWR should determine the applicability and consistency of all Delta Plan regulatory policies in a certification of consistency for the project.

Detailed Findings to Establish Consistency with the Delta Plan

Delta Plan General Policy **G P1** (Cal. Code Regs., tit. 23, § 5002) specifies what must be addressed in a certification of consistency filed by a state or local agency with regard to a covered action. The certification of consistency must include detailed findings that address the following subsection:

Adaptive Management

Delta Plan Policy **G P1(b)(4)** (Cal. Code Regs., tit. 23, § 5002 (b)(3)) requires that ecosystem restoration and water management covered actions include adequate provisions, appropriate to scope of the action, to assure continued implementation of adaptive management. This requirement is satisfied through (1) an adaptive management plan that describes the approach to be taken consistent with the adaptive management framework described in Appendix 1B of the Delta Plan (<http://www.deltacouncil.ca.gov/pdf/delta-plan/2015-appendix-1b.pdf>), and (2) documentation of access to adequate resources and delineated authority for the implementation of the proposed adaptive management process.

Adaptive management is required for the project given its water management components. Council staff understand that an adaptive management plan is not available as part of the PRDEIR. An adaptive management plan consistent with the framework referenced above will be required as part of a certification of consistency with the Delta Plan for the project. Council staff in the Delta Science Program are available to provide early consultation on adaptive management upon request.

Reduce Reliance on the Delta through Improved Regional Water Self-Reliance

Delta Plan Policy **WR P1** (Cal. Code Regs, tit. 23, § 5003) provides that “[w]ater shall not be exported from, transferred through, or used in the Delta” if three factors apply, as set forth in subdivisions (a)(1), (a)(2), and (a)(3):

- (a)(1). One or more water suppliers that would receive water as a result of the export, transfer, or use have failed to adequately contribute to reduced reliance on the Delta and improved regional self-reliance consistent with all of the requirements listed in paragraph (1) of subsection (c);
- (a)(2). That failure has significantly caused the need for the export, transfer, or use; and
- (a)(3). The export, transfer, or use would have a significant adverse environmental impact in the Delta.

The PRDEIR identifies that the expected increase in groundwater pumping associated with the project could substantially deplete groundwater supplies and could result in subsidence in some of the study area. The PRDEIR identifies these as significant and unavoidable impacts after mitigation (PRDEIR, p. ES-12). In the Final EIR, DWR should identify if these impacts would be expected to occur in the Delta as described in subsection (a)(3) above. If significant

unavoidable impacts to groundwater would occur in the Delta with implementation of the project, the certification of consistency should address WR P1 and include documentation relative to all three subsections above.

Additionally, because this project provides additional flexibility for future water transfers and exchanges by PWAs, WR P1 requirements, including subdivision (a)(1), may apply to future transfers and exchanges that would move water through and result in a significant impact in the Delta. WR P1 subdivision (a)(1) provides that a project may not proceed if one or more water suppliers that would receive water as a result of the project have failed to satisfy all of the requirements of subdivision (c)(1). Fulfilling these requirements includes describing how all water suppliers that would receive water as a result of the project have adequately contributed to reduced reliance on the Delta and improved regional self-reliance by:

- (1) completing a current Urban or Agricultural Water Management Plan which has been reviewed by DWR for compliance with applicable requirements of the Water Code;
- (2) identifying, evaluating, and commencing implementation activities identified in a plan that are locally cost effective and technically feasible, which reduce reliance on the Delta; and
- (3) including within the plan the expected outcome for measurable reductions in Delta reliance and improvement in regional self-reliance. (emphasis added)

DWR should alert PWAs proposing to undertake a future multi-year water transfer or exchange project that would move water through the Delta of the legal requirement to submit a certification of consistency with the Delta Plan to the Council. Such a certification would need to demonstrate consistency with WR P1 by meeting the requirements described above.

Transparency in Water Contracting

Delta Plan Policy **WR P2** (23 CCR §5004) requires proposed actions which engage in contracting for the SWP and/or the Central Valley Project (CVP) be publicly transparent in a manner consistent with applicable DWR and Bureau of Reclamation policies, respectively.

The Council recognizes that DWR has engaged in a multi-year, facilitated public process to negotiate an Agreement in Principle (AIP) with the PWAs for the contract amendments proposed for this project. The Council recommends that DWR's certification of consistency for this project describe the process in detail, including records of public notice and summaries of public negotiation meetings, and documenting how DWR followed its applicable guidelines (03-09 and/or 03-10 (each dated July 3, 2003)), included as Delta Plan Appendix 2A².

² Delta Plan Appendix 2A is available on request from archives@deltacouncil.ca.gov.

Brian Heiland
Partially Recirculated PRDEIR for the SWP Water Supply Contract Amendments for Water
Management
June 1, 2020
Page 5

Water Management and Efficiency

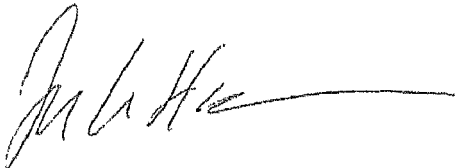
In addition to regulatory policies applicable to covered actions, the Delta Plan includes non-regulatory recommendations for actions to be taken by the Council and other agencies to support achieving California's coequal goals for the Delta. Specifically, Delta Plan Recommendation **WR R2** states that:

"[DWR] should include a provision in all [SWP] contracts, contract amendments, contract renewals, and water transfer agreements that requires the implementation of all State water efficiency and water management laws, goals, and regulations, including compliance with Water Code section 85021³."

The Council views the contract amendment process as an ideal venue for DWR to implement WR R2 by requiring PWAs to meet the requirements set forth in California law for WR P1 (Cal. Code Regs, tit. 23, § 5003). We urge DWR to consider adding additional terms to both the currently proposed contract amendments and future contract amendments to support implementation of the Delta Plan.

We invite DWR to engage with Council staff in early consultation as you complete the final environmental documentation for the project and prepare for submittal of a certification of consistency with the Delta Plan. Please contact me at (916) 445-0258 (Jeff.Henderson@deltacouncil.ca.gov) or (916) 589-0081 (Andrew.Schwarz@deltacouncil.ca.gov) with any questions.

Sincerely,



Jeff Henderson, AICP
Deputy Executive Officer

Cc: Cindy Messer, Department of Water Resources (Cindy.Messer@water.ca.gov)
Kris Jones, Department of Water Resources (Kris.Jones@water.ca.gov)

³ For reference, Water Code section 85021 states that "The policy of the State of California is to reduce reliance on the Delta in meeting California's future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency. Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts."

MEMORANDUM

TO: Board of Directors

FROM: Interim General Manager

RE: Adoption of FY 2020-2021 General Fund Budget

DATE: July 6, 2020

Summary:

At the June 22 Finance and Budget workshop, the Board voted to consider the 2020-2021 General Fund budget discussed at that meeting. The purpose of this proposed Board action is to affirm the Board's recommendation from that workshop by considering and approving the proposed budget.

Background:

The primary differences in the Agency's General Fund budget from year to year are the amount of water purchased, which depends on how much water is available from the State Water Project, and whether the Board decides to spend money on capital expenditures. To some extent, engineering studies or other studies also play a role in the budget, though not typically to a large extent.

By far, the largest item in the Agency's proposed general fund budget is water purchases (\$5.8 million out of \$10.5 million, or 55%). The second largest single item is an investment in Sites Reservoir, at \$1,000,000, or 9.5%. The third largest item is salaries, at \$543,000, or 5.2%. Having essentially completed the Fiesta recharge facility and Mt. View connection, there is little reason for large capital expenditures this year with the exception of Sites. The proposed revenues and expenditures are detailed in the budget, to be found in the agenda package. Pie charts detailing where revenues come from and where expenses go, in broad categories, are also included.

Detailed Report:

General Fund tax revenues are expected to be approximately the same as last year - \$3.3 million. While staff typically projects that

property tax revenues will increase slightly most years, staff believes that some revenues were received in 2019-2020 that will not be repeated this year; hence the projection of no net increase. Property taxes and water sales revenue comprise 86% of projected revenue for the general fund. This does not include any capacity fee revenues that may be generated or any increase in water rates that may occur during the year.

After purchase of water, the largest category of expense is capital expenditures, at \$1,485,000, or 14.2% of expenditures. Almost all of this is for Sites Reservoir, with \$400,000 of it being reimbursed from Beaumont Cherry Valley Water District. The Salary and Benefit category is slightly larger than last year, due to a proposed payment of an additional \$100,000 to pay down the PERS UAL (unfunded accrued liability). The budget includes funding for a fifth employee for nine months at a salary of approximately \$19 per hour. Engineering costs for non-capital expenditures are projected to be 9% of expenditures. Over half of this, as noted above, will be reimbursed from a grant.

Salaries and Benefits and Administrative and Professional expenses combined comprise 20% of the proposed budget, up from 15% last year. Increases this year include election costs and part time services of the former General Manager during transition. Conservation and Education costs are higher, partly as a result of a proposal for additional work from the IERCD and partly due to the fact that next year the Agency will turn 60 and may want to expend some funds on an event to educate the public about the Agency and its mission.

Proposed capital expenditures include a new copier and new server, and completion of integration and programming work at the Mt. View and Noble service connections. This is in addition to the Sites investment mentioned above.

Total proposed expenditures are \$10.47 million. Total revenues are projected to be \$8.69 million. The budget, as proposed, is not balanced, with a net negative balance of \$1.77 million. The biggest reason for this is a projected revenue of just \$4.2 million in water sales (as opposed to projected actual sales this year of \$5 million),

and projected purchased water expenses of \$5.8 million (as opposed to projected actual expenses this year of \$5.4 million). Put another way, the projected budget deficit of \$1.77 million is nearly all the result of the difference between projected water sales and expenses (a projected difference of \$1.6 million). This \$1.6 million only includes the purchase and pumping of the water, and does not include other costs associated with the delivery of water, including Agency operating costs and Valley District operating costs.

After the budget was recommended for approval at the June 22 Finance and Budget workshop, the Agency received its 2021 Statement of Charges (SOC) from DWR. The SOC shows that there will be approximately \$430,000 of additional costs next year for pumping of water (this is known as a prior year adjustment). Of this, \$215,000 will be expended in this fiscal year (January through June 2021). Thus, the deficit for water deliveries is actually closer to \$1.8 million than \$1.6 million. Since the Board already voted to recommend the proposed budget, staff did not want to make changes to it for this meeting; however, the Board needs to be aware of this fact.

The budget assumes no change in the water rate during the fiscal year. It also assumes no revenues from a capacity fee. Either assumption could change, depending on events during the year.

Fiscal Impact:

The impact of adopting this budget will be a net reduction of \$1.77 million in General Fund reserves (note: with the addition of the prior year adjustment, this is actually closer to \$2 million). To ensure long-term sustainability, the Agency should not be drawing down its reserves in years in which it does not have large infrastructure expenditures. Continued withdrawal of reserves to meet regular operating expenses is not good fiscal management. The Board needs to address this issue in the coming year. Agency reserves will be needed in the future to invest in infrastructure that will provide a long-term reliable water supply for the region. Use of those reserves today for normal operating costs will hamper future Boards when it is time to invest in the needed infrastructure.

Recommendation:

Staff recommends that the Board adopt the General Fund budget as proposed, but review its water pricing structure and other revenues and expenditures during the year in order to determine how best to balance the budget next year.

SAN GORGONIO PASS WATER AGENCY

GENERAL FUND BUDGET FY 2020-2021

ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021

APPROVED: GENERAL FUND JULY xx, 2020 - DEBT SERVICE FUND AUGUST xx, 2020

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021						
DRAFT	1	2	3	4	5	6
	TOTAL	ACTUAL	ESTIMATED	REMAINING	PROPOSED	CHANGE %
	BUDGET	APRIL	ACTUAL	% ACTUAL	BUDGET	PROPOSED
	FY 2019-20	2020	AT JUNE 30	OF BUDGET	FY 2020-21	TO EST. ACTUAL
GENERAL FUND - INCOME						
INCOME						
WATER SALES	5,600,000	4,481,423.40	5,000,000.00	-12.0%	4,200,000	-16.0%
TAX REVENUE	2,750,000	2,226,878.30	3,300,000.00	16.7%	3,300,000	0.0%
INTEREST	350,000	263,239.81	315,500.00	-10.9%	250,000	-20.8%
DESIGNATED REVENUES	820,000	885,279.85	937,900.00	12.6%	910,000	-3.0%
CAPACITY FEE	0	0.00	0.00	0.0%	0	0.0%
OTHER (REIMBURSEMENTS, TRANSFERS)	31,000	35,652.36	35,652.36	13.0%	32,000	-10.2%
TOTAL GENERAL FUND INCOME	9,551,000	7,892,473.72	9,589,052.36	0.4%	8,692,000	-9.4%
GENERAL FUND - EXPENSES						
COMMODITY PURCHASE						
PURCHASED WATER	6,100,000	4,847,920.68	5,394,000.00	-13.1%	5,800,000	7.5%
TOTAL COMMODITY PURCHASE	6,100,000	4,847,920.68	5,394,000.00	-13.1%	5,800,000	7.5%
SALARIES AND EMPLOYEE BENEFITS						
SALARIES	500,000	417,789.15	501,346.98	0.3%	543,000	8.3%
PAYROLL TAXES	43,000	34,945.88	41,935.06	-2.5%	48,000	14.5%
RETIREMENT	250,000	129,820.59	283,000.00	11.7%	470,000	66.1%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	73,000	18,209.57	62,000.00	-17.7%	63,000	1.6%
HEALTH INSURANCE	68,000	59,825.43	65,500.00	-3.8%	78,000	19.1%
DENTAL INSURANCE	5,000	4,016.24	4,417.00	-13.2%	6,100	38.1%
LIFE INSURANCE	1,600	1,530.97	1,673.00	4.4%	1,700	1.6%
DISABILITY INSURANCE	5,200	4,324.49	5,189.39	-0.2%	5,800	11.8%
WORKERS COMP INSURANCE	3,800	2,936.72	3,916.00	3.0%	4,500	14.9%
SGPWA STAFF MISC. MEDICAL	10,000	7,564.61	9,077.53	-10.2%	12,000	32.2%
EMPLOYEE EDUCATION	1,000	0.00	0.00	0.0%	3,000	0.0%
TOTAL SALARIES AND EMPLOYEE BENEFITS	960,600	680,963.65	978,054.96	1.8%	1,235,100	26.3%

SAN GORGONIO PASS WATER AGENCY

GENERAL FUND BUDGET FY 2020-2021

ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021

APPROVED: GENERAL FUND JULY xx, 2020 - DEBT SERVICE FUND AUGUST xx, 2020

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021						
DRAFT	1	2	3	4	5	6
	TOTAL	ACTUAL	ESTIMATED	REMAINING	PROPOSED	CHANGE %
	BUDGET	APRIL	ACTUAL	% ACTUAL	BUDGET	PROPOSED
	FY 2019-20	2020	AT JUNE 30	OF BUDGET	FY 2020-21	TO EST. ACTUAL
GENERAL FUND - EXPENSES						
ADMINISTRATIVE & PROFESSIONAL						
DIRECTOR EXPENDITURES						
DIRECTORS FEES	115,000	78,877.84	94,653.41	-21.5%	117,000	23.6%
DIRECTORS TRAVEL & EDUCATION	15,000	7,878.18	9,453.82	-58.7%	15,000	58.7%
DIRECTORS MISC. MEDICAL	21,000	8,548.37	10,258.04	-104.7%	21,000	104.7%
OFFICE EXPENDITURES						
OFFICE EXPENSE	15,000	9,575.08	11,490.10	-30.5%	15,000	30.5%
POSTAGE	700	368.62	442.34	-58.2%	600	35.6%
TELEPHONE	11,500	9,118.82	10,942.58	-5.1%	11,500	5.1%
UTILITIES	5,000	3,748.24	4,497.89	-11.2%	5,000	11.2%
SERVICE EXPENDITURES						
COMPUTER, WEB SITE AND PHONE SUPPORT	17,000	6,138.28	9,000.00	-88.9%	25,000	177.8%
GENERAL MANAGER & STAFF TRAVEL	18,000	21,793.74	22,000.00	18.2%	12,000	-45.5%
INSURANCE & BONDS	23,000	23,281.65	23,281.65	1.2%	23,000	-1.2%
ACCOUNTING & AUDITING	21,000	18,285.00	18,285.00	-14.8%	21,000	14.8%
STATE WATER CONTRACT AUDIT	5,500	5,471.00	5,471.00	-0.5%	6,000	9.7%
DUES & ASSESSMENTS	30,000	30,493.00	30,700.00	2.3%	35,000	14.0%
OUTSIDE PROFESSIONAL SERVICES	7,500	35,710.47	42,852.56	82.5%	100,000	133.4%
BANK CHARGES	1,000	929.89	1,115.87	10.4%	1,500	34.4%
MISCELLANEOUS EXPENSES	500	35,000.00	35,000.00	98.6%	500	-98.6%
MAINTENANCE & EQUIPMENT EXPENDITURES						
TOOLS PURCHASE & MAINTENANCE	500	941.57	1,129.88	55.7%	1,000	-11.5%
VEHICLE REPAIR & MAINTENANCE	5,000	6,390.29	7,668.35	34.8%	8,000	4.3%
MAINTENANCE & REPAIRS - BUILDING	30,000	10,003.51	12,004.21	-149.9%	25,000	108.3%
MAINTENANCE & REPAIRS - FIELD	8,000	2,779.74	6,000.00	-33.3%	25,000	316.7%
CONTRACT OPERATIONS AND MAINTENANCE	125,000	89,352.91	140,000.00	10.7%	140,000	0.0%
WATER TREATMENT EXPENSE	75,000	63,139.91	73,200.00	-2.5%	75,000	2.5%
COUNTY EXPENDITURES						
LAFCO COST SHARE	6,000	6,651.71	6,651.71	9.8%	7,500	12.8%
ELECTION EXPENSE	0	0.00	0.00	0.0%	125,000	
TAX COLLECTION CHARGES	11,000	6,342.55	8,300.00	-32.5%	10,000	20.5%
TOTAL ADMINISTRATIVE & PROFESSIONAL	567,200	480,820.37	584,398.42	-21.5%	825,600	41.3%

SAN GORGONIO PASS WATER AGENCY

GENERAL FUND BUDGET FY 2020-2021

ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021

APPROVED: GENERAL FUND JULY xx, 2020 - DEBT SERVICE FUND AUGUST xx, 2020

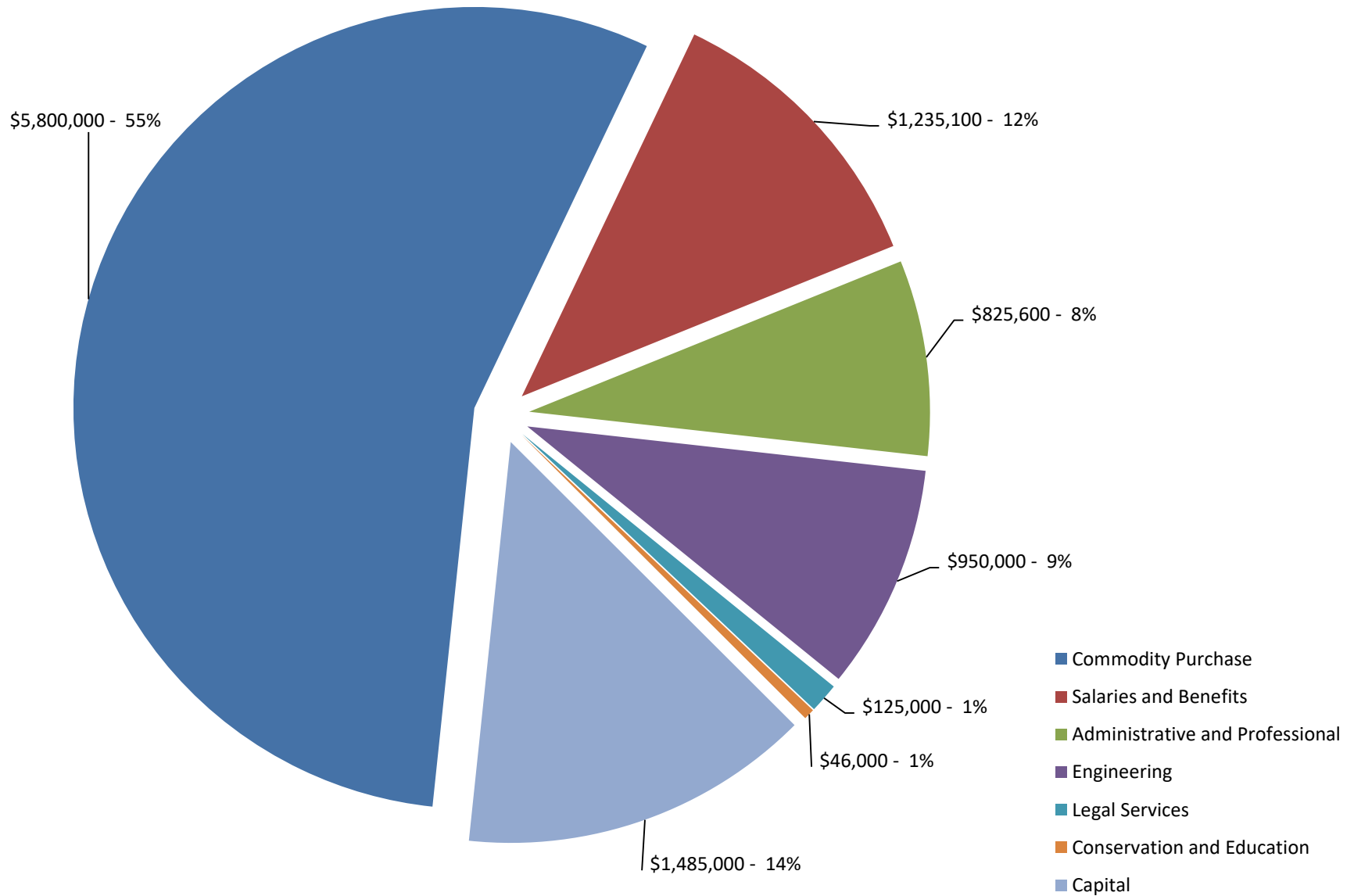
FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021						
DRAFT	1	2	3	4	5	6
	TOTAL BUDGET FY 2019-20	ACTUAL APRIL 2020	ESTIMATED ACTUAL AT JUNE 30	REMAINING % ACTUAL OF BUDGET	PROPOSED BUDGET FY 2020-21	CHANGE % PROPOSED TO EST. ACTUAL
	GENERAL FUND - EXPENSES					
GENERAL ENGINEERING						
SGMA						
GSP CONSULTANT	500,000	179,186.86	215,024.23	-132.5%	500,000	132.5%
YUCAIPA GSA	30,000	13,406.26	15,000.00	-100.0%	30,000	100.0%
STUDIES						
URBAN WATER MANAGEMENT PLAN (UWMP)					125,000	NEW
WATER RATE NEXUS STUDY	35,000	0.00	0.00	0.0%	52,000	
CAPACITY FEE NEXUS STUDY UPDATE	48,000	14,487.50	18,000.00	-166.7%	20,000	11.1%
HEELING RATE STUDY	0	0.00	0.00	0.0%	4,000	
SGS	115,000	109,953.98	150,000.00	23.3%	115,000	-23.3%
UPDATED STUDY ON AVAILABLE WATER SOURCES	16,000	1,278.50	1,278.50	0.0%	2,000	56.4%
GENERAL ENGINEERING STUDIES					15,000	NEW
OTHER PROJECTS						
FLUME MONITORING	30,000	30,000.00	30,000.00	0.0%	30,000	0.0%
INFRASTRUCTURE PLAN	30,000	19,478.50	21,426.35	0.0%	12,000	-44.0%
BASIN MONITORING TASK FORCE	18,000	18,046.00	18,046.00	0.3%	30,000	66.2%
GIS SERVICES					5,000	NEW
GENERAL AGENCY, CEQA, ETC.	7,000	230.00	230.00	-2943.5%	10,000	4247.8%
TOTAL GENERAL ENGINEERING	829,000	386,067.60	469,005.08	-76.8%	950,000	102.6%
LEGAL SERVICES						
LEGAL SERVICES - GENERAL	150,000	76,932.05	92,318.46	-62.5%	125,000	35.4%
TOTAL LEGAL SERVICES	150,000	76,932.05	92,318.46	-62.5%	125,000	35.4%
CONSERVATION & EDUCATION						
SCHOOL EDUCATION PROGRAMS	12,000	5,220.00	5,220.00	-129.9%	16,000	206.5%
ADULT EDUCATION PROGRAMS	5,000	0.00	0.00	0.0%	10,000	50.0%
SPONSORSHIPS	10,000	0.00	0.00	0.0%	5,000	0.0%
OTHER CONSERVATION, EDUCATION AND P. R.	15,000	0.00	0.00	0.0%	15,000	0.0%
TOTAL CONSERVATION & EDUCATION	42,000	5,220.00	5,220.00	-704.6%	46,000	781.2%

**SAN GORGONIO PASS WATER AGENCY
GENERAL FUND BUDGET FY 2020-2021**

**ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021
APPROVED: GENERAL FUND JULY xx, 2020 - DEBT SERVICE FUND AUGUST xx, 2020**

	FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021					
	1	2	3	4	5	6
	TOTAL	ACTUAL	ESTIMATED	REMAINING	PROPOSED	CHANGE %
	BUDGET	APRIL	ACTUAL	% ACTUAL	BUDGET	PROPOSED
	FY 2019-20	2020	AT JUNE 30	OF BUDGET	FY 2020-21	TO EST. ACTUAL
DRAFT						
GENERAL FUND - EXPENSES						
GENERAL FUND CAPITAL EXPENDITURES						
BUILDING & EQUIPMENT						
BUILDING	10,000	0.00	0.00	0.0%	10,000	0.0%
FURNITURE & OFFICE EQUIPMENT	25,000	0.00	0.00	0.0%	25,000	0.0%
OTHER EQUIPMENT	0	0.00	0.00	0.0%	0	0.0%
MT. VIEW CONNECTION						
INTEGRATION AND PROGRAMMING					7,500	NEW
NOBLE TURNOUT EXPANSION						
INTEGRATION AND PROGRAMMING					2,500	NEW
WIKER HILL CONJUNCTIVE USE PROJECT	0	0.00	0.00	0.0%	40,000	
SITES RESERVOIR	322,000	302,057.17	302,027.17	0.0%	1,400,000	363.5%
MONITORING WELLS USGS	250,000	299,873.26	299,873.26	16.6%	0	-100.0%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	607,000	601,930.43	601,900.43	-0.8%	1,485,000	146.7%
PROJECTS/ITEMS COMPLETED IN FY19-20	60,500	643,814.80	665,465.00			
TOTAL GENERAL FUND EXPENSES	9,316,300	7,723,669.58	8,790,362.34	-6.0%	10,466,700	19.1%
GENERAL FUND NET INCOME YEAR TO DATE	234,700	168,804.14	798,690.02		-1,774,700	
ITEMS FUNDED BY RESERVES						
FIESTA RECHARGE CONSTRUCTION			644,910		7,500	
NICKEL WATER SUBSIDY			1,000,000		1,000,000	
SITES RESERVOIR			279,927		1,000,000	
TOTAL ITEMS FUNDED BY RESERVES	1,326,000		1,924,837		2,007,500	

Proposed General Fund Expenditures FY 2020-21



Proposed General Fund Sources of Revenue FY 2020-21

